

ROYAL BANK OF SCOTLAND GROUP PLC  
Form 424B5  
July 02, 2013

PRICING SUPPLEMENT†

Registration Statement 333-184147 and  
333-184147-01  
Rule 424(b)(5)

(TO PROSPECTUS DATED SEPTEMBER 28,  
2012)

The Royal Bank of Scotland plc  
RBS Notes<sup>SM</sup>

fully and unconditionally guaranteed by The Royal Bank of Scotland Group plc  
4,000,000 ETNs\* RBS Rogers Enhanced Commodity Index Exchange Traded Notes  
4,000,000 ETNs\* RBS Rogers Enhanced Agriculture Exchange Traded Notes  
4,000,000 ETNs\* RBS Rogers Enhanced Energy Exchange Traded Notes  
4,000,000 ETNs\* RBS Rogers Enhanced Precious Metals Exchange Traded Notes  
4,000,000 ETNs\* RBS Rogers Enhanced Industrial Metals Exchange Traded Notes

ETNs	ETN Trading Price Ticker	ETN Indicative Value Ticker	ETN Daily Redemption Value Ticker	ETN		Underlying Index Ticker
				CUSIP	ETN ISIN	
Rogers Enhanced Commodity ETNs	RGRC	RGRC.IV	RGRC.NV	78009P176	US78009P1764	RGRC.ID
Rogers Enhanced Agriculture ETNs	RGRA	RGRA.IV	RGRA.NV	78009P184	US78009P1848	RGRA.ID
Rogers Enhanced Energy ETNs	RGRE	RGRE.IV	RGRE.NV	78009P192	US78009P1921	RGRE.ID
Rogers Enhanced Precious Metals ETNs	RGRP	RGRP.IV	RGRP.NV	78009P200	US78009P2002	RGRP.ID
Rogers Enhanced Industrial Metals ETNs	RGRI	RGRI.IV	RGRI.NV	78009P218	US78009P2184	RGRI.ID

♣We are offering five separate series of Exchange Traded Notes (the “ETNs”), each of which tracks a total return version of a specific Rogers International Commodity Index® (“RICI”) Enhanced<sup>SM</sup>. Investors can subscribe to any or all of the five offerings. The ETNs are listed on NYSE Arca under the ticker symbols listed above.

♣The RICI Enhanced<sup>SM</sup> Commodity Index is a composite, USD-based index that tracks the value of a weighted basket of 36 commodities (each, a “Component Commodity”). Each of the RICI Enhanced<sup>SM</sup> Agriculture, the RICI Enhanced<sup>SM</sup> Energy, the RICI Enhanced<sup>SM</sup> Precious Metals and the RICI Enhanced<sup>SM</sup> Industrial Metals represents a sector of the RICI Enhanced<sup>SM</sup> Commodity Index and tracks the value of a weighted basket of between 4 and 20 Component Commodities. The ETNs are designed for investors seeking exposure to one of these five RICI Enhanced<sup>SM</sup> Indices.

- The ETNs each have an annual investor fee of 0.95%.

♣We will not pay any amounts on the ETNs until maturity, or until they are redeemed or repurchased, and investors should be willing to lose up to 100% of their investment if the underlying index declines or does not increase in an amount sufficient to offset the investor fee.

♣The ETNs are unsecured and unsubordinated obligations of The Royal Bank of Scotland plc (“RBS plc”), maturing October 29, 2042, and are fully and unconditionally guaranteed by The Royal Bank of Scotland Group plc (“RBSG”). Any payment on the ETNs is subject to the ability of RBS plc, as issuer of the ETNs, and RBSG, as guarantor of the issuer’s obligations under the ETNs, to pay their respective obligations as they become due.

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The denomination and stated face amount of each ETN is \$25.00. Any ETNs issued in the future may be issued at a price that is higher or lower than the stated face amount, based on the indicative value of the ETNs at that time.

¶ The initial offering of ETNs priced on October 25, 2012 (the “inception date”) and settled on November 14, 2012 (the “initial settlement date”). Delivery of the ETNs in book-entry form only will be made through The Depository Trust Company (“DTC”).

† This amended and restated pricing supplement amends, restates and supersedes the pricing supplement dated October 25, 2012 in its entirety. We refer to this amended and restated pricing supplement as the “pricing supplement.” The ETNs involve risks not associated with an investment in conventional debt securities. See “Risk Factors” beginning on PS-27 of this pricing supplement.

The ETNs are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other government agency.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved the ETNs, or determined if this pricing supplement or the prospectus are truthful or complete. Any representation to the contrary is a criminal offense.

#### RBS Securities Inc.

\* The agent for this offering, RBS Securities Inc. (“RBSSI”), is our affiliate. We issued \$4,000,000 in face amount of each series of ETNs (equivalent to 160,000 ETNs of each series) on the initial settlement date to be sold through RBSSI. These ETNs and additional ETNs may be offered and sold from time to time by or through RBSSI and one or more dealers at a price that is higher or lower than the \$25.00 stated face amount, based on the indicative value of the ETNs at that time. We will receive proceeds equal to 100% of the offering price of the ETNs issued and sold after the inception date. As of June 28, 2013, we have issued \$38,000,000 in face amount of the ETNs (equivalent to 1,520,000 ETNs). We have entered into an agreement with Pacer Financial, Inc. (“Pacer”) under which Pacer will receive a portion of the investor fee in consideration for its role in marketing the ETNs. The actual amount received by Pacer in a given year will depend on, among other things, the daily redemption value of ETNs then outstanding and the number and value of any other then-outstanding securities issued by RBS plc or its affiliates and marketed by Pacer.

In exchange for providing certain services relating to the distribution of the ETNs, RBSSI may receive all or a portion of the investor fee. See “Plan of Distribution (Conflicts of Interest)” in this pricing supplement for more information.

July 2, 2013

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## Key Terms

Issuer:	The Royal Bank of Scotland plc (“RBS plc”)
Guarantor:	The Royal Bank of Scotland Group plc (“RBSG”)
Inception Date:	October 25, 2012
Initial Settlement Date:	October 30, 2012
Maturity Date:	October 29, 2042
Final Valuation Date:	October 24, 2042 (or, if such day is not a valuation date, the next following valuation date but no later than October 31, 2042).
The RICI EnhancedSM Commodity and RICI EnhancedSM Sector Indices:	The return on your ETNs will be based on the performance of the total return version of the corresponding underlying index. Each ETN will be based on the RICI EnhancedSM Commodity Index (the “RICI EnhancedSM Commodity Index”) or on the RICI EnhancedSM Agriculture, the RICI EnhancedSM Energy, the RICI EnhancedSM Precious Metals and the RICI EnhancedSM Industrial Metals (each, a “Sector Index”). All of the RICI EnhancedSM Indices were created by The Royal Bank of Scotland N.V., London Branch (“RBS N.V.”) and James B. Rogers, Jr. (“Jim Rogers”) in October 2007 as an enhancement to the Rogers International Commodity Index (“RICI”) and its sub-indices that had been in operation since the late 1990s. The RICI EnhancedSM Commodity and Sector Indices are overseen by a committee (the “Index Committee”), which at present consists of two members: Jim Rogers, as the nominated representative of Beeland Interests, Inc. (“Beeland”), and the nominated representative of RBS plc. Jim Rogers and Beeland are not affiliated with RBS plc or with RBSG. For more information, see “The RICI EnhancedSM Indices” in this pricing supplement.
Payment at Maturity:	If your ETNs have not previously been repurchased or redeemed by RBS plc, at maturity you will receive a cash payment equal to the daily redemption value of your ETNs with respect to the final valuation date, subject to the provisions regarding resolution dates described below.
Daily Redemption Value:	The daily redemption value as of the inception date was equal to the stated face amount of \$25.00 per ETN. For any valuation date thereafter, the daily redemption value per ETN will be equal to (a) the daily redemption value with respect to the immediately preceding valuation date, multiplied by (b) the index factor with respect to such valuation date, multiplied by (c) the fee factor with respect to such valuation date. RBS Securities Inc. (the “calculation agent”) will determine the daily redemption value with respect to each valuation date. The daily redemption values of the ETNs will be published by NYSE Arca under the ticker symbols listed on the cover page of this pricing supplement. Daily redemption values are subject to subsequent adjustment when the conditions for a resolution date apply.
Index Factor:	The index factor for any ETNs with respect to any valuation date, including the final valuation date, will be equal to the underlying RICI EnhancedSM Commodity or Sector Index closing level for that valuation date, divided by the closing level of that index for the immediately preceding valuation date.
Fee Factor/Investor Fee:	The fee factor for any ETNs on any valuation date, including the final valuation date, will be equal to one minus the investor fee; the investor fee is the product of (a) the annual investor fee and (b) the day-count fraction.

Annual Investor Fee:	<p>The annual investor fee for each of the ETNs will be equal to 0.95%.</p> <p>The daily redemption value payable at maturity or upon early repurchase or redemption of your ETNs will be reduced by the aggregate investor fee applicable to your ETNs. As a result, the level of the underlying RICI EnhancedSM Commodity or Sector Index must increase by an amount sufficient to offset such reduction in order for you to receive at least your initial investment at maturity or upon early repurchase or redemption. If the level of that index decreases or does not increase sufficiently, you will receive less, and possibly significantly less, than your initial investment at maturity or upon early repurchase or redemption.</p>
Intraday “Indicative Value”:	<p>The “indicative value” of any ETN, which refers to the estimated value of the ETN at any given time during a trading Day, equals (a) the daily redemption value for that ETN for the immediately preceding valuation date, multiplied by (b) the index factor for that ETN on that trading Day, multiplied by (c) the fee factor for that trading Day. NYSE Arca will publish the intraday “indicative value” of the ETNs every 15 seconds under their respective ticker symbols listed on the cover page of this pricing supplement.</p>
Day-Count Fraction:	<p>With respect to each valuation date, the day-count fraction is equal to the number of days from, but excluding, the immediately preceding valuation date to, and including, the applicable valuation date, divided by 365.</p>
Index Closing Levels:	<p>The closing level of the RICI EnhancedSM Commodity Index and each Sector Index on any Index Publication Day will be the official closing level of that index for that Index Publication Day reported on the Bloomberg page specified on the cover page of this pricing supplement or any successor page on Bloomberg, or any successor service, as applicable, or if the official closing level is not reported on that page, the official closing level for that Index Publication Day as published or otherwise made publicly available by the Index Sponsor or the Index Calculation Agent, in each case as determined by the calculation agent. In certain circumstances, the closing level of a RICI EnhancedSM Commodity or Sector Index will be based on the alternative calculation of that index as described under “Specific Terms of the ETNs—Discontinuation or Modification of the RICI EnhancedSM Commodity and Sector Indices.”</p>
Index Publication Day:	<p>A day on which the Relevant Commodities Exchanges that are located within the U.S. are scheduled and open for trading for at least three hours.</p>
Repurchase of the ETNs at Your Option:	<p>You have the right to offer your ETNs of any series for repurchase on any trading day to, and including, October 21, 2042. The applicable valuation date for any repurchase will be the first valuation date, following the trading day on which your offer for repurchase is deemed made. On the repurchase date, which will be three business days after the valuation date, you will receive a cash payment equal to the daily redemption value for that valuation date, subject to the provisions regarding resolution dates described below.</p>
Redemption of the ETNs at Our Option:	<p>We have the right to redeem, in our sole discretion, any series of ETNs in whole, but not in part, by giving notice specifying the valuation date and redemption date for such redemption. The applicable valuation date may be any valuation date, from the inception date to and including October 22, 2042. On the redemption date, which will be three business days after the valuation date, you will receive a cash payment equal to the daily redemption value for that valuation date, subject to the provisions regarding resolution dates described below. The last day on which we can deliver a redemption notice is October 20, 2042.</p>

Pursuant to the implementation of the RBS Retail Investor Products Exit Plan, the likelihood that we will redeem the ETNs prior to the maturity has increased. See “Recent Developments” and “Risk Factors – We may redeem your ETNs at our option” below for more information.

(key terms continued on next page)

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(key terms continued from previous page)

Acceleration Upon Zero Daily Redemption Value:	If the daily redemption value per ETN on any valuation date equals zero, the ETNs will be automatically accelerated on that day for an amount equal to the zero daily redemption value and will cease to be outstanding thereafter. In that event, you will not receive any payment in respect of your investment and you will lose your entire investment in the ETNs.
Repurchase Mechanics:	To offer your ETNs for repurchase, you and your broker must deliver an irrevocable offer for repurchase and confirmation of repurchase to RBS plc and follow the procedures set forth under “Specific Terms of the ETNs—Repurchase at Your Option.” If your offer for repurchase is received by e-mail after 4:00 p.m. or if your signed confirmation of repurchase is received by fax after 5:00 p.m., New York City time, on a trading day, you will be deemed to have made your offer for repurchase on the following trading day. If you otherwise fail to comply with these procedures, your offer will be deemed ineffective and RBS plc will not be obligated to repurchase your ETNs. Unless the scheduled repurchase date is postponed as described herein, the final day on which RBS plc will repurchase your ETNs will be October 27, 2042. You must offer your ETNs for repurchase no later than October 21, 2042 in order to have your ETNs repurchased on October 27, 2042.
Resolution Date:	If on any valuation date, any Relevant Commodities Exchange is not open for trading for at least three hours, or if a Market Disruption Event exists with respect to such valuation date, the daily redemption value for such valuation date will be adjusted, for purposes of determining the amount payable in respect of a related repurchase or redemption or payment at maturity, so that it will reflect future closing prices for any futures contracts underlying the applicable RICI EnhancedSM Index that were unobtainable on that valuation date. We refer to the date on which all such prices are obtained, subject to a five-business-day limit, as the “resolution date” for that valuation date. The corresponding repurchase date, redemption date or maturity date, as applicable, will be postponed to the third business day following the resolution date.
Major Commodities Exchange:	Any exchange that the calculation agent determines, from time to time in its sole discretion, is an exchange on which trading of futures contracts referencing one or more Component Commodities that comprise a substantial portion of the RICI EnhancedSM Commodity Index or any Sector Index principally occurs. The Major Commodities Exchanges currently include each of the Relevant Commodities Exchanges that is located in the United States, as well as the London Metal Exchange Limited, ICE Futures Europe, Inc. and NYSE Liffe.
Relevant Commodities Exchange:	Any exchange on which trading of a commodity futures contract tracked by the RICI EnhancedSM Commodity Index principally occurs.
Exchange Holidays:	See “Specific Terms of the ETNs—Daily Redemption Value,” for a list of scheduled exchange holidays in 2012. An updated schedule will be posted from time to time at <a href="http://www.rbs.com/etnus">www.rbs.com/etnus</a> .
Listing / Secondary Market:	The ETNs are listed on NYSE Arca, Inc. (“NYSE Arca”) under their respective ticker symbols listed on the cover page of this pricing supplement. If an active secondary market in the ETNs develops, we expect that investors will purchase and sell the ETNs primarily in this secondary market. We have no obligation to maintain any listing on NYSE Arca or any other exchange.

Valuation Date:	Each trading day from, and including, the inception date to, and including, the final valuation date on which all of the Major Commodities Exchanges are scheduled to be open for trading for at least three hours.
Trading Day:	A trading day is a day on which trading is generally conducted on NYSE Arca (or any successor exchange on which the ETNs are then listed).
Business Day:	A business day is any day that is not a Saturday or Sunday or a day on which banking institutions in The City of New York are authorized or required by law, executive order or governmental decree to be closed.
Index Sponsor:	Beeland Interests, Inc. (“Beeland”)
Index Calculation Agent:	RBS plc
Calculation Agent:	RBS Securities Inc.
Trustee:	Wilmington Trust Company
Securities Administrator:	Citibank, N.A.
CUSIP/ISIN:	Please see table on cover page of this pricing supplement.
Recent Developments:	On June 13, 2013, we announced that we would be exiting several business lines, including the structured retail investor products business that is responsible for issuing and maintaining the ETNs, and that we expect to move such businesses into a runoff organization which will go through a process of restructuring, asset sales and / or business sales (the “RBS Retail Investor Products Exit Plan”). The implementation of the RBS Retail Investor Products Exit Plan increases the likelihood that the ETNs will be redeemed by us prior to the Maturity Date. As of the date of this pricing supplement, we plan to continue to maintain the ETNs, including issuing new ETNs, but our plans could change. We cannot give you any assurances as to any minimum period of time that you may hold the ETNs before we redeem them at our option, and we have no obligation to take your interests into account when deciding whether to maintain or redeem the ETNs.

“Jim Rogers,” “James Beeland Rogers, Jr.,” “Rogers,” “Rogers International Commodity Index,” “RICI,” “RICI EnhancedSM,” “RICI EnhancedSM Agriculture,” “RICI EnhancedSM Energy,” “RICI EnhancedSM Precious Metals,” “RICI EnhancedSM Industrial Metals” and the names of all other RICI EnhancedSM Indices mentioned herein are trademarks, service marks and/or registered marks of Beeland Interests, Inc., which is owned and controlled by James Beeland Rogers, Jr., and are used subject to license. The personal names and likeness of Jim Rogers/James Beeland Rogers, Jr. are owned and licensed by James Beeland Rogers, Jr.

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## ABOUT THIS PRICING SUPPLEMENT

As used in this pricing supplement, “RBS plc,” “we,” “us,” “our” and the “Bank” refer to The Royal Bank of Scotland plc, “RBS” refers to The Royal Bank of Scotland Group plc, “Group” means The Royal Bank of Scotland Group plc together with its subsidiaries consolidated in accordance with International Financial Reporting Standards, “RBSSI” refers to RBS Securities Inc., and references to “dollars” and “\$” are to United States dollars.

The ETNs are our unsecured and unsubordinated obligations issued as part of our RBS Notes<sup>SM</sup> program and guaranteed by RBSG. RBS Notes<sup>SM</sup> is a service mark of The Royal Bank of Scotland N.V., one of our affiliates.

This pricing supplement amends, restates and supersedes the pricing supplement dated October 25, 2012 in its entirety. We refer to this amended and restated pricing supplement as the “pricing supplement.” This pricing supplement sets forth certain terms of the ETNs and supplements the prospectus dated September 28, 2012 relating to our securities of which the ETNs are part. This pricing supplement is a “prospectus supplement” referred to in the prospectus. You may access the prospectus on the Securities and Exchange Commission (“SEC”) website at [www.sec.gov](http://www.sec.gov) as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC website):

- Prospectus dated September 28, 2012:

[http://www.sec.gov/Archives/edgar/data/729153/000095010312005038/dp33197\\_424b2.htm](http://www.sec.gov/Archives/edgar/data/729153/000095010312005038/dp33197_424b2.htm)

Our Central Index Key, or CIK, on the SEC website is 729153.

This pricing supplement, together with the prospectus described above, contains the terms of the ETNs and supersedes all other prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, fact sheets, correspondence, trade ideas, structures for implementation, sample structures, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in “Risk Factors” in this pricing supplement, as the ETNs involve risks not associated with conventional debt securities. You should consult your investment, legal, tax, accounting and other advisers before deciding to invest in the ETNs.

It is important for you to read and consider all information contained in this pricing supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information contained in the documents identified in “Where You Can Find More Information” in the accompanying prospectus.

We have not authorized anyone to provide information other than that which is contained in this pricing supplement and the accompanying prospectus with respect to the ETNs. We take no responsibility for, and can provide no assurance as to the reliability of, any information that others may give you. This document may only be used where it is legal to sell these ETNs. We are offering to sell these ETNs and seeking offers to buy these ETNs only in jurisdictions where offers and sales are permitted.

The information set forth in this pricing supplement is directed to prospective purchasers who are United States residents. We disclaim any responsibility to advise prospective purchasers who are residents of countries other than the United States of any matters arising under foreign law that may affect the purchase of or holding of, or receipt of payments on, the ETNs. These persons should consult their own legal and financial advisers concerning these matters.

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## WHERE YOU CAN FIND ADDITIONAL INFORMATION

RBSG is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and in accordance therewith, RBSG files reports and other information with the SEC. You may read and copy these documents at the SEC’s Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549. You can call the SEC at 1-800-SEC-0330 for further information about the Public Reference Room. The SEC’s website, at <http://www.sec.gov>, contains reports and other information in electronic form that RBSG has filed. You may also request a copy of any filings referred to below (other than exhibits not specifically incorporated by reference) at no cost, by contacting us at The Royal Bank of Scotland plc, RBS Gogarburn, P.O. Box 1000, Edinburgh EH12 1HQ, Scotland, telephone +44 131 626 0000.

The SEC allows us to incorporate by reference much of the information RBSG files with it. This means:

- incorporated documents are considered part of this pricing supplement;
- we can disclose important information to you by referring you to those incorporated documents; and
- information that RBSG files with the SEC will automatically update and modify or supersede some of the information included or incorporated by reference into this pricing supplement

This means that you must look at all of the SEC filings that we incorporate by reference to determine if any of the statements in this pricing supplement or in any document previously incorporated by reference have been modified or superseded. The accompanying prospectus lists documents that are incorporated by reference into this pricing supplement. Reports on Form 6-K we may furnish to the SEC after the date of this pricing supplement (or portions thereof) are incorporated by reference in this pricing supplement only to the extent that the report expressly states that it (or such portions) is incorporated by reference into the registration statement of which this pricing supplement is a part.

## SUMMARY

The following summary answers some questions that you might have regarding the ETNs in general terms only. It does not contain all the information that may be important to you. You should read the summary together with the more detailed information that is contained in the rest of this pricing supplement and in the accompanying prospectus. References to the “prospectus” mean the accompanying prospectus dated September 28, 2012. You should carefully consider, among other things, the matters set forth in “Risk Factors” in this pricing supplement. In addition, we urge you to consult with your investment, legal, accounting, tax and other advisers with respect to any investment in the ETNs.

We may, without providing you notice or obtaining your consent, create and issue ETNs in addition to those offered by this pricing supplement having the same terms and conditions as the ETNs. We may consolidate the additional ETNs to form a single class with the outstanding ETNs. However, we are under no obligation to issue or sell additional ETNs at any time, and if we do sell additional ETNs, we may limit or restrict such sales, and we may stop selling additional ETNs at any time. If we stop selling additional ETNs, the price and liquidity of the ETNs in the secondary market could be materially and adversely affected. See “Risk Factors—We are under no obligation to issue or sell additional ETNs at any time, and if we do sell additional ETNs, we may limit or restrict such sales, and we may stop selling additional ETNs at any time.”

What are the ETNs and how do they work?

The ETNs are unsecured and unsubordinated obligations of The Royal Bank of Scotland plc (“RBS plc”), and are fully and unconditionally guaranteed by The Royal Bank of Scotland Group plc (“RBSG”). The return on the ETNs is linked to the performance of the underlying RICI EnhancedSM Commodity or Sector Index.

We will not pay you interest during the term of the ETNs. The ETNs do not have a minimum redemption or repurchase value and are fully exposed to any decline in the underlying RICI EnhancedSM Commodity or Sector Index. Depreciation of the underlying RICI EnhancedSM Commodity or Sector Index will reduce your payment at maturity or upon early repurchase or redemption of your ETNs, and you could lose your entire investment.

In addition, the daily redemption value, which is payable at maturity or upon early repurchase or redemption of your ETNs, will be reduced by the aggregate investor fee applicable to your ETNs. As a result, the level of the underlying RICI EnhancedSM Commodity or Sector Index must increase by an amount sufficient to offset such reduction in order for you to receive at least your initial investment at maturity or upon early repurchase or redemption. If the level of that index decreases or does not increase sufficiently, you will receive less, and possibly significantly less, than the amount of your initial investment at maturity or upon early repurchase or redemption.

For a description of how the payment at maturity and upon early repurchase or redemption, respectively, is calculated, please refer to “Specific Terms of the ETNs” in this pricing supplement.

The denomination and stated face amount of each ETN is \$25.00. Any ETNs issued in the future may be issued at a price higher or lower than the stated face amount, based on the indicative value of the ETNs at that time (which is determined in the manner described in “Valuation of the ETNs” below). You will not have the right to receive physical certificates evidencing your ownership, except under limited circumstances. Instead, we will issue the ETNs in the form of a global certificate, which will be held by The Depository Trust Company (“DTC”) or its nominee. Direct and indirect participants in DTC will record beneficial ownership of the ETNs by individual investors. Accountholders in the Euroclear or Clearstream Banking clearance systems may hold beneficial interests in the ETNs through the accounts those systems maintain

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with DTC. You should refer to the section “Specific Terms of the ETNs—Forms of the ETNs” below and the sections “Description of Debt Securities—Form of Debt Securities; Book-Entry System” in the accompanying prospectus.

In addition, unlike ordinary debt securities, the ETNs are not principal protected and do not pay interest. Any payment on the ETNs is subject to the creditworthiness (i.e., the ability to pay) of RBS plc, as the issuer of the ETNs, and RBSG, as the guarantor of the issuer’s obligations under the ETNs.

What are the RICI EnhancedSM Commodity and Sector Indices and who calculates the levels of those Indices?

The Rogers International Commodity Index® EnhancedSM (the “RICI EnhancedSM Commodity Index”) is a composite, U.S. dollar-based index that is designed to track the value of a weighted basket of 36 commodities consumed in the global economy, ranging from agricultural products to energy products and metals (each, a “Component Commodity”). The value of this basket is calculated by reference to 36 individual RICI EnhancedSM indices, each tracking the value of one or more futures contracts on a single Component Commodity (each such index, as may be included in the RICI EnhancedSM Commodity or any Sector Index from time to time, a “Single Commodity Index”).

The weights of the Component Commodities in the RICI EnhancedSM Commodity Index are designed to reflect the expected economic global demand for, as well as the liquidity of the relevant futures contracts referencing, each Component Commodity. The level of the RICI EnhancedSM Commodity is calculated as a weighted sum of the levels of the Single Commodity Indices.

We refer to each of the RICI EnhancedSM Agriculture, the RICI EnhancedSM Energy, the RICI EnhancedSM Industrial Metals and the RICI EnhancedSM Precious Metals as a “Sector Index.” We refer to the RICI EnhancedSM Commodity Index, each of the Sector Indices and each of the Single Commodity Indices as a “RICI EnhancedSM Index.” Each Sector Index is designed to track the value of a weighted basket consisting of between 4 and 20 Component Commodities and is intended to serve as a measure of the prices of those Component Commodities in the world economy. Each of the Sector Indices, like the RICI EnhancedSM Commodity Index, is calculated as a weighted sum of the levels of the Single Commodity Indices comprising that Sector Index.

See the below chart for a list of the Component Commodities, the Relevant Commodities Exchanges they are traded on, and their Target Weights in the RICI EnhancedSM Commodity and Sector Indices.

RICI EnhancedSM Indices							
Sector Index (Target Weight in the RICI EnhancedSM Commodity Index)	Component Commodity (each of which is tracked by a Single Commodity Index)	Asset Class±	Relevant Commodities Exchange*	Currency	Target Weight** In the RICI EnhancedSM Commodity Index	Target Weight** In Sector Index	
RICI Enhanced Commodity Index	Corn	GE	CBOT	USD	7.00%	18.42%	
	Wheat	GE	CBOT	USD	3.00%	7.89%	
	Kansas City Wheat	GE	KCBT	USD	2.00%	5.26%	
	Minneapolis Wheat	GE	MGEX	USD	0.50%	1.32%	
	Cotton	GE	ICE US	USD	2.00%	5.26%	
	Soybeans	GE	CBOT	USD	3.00%	7.89%	
	Soybean Oil	GE	CBOT	USD	2.00%	5.26%	
	Soybean Meal	GE	CBOT	USD	1.25%	3.29%	
	Coffee	GE	ICE US	USD	3.00%	7.89%	
	Cocoa	GE	ICE US	USD	1.50%	3.95%	
	Sugar	GE	ICE US	USD	3.25%	8.55%	
	Live Cattle	LCR	CME	USD	2.50%	6.58%	
	Coffee Robusta	LCR	NYSE Liffe	USD	1.00%	2.63%	
	Lean Hogs	LCR	CME	USD	2.00%	5.26%	
	Rubber	RPO	TOCOM	JPY	1.00%	2.63%	
	Palm Oil	RPO	BMD	MYR	1.00%	2.63%	
	Orange Juice	FS	ICE US	USD	0.50%	1.32%	
	Rice	FS	CBOT	USD	0.50%	1.32%	
	Oats	FS	CBOT	USD	0.50%	1.32%	
	Lumber	FS	CME	USD	0.50%	1.32%	
RICI EnhancedSM Energy (41.00%)	Crude Oil	GE	NYMEX	USD	13.00%	31.71%	
	Brent	GE	ICE EU	USD	10.00%	24.39%	
	Natural Gas	GE	NYMEX	USD	7.00%	17.07%	
	RBOB	GE	NYMEX	USD	4.00%	9.76%	
	Gasoline						
	Heating Oil	GE	NYMEX	USD	4.00%	9.76%	
Gas Oil	GE	ICE EU	USD	3.00%	7.32%		
RICI EnhancedSM Industrial Metals (13.00%)	Aluminum	BM	LME	USD	4.00%	30.77%	
	Copper	BM	LME	USD	4.00%	30.77%	
	Zinc	BM	LME	USD	2.00%	15.38%	
	Lead	BM	LME	USD	1.50%	11.54%	
	Tin	BM	LME	USD	0.50%	3.84%	
Nickel	BM	LME	USD	1.00%	7.69%		
RICI EnhancedSM Precious Metals	Gold	PM	COMEX	USD	4.00%	50.00%	
	Silver	PM	COMEX	USD	2.00%	25.00%	
	Platinum	PM	NYMEX	USD	1.00%	12.50%	
	Palladium	PM	NYMEX	USD	1.00%	12.50%	

(8.00%)

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±GE=Grains & Energy; LCR=Livestock & Coffee Robusta; RPO=Rubber & Palm Oil; FS=Foodstuff; BM=Base Metals; PM=Precious Metals.

- \* “BMD” means Bursa Malaysia Derivatives Berhad, or its successor.  
“CBOT” means the Board of Trade of the City of Chicago Inc., or its successor.  
“CME” means the Chicago Mercantile Exchange, Inc., or its successor.  
“COMEX” means the Commodity Exchange Inc., New York, or its successor.  
“ICE EU” means ICE Futures Europe, or its successor.  
“ICE US” means ICE Futures U.S., Inc., or its successor.  
“KCBT” means the Board of Trade of Kansas City, Missouri, Inc., or its successor.  
“LME” means The London Metal Exchange Limited, or its successor.  
“MGEX” means the Minneapolis Grain Exchange, or its successor.  
“NYMEX” means the New York Mercantile Exchange, or its successor.  
“NYSE Liffe” means the European derivatives market of NYSE Euronext, or its successor.  
“TOCOM” means the Tokyo Commodity Exchange, or its successor.

\*\* Actual weights are reset to Target Weights every April 5 and October 5. Single Commodity Indices in the Sector Indices are assigned Target Weights proportional to their Target Weights in the RIC EnhancedSM Commodity Index.

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The RICI EnhancedSM Indices were created by The Royal Bank of Scotland N.V., London Branch (“RBS N.V.”) and Jim Rogers in October 2007 as an enhancement to the Rogers International Commodity Index® (“RICI”) and its sub-indices that had been in operation since the late 1990s. An external agent has been engaged to maintain the compositions of the RICI EnhancedSM Indices. As explained below under “Rolling Methodology of the RICI EnhancedSM Indices,” the RICI EnhancedSM Indices employ a proprietary methodology designed to reduce the amount of notional roll premium reflected in the index levels. The methodology for the selection and rolling of the futures contracts underlying each Single Commodity Index is based on a formula that was designed taking into account liquidity, seasonality, cyclicalities and term structures of futures contracts for that Component Commodity. As a result, the RICI EnhancedSM Indices provide exposure to futures contracts with varying maturities, as opposed to the RICI and other traditional commodity indices, which provide exposure to futures contracts with the shortest time remaining to expiration.

All of the RICI EnhancedSM Indices are overseen by a committee (the “Index Committee”), which at present consists of two members: Jim Rogers, as the nominated representative of Beeland, and the nominated representative of RBS plc. Jim Rogers and Beeland are not affiliated with RBS plc or with RBSG. The RICI EnhancedSM Commodity and Sector Indices are sponsored by Beeland as Index Sponsor.

The levels of the RICI EnhancedSM Indices are calculated by RBS plc (the “Index Calculation Agent”). The excess return version of the RICI EnhancedSM Commodity Index and each Sector Index has been calculated on a daily basis since October 31, 2007, and the total return version has been calculated on a daily basis since October 2008, in each case using a base date of July 31, 1998 and a base level of 1,000 on that base date.

We and certain of our affiliates have contracted with NYSE Group, Inc. to provide for the calculation of the RICI EnhancedSM Commodity and Sector Indices during U.S. trading hours based upon the index compositions provided to them by us or our agent. NYSE Arca, Inc., an affiliate of NYSE Group, Inc., will be performing the calculation services.

Where can I find the levels of the RICI EnhancedSM Commodity and Sector Indices?

The levels of the RICI EnhancedSM Commodity and Sector Indices are reported on Bloomberg under their respective ticker symbols listed on the cover page of this pricing supplement.

For more information, please refer to “The RICI EnhancedSM Indices” in this pricing supplement.

Will I receive interest on my ETNs?

No. We will not make any periodic payments of interest or any other payments on the ETNs during the term of the ETNs. Unless you elect to have your ETNs repurchased by us or we elect to redeem your ETNs, you will not receive any payments on the ETNs prior to maturity of the ETNs.

What will I receive at maturity of the ETNs and how is that amount calculated?

Unless your ETNs have been previously repurchased or redeemed by us, the ETNs will mature on October 29, 2042, subject to postponement if such day is not a business day and subject to the provisions regarding resolution dates described below. However, if the daily redemption value per ETN on any valuation date equals zero, the ETNs will be automatically accelerated on that day for an amount equal to the zero daily redemption value and will cease to

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be outstanding thereafter. In that event, you will not receive any payment in respect of your investment and you will lose your entire investment in the ETNs. Further details on the conditions and the procedures applicable to any such repurchase or redemption are set forth in this pricing supplement.

If your ETNs have not been previously repurchased or redeemed by us, at maturity you will receive a cash payment in an amount equal to the daily redemption value of your ETNs with respect to the final valuation date stated on the cover of this pricing supplement, subject to the provisions regarding resolution dates described below. RBSSI, acting as calculation agent, will determine such daily redemption value in the manner described under “Specific Terms of the ETNs—Daily Redemption Value” in this pricing supplement.

If, on the final valuation date, any Relevant Commodities Exchange is not open for trading for at least three hours, or if a Market Disruption Event exists with respect to the final valuation date, the daily redemption value for the final valuation date will be adjusted, for purposes of determining the amount payable on the maturity date, so that it will reflect future closing prices for any futures contracts underlying the applicable RICI EnhancedSM Index that were unobtainable on the final valuation date, as described under “Specific Terms of the ETNs—Daily Redemption Value” in this pricing supplement. We refer to the date on which all such prices are obtained as the “resolution date” for that valuation date. In such case, the final payment date will be postponed to the third business day following the resolution date.

If the maturity date stated on the cover of this pricing supplement is not a business day, the maturity date will be postponed to the next following business day. In the event that payment at maturity is deferred because a resolution date applies or the maturity date is not a business day, no interest or other amount will accrue or be payable with respect to that deferred payment. For more information on the postponement of the calculation of the payment you will be entitled to receive at maturity, see “Specific Terms of the ETNs – Daily Redemption Value”.

Any payment you will be entitled to receive on the ETNs is subject to the ability of RBS plc, as the issuer of the ETNs, and RBSG, as the guarantor of the issuer’s obligations under the ETNs, to pay their respective obligations as they become due.

Will I get all of my investment back at maturity?

The ETNs are not principal protected. If your ETNs have not been previously repurchased or redeemed by us, at maturity you will receive a cash payment equal to the daily redemption value of your ETNs, determined as described in this pricing supplement. Such daily redemption value may be more or less than the stated face amount of your ETNs or the price that you paid for them. You may not get the face amount at maturity, and you may lose some or all of your investment.

Any payment you will be entitled to receive on the ETNs at maturity is subject to the ability of RBS plc, as the issuer of the ETNs, and RBSG, as the guarantor of the issuer’s obligations under the ETNs, to pay their respective obligations as they become due.

When can my ETNs be repurchased and how is the amount payable upon repurchase calculated?

Subject to certain restrictions, on any trading day from, and including, the initial issuance of the ETNs on the initial settlement date to, and including, October 21, 2042, you may offer your ETNs of any series to us for repurchase. If you choose to offer your ETNs for repurchase, you must offer at least the applicable minimum repurchase amount in accordance with the procedures described under “—How do I offer my ETNs for repurchase by RBS plc?” below. The minimum repurchase amount will be equal to 20,000 ETNs of a single series for any single repurchase;

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provided that RBS plc may, in its sole discretion, from time to time, reduce the minimum repurchase amount. Any such reduction will be applied on a consistent basis for all holders of the ETNs from the time the reduction becomes effective. Subject to any reduction in the minimum repurchase amount, if you offer at least 20,000 ETNs of a single series to us for repurchase and fulfill the repurchase procedures described under “—How do I offer my ETNs for repurchase by RBS plc?” below, we will be obligated to repurchase your ETNs on the applicable repurchase date.

If your ETNs are repurchased, on the repurchase date, you will receive a cash payment in an amount per ETN equal to the daily redemption value of the ETNs with respect to the applicable valuation date, subject to the provisions regarding resolution dates described below. The calculation agent will determine the daily redemption value in the manner described under “Specific Terms of the ETNs—Daily Redemption Value” in this pricing supplement.

The repurchase date applicable to any request for repurchase will be the third business day immediately following the valuation date, or resolution date, as applicable, for such repurchase. The applicable valuation date for any repurchase will be the first trading day following the trading day on which you make, or are deemed to have made, your offer and confirmation to us to repurchase your ETNs and on which the Major Commodities Exchanges are scheduled to be open for trading for at least three hours.

If, on the applicable valuation date, any Relevant Commodities Exchange is not open for trading for at least three hours, or if a Market Disruption Event exists with respect to such valuation date, the daily redemption value for such valuation date will be adjusted, for purposes of determining the amount payable in respect of the related repurchase, so that it will reflect future closing prices for any futures contracts underlying the applicable RICI EnhancedSM Index that were unobtainable on that valuation date, as described under “Specific Terms of the ETNs— Daily Redemption Value” in this pricing supplement. We refer to the date on which all such prices are obtained as the “resolution date” for that valuation date. The corresponding repurchase date will be postponed to the third business day following the resolution date.

Unless the scheduled repurchase date is postponed, the final day on which we will repurchase your ETNs will be October 27, 2042. As such, you must offer your ETNs for repurchase no later than October 21, 2042 in order to have your ETNs repurchased on October 27, 2042. The applicable valuation date for any such repurchase would be October 22, 2042.

In the event that payment upon repurchase by RBS plc is deferred as described above, no interest or other amount will accrue or be payable with respect to that deferred payment.

Any payment upon repurchase of the ETNs is subject to the ability of RBS plc, as the issuer of the ETNs, and RBSG, as the guarantor of the issuer’s obligations under the ETNs, to pay their respective obligations as they become due.

How do I offer my ETNs for repurchase by RBS plc?

If you wish to offer your ETNs to us for repurchase, you and your broker must follow the following procedures:

- Your broker must deliver an irrevocable offer for repurchase, a form of which is attached as Annex A to this pricing supplement, to us by e-mail at [ETNUSCorpActions@rbs.com](mailto:ETNUSCorpActions@rbs.com). If your offer for repurchase is received by us after 4:00 p.m., New York City time, on a trading day, you will be deemed to have delivered your offer for repurchase on the following trading day.

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- In addition to the offer for repurchase, your broker must deliver a completed and signed irrevocable confirmation of repurchase, a form of which is attached as Annex B, to us by facsimile by 5:00 p.m., New York City time, on the same day. If your irrevocable confirmation of repurchase is received after 5:00 p.m., New York City time, you will be deemed to have delivered your confirmation of repurchase on the following trading day. One portion of the confirmation of repurchase must be completed by you as beneficial owner of the ETNs, and the other portion must be completed by your broker. You must offer at least 20,000 ETNs of a single series for any single repurchase by us on any repurchase date; provided that RBS plc may, in its sole discretion, from time to time, reduce the minimum repurchase amount. We must acknowledge receipt from your broker in order for your offer to be effective.
- Your broker must book a delivery versus payment trade with respect to your ETNs on the applicable valuation date or, if applicable, the resolution date, at a price equal to the applicable daily redemption value, facing us.
- Your broker must cause your DTC custodian to deliver the trade as booked for settlement via DTC at or prior to 10:00 a.m., New York City time, on the applicable repurchase date.

Different brokers and DTC participants may have different deadlines for accepting instructions from their customers. Accordingly, you should consult the brokerage firm or other DTC participant through which you own your interest in the ETNs in respect of such deadlines. Any repurchase instructions that we receive in accordance with the procedures described above will be irrevocable.

When can my ETNs be redeemed and how is the amount payable upon redemption calculated?

We have the right to redeem, in our sole discretion, any series of ETNs in whole, but not in part, by delivering an irrevocable notice to DTC (the holder of the global note) specifying the valuation date and redemption date for such redemption. We may specify any valuation date from the inception date to and including, October 22, 2042. The redemption date we specify must be three scheduled business days after the specified valuation date and must be not less than five business days or more than ten business days after the date of delivery of the notice. On the redemption date, you will receive a cash payment equal to the daily redemption value for that valuation date, subject to the provisions regarding resolution dates described below. The calculation agent will determine the daily redemption value in the manner described under “Specific Terms of the ETNs—Daily Redemption Value” in this pricing supplement.

If, on the applicable valuation date, any Relevant Commodities Exchange is not open for trading for at least three hours, or if a Market Disruption Event exists with respect to such valuation date, the daily redemption value for such valuation date will be adjusted, for purposes of determining the amount payable in respect of the related redemption, so that it will reflect future closing prices for any futures contracts underlying the applicable RICI EnhancedSM Index that were unobtainable on that valuation date, as described under “Specific Terms of the ETNs—Daily Redemption Value” in this pricing supplement. We refer to the date on which all such prices are obtained, subject to a five-business-day limit, as the “resolution date” for that valuation date. The corresponding redemption date will be postponed to the third business day following the resolution date.

The final day on which we can redeem your ETNs will be October 27, 2042. As such, the last day on which we can deliver a redemption notice is October 20, 2042, and the applicable valuation date for any such redemption would be October 22, 2042.

In the event that payment upon redemption by RBS plc is deferred as described above, no interest or other amount will accrue or be payable with respect to that deferred payment.

How is the daily redemption value for my ETNs calculated?

RBS Securities Inc. (“RBSSI”), as the calculation agent for the ETNs, will calculate the amount payable at maturity or upon early repurchase or redemption by us of your ETNs, which will be equal to the daily redemption value of your ETNs with respect to the applicable valuation date.

The daily redemption value as of October 25, 2012, the inception date of the ETNs, was equal to the stated face amount of \$25.00 per ETN. With respect to any valuation date thereafter, the daily redemption value per ETN will be equal to:

- the daily redemption value with respect to the immediately preceding valuation date, multiplied by
- the index factor (as defined below) with respect to such valuation date, multiplied by
- the fee factor (as defined below) with respect to such valuation date.

The “index factor” for any ETNs with respect to any valuation date, including the final valuation date, will be equal to the underlying RICI EnhancedSM Commodity or Sector Index closing level for that valuation date, divided by the closing level of that index for the immediately preceding valuation date.

The RICI EnhancedSM Commodity and Sector Indices closing levels on any trading day will be, for the RICI EnhancedSM Commodity Index and each Sector Index, the respective official closing level with respect to such trading day reported on the respective Bloomberg page or any successor page on Bloomberg, or any successor service, as applicable, or if the official closing level is not reported on such page, the official closing level with respect to such trading day as published or otherwise made publicly available by the Index Sponsor or the Index Calculation Agent, in each case as determined by the calculation agent. In certain circumstances, the underlying RICI EnhancedSM Commodity or Sector Index closing level will be based on the alternative calculation of the index as described under “—Discontinuation or Modification of the RICI EnhancedSM Commodity and Sector Indices” below.

The “fee factor” for any ETNs on any valuation date, including the final valuation date, will be equal to one minus the investor fee, which is equal to the product of (a) the annual investor fee and (b) the day-count fraction.

The “annual investor fee” for any ETNs will be equal to 0.95% per annum.

On each valuation date, the “day-count fraction” is equal to the number of days from, but excluding, the immediately preceding valuation date to, and including, the applicable valuation date, divided by 365.

See “Specific Terms of the ETNs—Daily Redemption Value” in this pricing supplement for further information on calculation of the daily redemption value, including an explanation of how the daily redemption value may be adjusted, and how any corresponding repurchase date, redemption date or maturity date may be postponed if, on the valuation date, any Relevant Commodities Exchange is not open for trading for at least three hours, or if a Market Disruption Event exists with respect to that valuation date.





The daily redemption value payable at maturity or upon early repurchase or redemption of your ETNs is reduced by the aggregate investor fee applicable to your ETNs. As a result, the level of the underlying RICI EnhancedSM Commodity or Sector Index must increase by an amount sufficient to offset such reduction in order for you to receive at least the initial amount of your investment at maturity or upon early repurchase or redemption. If the level of that index decreases or does not increase sufficiently, you will receive less, and possibly significantly less, than the initial amount of your investment at maturity or upon early repurchase or redemption.

Can my ETNs be accelerated?

If the daily redemption value per ETN on any valuation date equals zero, the ETNs will be automatically accelerated on that day for an amount equal to the zero daily redemption value and will cease to be outstanding thereafter. In that event, you will not receive any payment in respect of your investment and you will lose your entire investment in the ETNs.

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What are the differences among the trading price or market price, the indicative value and the daily redemption value of the ETNs?

Term	Respective Ticker Symbols (NYSE Arca)	What does it mean?	Frequency of dissemination	How determined?
Trading price or market price	RGRC RGRA RGRE RGRP RGRI	The price at which buyers and sellers execute transactions in the ETNs in the secondary market.	The “best bid” and the “best offer” are disseminated continuously during regular exchange hours on NYSE Arca.	<p>Trades are generally effected on NYSE Arca at a price between the current “best bid” and “best offer.”</p> <p>The “best bid” is the highest price at which an investor is willing to buy ETNs at any given point. (Our obligation to repurchase ETNs at the daily redemption value is intended to induce arbitrageurs to counteract any trading of the ETNs at a price lower than their indicative value, but there can be no assurance that arbitrageurs will do so.)</p> <p>The “best offer” is the lowest price at which an investor is willing to sell ETNs at any given point. (To the extent we stand ready to issue and sell additional ETNs at their indicative value or daily redemption value, we expect arbitrageurs will be induced to counteract any trading of the ETNs at a price higher than their indicative value, but there can be no assurance that arbitrageurs will do so. If we were to suspend the issuance of additional ETNs, the ETNs might trade at a premium to their indicative value.)</p>
Intraday “indicative value”	RGRC.IV RGRA.IV RGRE.IV RGRP.IV RGRI.IV	Meant to approximate the intrinsic economic value of the ETNs at any given time. The indicative value	During regular exchange hours on NYSE Arca (and disseminated every 15 seconds)	<p>The “indicative value” of the ETNs at any given time equals:</p> <ul style="list-style-type: none"> <li>· the daily redemption value for the immediately preceding valuation date, multiplied by</li> <li>· the index factor at such time, multiplied by</li> </ul>

will generally not be the same as the daily redemption value, because the indicative value fluctuates with the level of the index and is not calculated at the same time as the daily redemption value (except at the close on the applicable valuation date).

· the fee factor for the day on which it is calculated.

Daily redemption value	RGRC.NV RGRA.NV RGRE.NV RGRP.NV RGRI.NV	The price we will pay holders at maturity upon early repurchase or upon redemption of the ETNs.	Daily on <a href="http://www.rbs.com/etnus">www.rbs.com/etnus</a>
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The daily redemption value is determined using the same formula as the indicative value, but it is calculated as of the close on the applicable valuation date. The applicable valuation date occurs at least one day after you confirm your offer to us to repurchase or we deliver a notice to redeem.

See “—What will I receive if I sell my ETNs in the secondary market?” below and “Risk Factors—The intraday indicative value and the daily redemption value are not the same as the trading price or market price of the ETNs in the secondary market.”

Can I sell my ETNs in the secondary market?

The ETNs are listed on NYSE Arca, Inc. (“NYSE Arca”) under their respective ticker symbols listed on the cover page of this pricing supplement. If an active secondary market in the ETNs develops, we expect that investors will purchase and sell the ETNs primarily in this secondary market. However, there is no guarantee that an active secondary market in the ETNs will develop. On the initial settlement date, we issued \$4,000,000 in face amount of each series of ETNs (equivalent to 160,000 ETNs of each series) to be sold through RBSSI. In addition, we are not required to maintain any listing of the ETNs on NYSE Arca or any other exchange. We have the ability to delist the ETNs. Accordingly, there may be little or no secondary market for the ETNs.

What will I receive if I sell my ETNs in the secondary market?

If you sell ETNs in the secondary market, if any, you will receive the market price of the ETNs, which may be more or less than the stated face amount, the indicative value or the daily redemption value of your ETNs, and which may be more or less than what you paid for them.

If we limit or suspend the issuance of additional ETNs, the ETNs may trade at a premium over their intraday indicative value due to the resulting decrease or halt in the supply causing an imbalance of supply and demand in the market for the ETNs. See “Risk Factors—We are under no obligation to issue or sell additional ETNs at any time, and if we do sell additional ETNs, we may limit or restrict such sales, and we may stop selling additional ETNs at any time.” We may redeem all the ETNs at our option even if the ETNs are trading in the secondary market at a premium over their indicative value or daily redemption value. See “Risk Factors—We may redeem your ETNs at our option.”

Paying a premium price over the indicative value of the ETNs could lead to significant losses in the event you sell such ETNs at a time when that premium is no longer present in the marketplace, or in the event the ETNs are redeemed at our option (in which case you will receive a cash payment in an amount equal to the daily redemption value, which does not include any premium, with respect to the applicable valuation date). Any premium may be reduced or eliminated at any time.

Who will determine the daily redemption value and the payment at maturity or upon early repurchase or redemption of my ETNs?

We have appointed our affiliate, RBSSI, to act as calculation agent for the ETNs. As calculation agent, RBSSI will determine the daily redemption value and the payment at maturity or upon early repurchase or redemption of your ETNs. Under some circumstances, RBSSI’s duties as calculation agent could result in a conflict of interest between its status as our affiliate and its responsibilities as calculation agent. For example, the calculation agent may be required, due to events beyond our control, to adjust any of these calculations, which we describe under “Specific Terms of the ETNs—Discontinuation or Modification of the RICI EnhancedSM Commodity and Sector Indices.”

What is the relationship among RBS plc, RBSG and RBSSI?

RBSSI is an affiliate of RBS plc and RBSG. RBSSI will act as calculation agent for the ETNs, and is acting as agent for this offering. On the initial settlement date, we issued \$4,000,000 in face amount of each series of ETNs (equivalent to 160,000 ETNs of each series) to

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be sold through RBSSI. RBSSI will conduct any offering of ETNs in compliance with the requirements of Rule 5121 of the Financial Industry Regulatory Authority, which is commonly referred to as FINRA, regarding a FINRA member firm's distribution of the securities of an affiliate. See "Risk Factors—Risks Relating to the ETNs—Hedging and trading activities by us or our affiliates could affect prices of ETNs," "Risk Factors—Risks Relating to the ETNs—Potential conflicts of interest between holders of the ETNs and the calculation agent and the Index Calculation Agent" and "Plan of Distribution (Conflicts of Interest)" in this pricing supplement.

What is the role of RBS plc?

RBS plc is the issuer of the ETNs. All of the RICI EnhancedSM Indices are overseen by a committee (the "Index Committee"), which at present consists of two members: Jim Rogers, as the nominated representative of Beeland, and the nominated representative of RBS plc. Jim Rogers and Beeland are not affiliated with RBS plc, RBSG or RBSSI. RBS plc also serves as the Index Calculation Agent. Our role on the Index Committee and as Index Calculation Agent could result in a conflict of interest between our role as the issuer of the ETNs and you. See "Risk Factors—Risks Relating to the ETNs—Hedging and trading activities by us or our affiliates could affect prices of ETNs," "Risk Factors—Risks Relating to the ETNs—Potential conflicts of interest between holders of the ETNs and the calculation agent and the Index Calculation Agent" and "Risk Factors—Risks Relating to the ETNs—Potential conflicts of interest between holders of the ETNs and the Index Committee, including RBS plc, may exist." For more information, see "The RICI EnhancedSM Indices" in this pricing supplement.

What are some of the risks of investing in the ETNs?

Investing in the ETNs involves a number of risks. We have described some of the risks relating to the ETNs under the heading "Risk Factors" in this pricing supplement, which you should read before making an investment in the ETNs.

Some selected risk considerations include:

- **Credit risk of the issuer.** Because you are purchasing a security issued by us, you are assuming the risk that we may be unable to pay our obligations to you as they become due and payable. In addition, because the ETNs are fully and unconditionally guaranteed by RBSG, you are also assuming the risk that RBSG will be unable to pay amounts due to you under the ETNs in the event we fail to make any payment required by the terms of the ETNs.
- **Market risk.** The return on the ETNs will depend on the performance of the underlying RICI EnhancedSM Commodity or Sector Index (which in turn will depend on the performance of the relevant underlying Single Commodity Indices and commodity futures contracts) and other market conditions. There is no guarantee of any return to an investor in the ETNs. In particular, an investment in the ETNs carries the risks associated with an investment in commodities, the prices of which are volatile and are affected by numerous factors as discussed under "Risk Factors—Risks Relating to the RICI EnhancedSM Commodity and Sector Indices—The prices of commodities are volatile and are affected by numerous factors, certain of which are specific to the market for each commodity" in this pricing supplement.
- **The RICI EnhancedSM Indices Strategy-Specific Risk.** A futures contract for a commodity typically specifies an expiration date, which is the date on which the contract will cease to trade, and a delivery date, which is the date on which the underlying physical commodity referenced by the futures contract is delivered. A "front-month futures contract" for a commodity means the futures contract for that commodity that has the nearest expiration date. Various commodity indices, including the S&P GSCI®, provide exposure to commodities by tracking the front-month futures contracts for those commodities. Under the

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RICI EnhancedSM index methodology, the selection and rolling of the futures contracts for each underlying Single Commodity Index is based on a formula that was designed taking into account liquidity, seasonality, cyclicity and term structures of futures contracts for that commodity. As a result, the RICI EnhancedSM Indices provide exposure to futures contracts with varying maturities, as opposed to the S&P GSCI® and other traditional commodity indices, which provide exposure to front-month contracts. The performance of the RICI EnhancedSM Indices will differ from those commodity indices that track only front-month futures contracts. Please see “Risk Factors—Risks Relating to the RICI EnhancedSM Commodity and Sector Indices—Unlike commodity indices that only track prices of front-month futures contracts, the RICI EnhancedSM Indices track the prices of front-month futures contracts and also futures contracts with more distant expiration dates, which may affect the levels of the RICI EnhancedSM Indices, and, consequently the value of the ETNs in various ways.”

- The ETNs and the RICI EnhancedSM Indices do not provide exposure to spot prices of commodities. The ETNs will reflect the return on the underlying RICI EnhancedSM Commodity or Sector Index, which tracks futures contracts that are traded on the Relevant Commodities Exchanges, not physical commodities or their spot prices. The price movements in futures contracts on commodities may not correlate with changes in the spot prices of the commodities. A commodity futures contract is an agreement to buy a set amount of an underlying physical commodity at a predetermined price during a stated delivery period. A futures contract reflects the expected value of the underlying physical commodity upon delivery in the future. In contrast, the underlying physical commodity’s current or “spot” price reflects the immediate delivery value of the commodity. A variety of factors can lead to a disparity between the expected future price of a commodity and the spot price at a given point in time, such as the cost of storing the commodity for the term of the futures contract, interest charges incurred to finance the purchase of the commodity and expectations concerning supply and demand for the commodity. The RICI EnhancedSM Indices track the settlement prices of futures contracts and not the spot prices of the relevant commodities. Consequently, an investment in the ETNs is not the same as an investment in the spot prices of the relevant commodities or buying and holding the relevant commodities. While price movements in the futures contracts of commodities may correlate with changes in the spot prices of the commodities, the correlation will not be perfect and price movements in the spot markets may not be reflected in the futures market and vice versa. Accordingly, increases in the spot prices of commodities may not result in increases in the prices of the futures contracts of the commodities. The prices of the futures contracts tracked by the RICI EnhancedSM Indices may decrease while the spot prices for the relevant commodities increase.
- The RICI EnhancedSM Commodity and Sector Indices include futures contracts on foreign exchanges and are subject to risks that do not always apply to U.S. Markets. The RICI EnhancedSM Commodity and Sector Indices include futures contracts on physical commodities on exchanges located outside the United States. The Index Committee has not established any limits on the volume of commodities included in the RICI EnhancedSM Commodity and Sector Indices that can be traded on non-U.S. exchanges. The percentage, by Target Weight, of the Component Commodities underlying the RICI EnhancedSM Commodity Index that are traded in foreign exchanges is approximately 28%; the percentages for the RICI EnhancedSM Agriculture, Energy, Industrial Metals and Precious Metals Sector Indices are approximately 5%, 32%, 100% and 0%, respectively. The regulations of the Commodity Futures Trading Commission do not apply to trading on foreign exchanges, and trading on foreign exchanges may involve different and greater risks than trading on United States exchanges.

- A trading market for the ETNs may not develop. Although the ETNs are listed on NYSE Arca, Inc. (“NYSE Arca”) under their respective ticker symbols listed on the cover page of this pricing supplement, there is no guarantee of secondary market liquidity. On the initial settlement date, we issued \$4,000,000 in face amount of each series of ETNs (equivalent to 160,000 ETNs of each series) to be sold through RBSSI. Even if a secondary market does develop, it may not be liquid and may not continue for the term of the ETNs. In addition, no assurances can be given as to the continuation of the listing during the term of the ETNs. We are not required to maintain any listing of the ETNs on NYSE Arca or any other exchange or quotation system.
- Uncertain payment of your investment. The ETNs are not principal protected, which means there is no guaranteed return of your investment. You may receive less than the face amount of your ETNs at maturity or upon early repurchase or redemption. If the level of the underlying RICI EnhancedSM Commodity or Sector Index decreases, or does not increase by an amount sufficient to offset the investor fee, you will receive less, and possibly significantly less, than your original investment in the ETNs. Any payment on the ETNs is subject to the creditworthiness of RBS plc, as issuer, and RBSG, as guarantor.
- No interest payments. You will not receive any periodic interest payments on the ETNs.
- Restrictions on your ability to offer ETNs for repurchase by us. Unless the minimum repurchase amount has been reduced by RBS plc, you must offer at least 20,000 ETNs of a single series to us for any single repurchase and satisfy the other requirements described herein for your offer for repurchase to be considered.
- Your offer for repurchase is irrevocable. You will not be able to rescind your offer for repurchase after it is received by RBS plc, so you will be exposed to market risk in the event market conditions change after RBS plc receives your offer.
- Issuer call risk. Your ETNs may be redeemed at our option, in whole but not in part, on any trading day during the period from, and including, the initial settlement date to, and including, October 27, 2042. If we elect to redeem your ETNs, you will receive a cash payment in an amount equal to the daily redemption value with respect to the applicable valuation date, subject to the provisions regarding resolution dates described under “Specific Terms of the ETNs—Daily Redemption Value,” and you may not be able to reinvest your proceeds in a comparable investment. In addition, the implementation of the RBS Retail Investor Products Exit Plan increases the likelihood of our calling the ETNs prior to maturity.

Who invests in the ETNs?

The ETNs are complex financial instruments and are not suitable for all investors. You may consider an investment in the ETNs if:

- you are seeking exposure to commodity futures contracts, as represented by the underlying RICI EnhancedSM Commodity or Sector Index, and you believe that the level of that index will increase by an amount sufficient to offset the aggregate investor fee applicable to the ETNs and provide you with a satisfactory return on your investment during the term of your holding of the ETNs;
- you have sufficient knowledge and experience to evaluate how the ETNs may perform under different conditions and the merits and risks of an investment in the ETNs;
- you have sufficient financial resources and liquidity to bear all of the risks of an investment in the ETNs, including the risk of loss of such investment;

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- you understand that the prices of commodity futures contracts tracked by the applicable Rogers Enhanced or Sector Index may not correlate with spot or front-month futures prices of the relevant commodities and you appreciate that an investment in the ETNs is not the same as an investment in commodity spot or front-month futures prices or buying or holding commodities;
- you understand the terms of the investment in the ETNs and are familiar with the behavior of the underlying RICI EnhancedSM Commodity or Sector Index and financial markets generally;
- you are willing to risk losing some or all of your initial investment in exchange for the opportunity to benefit from the appreciation, if any, in the level of the underlying RICI EnhancedSM Commodity or Sector Index over the term of your holding of the ETNs;
  - you do not seek a current income stream from this investment;
- you are willing to be exposed to fluctuations in the prices of commodity futures contracts, in general, and the prices of the underlying commodity futures contracts reflected in the levels of the underlying RICI EnhancedSM Commodity or Sector Index, in particular; and
- you are willing to make an investment, the payments on which depend on the creditworthiness of RBS plc, as the issuer of the ETNs, and RBSG, as the guarantor.

The ETNs may not be a suitable investment for you if:

- you seek exposure to an investment that tracks the spot or front-month futures prices of the relevant commodities rather than an investment that tracks the prices of the commodity futures contracts underlying the RICI EnhancedSM Indices;
- you do not have sufficient knowledge and experience to evaluate how the ETNs may perform under different conditions and the merits and risks of investment in the ETNs;
- you do not have sufficient financial resources and liquidity to bear all of the risks of an investment in the ETNs, including the risk of loss of such investment;
- you do not understand the terms of the investment in the ETNs or are not familiar with the behavior of the underlying RICI EnhancedSM Commodity or Sector Index and financial markets generally;
- you believe the level of the underlying RICI EnhancedSM Commodity or Sector Index will decrease or will not increase by an amount sufficient to offset the aggregate investor fee applicable to your ETNs during the term of your holding of the ETNs;
  - you seek a guaranteed return of your invested principal;
  - you seek current income from your investment;
- you are not willing to be exposed to fluctuations in the prices of commodity futures contracts, in general, and the prices of the underlying commodity futures contracts reflected in the levels of the underlying RICI EnhancedSM Commodity or Sector Index, in particular;

- you prefer the lower risk and therefore accept the potentially lower returns of fixed income investments with comparable maturities; or

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- you are unwilling or unable to assume the credit risk associated with RBS plc, as the issuer of the ETNs, and RBSG, as the guarantor.

You should carefully consider whether the ETNs are suited to your particular circumstances before you decide to purchase them. In addition, we urge you to consult with your investment, legal, accounting, tax and other advisers with respect to any investment in the ETNs.

Does an investment in the ETNs entitle you to any ownership interests in the commodity futures contracts tracked by the underlying RICI EnhancedSM Commodity or Sector Indices?

No. Owning the ETNs is not the same as owning any commodity futures contracts. The return on your ETNs will not reflect the return you would realize if you actually purchased the commodity futures contracts tracked by the underlying RICI EnhancedSM Commodity or Sector Index, commodities upon which those commodity futures contracts are based or other exchange-traded or over-the-counter instruments referencing those futures contracts or commodities. You will not have any rights that holders of such assets or instruments have, merely as a result of your ownership of the ETNs.

What are the tax consequences of an investment in the ETNs?

You should review carefully the section in this pricing supplement entitled “U.S. Federal Income Tax Consequences.”

For a discussion of United Kingdom tax considerations relating to the ETNs, you should review the section in this pricing supplement entitled “Certain United Kingdom Taxation Considerations.”

You should consult your tax adviser regarding the U.S. federal tax consequences of an investment in the ETNs, as well as tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

How have the RICI EnhancedSM Commodity and Sector Indices performed historically?

The graphs below show the daily closing levels, and the tables below show the year-end closing levels (except for the present year, for which closing levels as of June 24, 2013 are provided), of the RICI EnhancedSM Commodity Index and the Sector Indices from October 31, 2007 through to June 24, 2013, and comparisons to the performance during the same period of the following indices and the agriculture, energy, industrial metals and precious metals sub-indices thereof:

- The Rogers International Commodity Index®-Total ReturnSM (the “RICI Commodity Index”) (Bloomberg ticker: RICIGLTR). The RICI Commodity Index is a composite, USD-based index, designed by Jim Rogers in the late 1990s. It represents the value of a basket of commodities consumed in the global economy ranging from agricultural to energy and metals products.
- The S&P GSCI® Total Return (the “S&P GSCI”) (Bloomberg ticker: SPGSCITR). The S&P GSCI™ is an index on a world production-weighted basket of principal nonfinancial commodities (i.e., physical commodities) that is designed to be a measure of the performance over time of the markets for these commodities. The only commodities represented in the S&P GSCI are those physical commodities on which active and liquid contracts are traded on trading facilities in major industrialized countries.



- The DBIQ Optimum Yield Diversified Commodity Index Total Return (the “DBIQ Optimum Yield Commodity Index”) (Bloomberg ticker: DBLCDBCT). The DBIQ Optimum Yield Commodity Index is intended to reflect the change in market value of certain commodities. Its rule-based methodology aims to maximize the potential roll yield in backwardated markets and minimize the loss from rolling in contango markets.
- Dow Jones-UBS Commodity IndexSM Total Return (the “DJ-UBS Commodity Index”) (Bloomberg ticker: DJUBSTR). The DJ-UBS Commodity Index was established in July 1998 to provide a liquid and diversified benchmark for commodities. It is composed of exchange-traded futures contracts on physical commodities and is designed to be a highly liquid and diversified benchmark for commodities as an asset class. Its component weightings are determined primarily based on liquidity data.

Because the total return versions of the RICI EnhancedSM Indices have only been calculated on a daily basis since October 2008, the closing levels in the graphs and tables below reflect actual Index closing levels from October 2008 to June 24, 2013, and retrospectively calculated levels from October 31, 2007 to October 2008. The retrospectively calculated levels are based on the actual performance of the excess return version of each Index and the interest that could have been earned on cash collateral invested in 3-month U.S. Treasury bills during the same period. The historical closing levels and performance of the RICI EnhancedSM Commodity and Sector Indices should not be taken as an indication of future performance.

The performance of the RICI EnhancedSM Indices illustrated in the graphs and table below do not reflect the investor fee that will be deducted in calculating the daily redemption value of the ETNs.

For comparison purposes, the historical closing levels of each index represented in each graph below are based to a value of 100 on October 31, 2007.



Comparison of the RICI Enhanced<sup>SM</sup> Commodity Index, the Rogers International Commodity Index<sup>®</sup>-Total Return<sup>SM</sup> (the “RICI Commodity Index”) (Bloomberg ticker: RICIGLTR), the S&P GSCI<sup>®</sup> Total Return (the “S&P GSCI”) (Bloomberg ticker: SPGSCITR), the DBIQ Optimum Yield Diversified Commodity Index Total Return (the “DBIQ Optimum Yield Commodity Index”) (Bloomberg ticker: DBLCDBCT), and the Dow Jones-UBS Commodity Index<sup>SM</sup> Total Return (the “DJ-UBS Commodity Index”) (Bloomberg ticker: DJUBSTR).

Date	RICI Enhanced <sup>SM</sup> RICI Commodity Commodity Index Index		S&P GSCI	DBIQ Optimum Yield DJ-UBS Commodity Commodity Index Index	
	12/31/2007	5,277.14		4,422.02	7,466.30
12/31/2008	3,704.13	2,593.66	3,995.40	980.10	234.87
12/31/2009	4,476.15	3,274.00	4,534.20	1,140.32	279.28
12/31/2010	5,308.89	3,896.44	4,943.40	1,276.38	326.29
12/30/2011	5,129.11	3,626.61	4,885.30	1,245.85	282.83
12/31/2012	5,221.78	3,700.11	4,889.00	1,297.71	279.84
6/24/2013	4,832.34	3,445.60	4,616.80	1,194.22	254.46

Source: Bloomberg

Comparison of the RICI Enhanced<sup>SM</sup> Agriculture, the Rogers International Agriculture Index<sup>®</sup>-Total Return<sup>SM</sup> (the “RICI Agriculture”) (Bloomberg ticker: RICIAGTR), the S&P GSCI<sup>®</sup> Agriculture Total Return (the “S&P GSCI Agriculture”) (Bloomberg ticker: SPGSAGTR), the DBIQ Optimum Yield Agriculture Index Total Return (the “DBIQ Optimum Yield Agriculture Index”) (Bloomberg ticker: DBLCDBAT), and the Dow Jones-UBS Agriculture Subindex<sup>SM</sup> Total Return (the “DJ-UBS Agriculture Subindex”) (Bloomberg ticker: DJUBSAG).

Date	RICI		S&P GSCI Agriculture	DBIQ Optimum Yield	
	Enhanced <sup>SM</sup> Agriculture	RICI Agriculture		Agriculture Index	DJ-UBS Agriculture Subindex
12/31/2007	1,561.28	1,344.05	833.70	256.65	81.00
12/31/2008	1,212.82	934.68	592.94	208.52	57.87
12/31/2009	1,307.69	994.23	615.52	213.26	65.70
12/31/2010	1,775.97	1,355.25	825.99	261.20	90.87
12/30/2011	1,693.55	1,145.33	694.87	233.41	77.78
12/31/2012	1,691.93	1,166.11	739.75	228.61	80.81
6/24/2013	1,558.44	1,096.02	695.46	207.44	76.71

Source: Bloomberg

Comparison of the RICI Enhanced<sup>SM</sup> Energy, the Rogers International Commodity Index<sup>®</sup>-Energy Total Return<sup>SM</sup> (the “RICI Energy”) (Bloomberg ticker: RICIENTR), the S&P GSCI<sup>®</sup> Energy Total Return (the “S&P GSCI Energy”) (Bloomberg ticker: SPGSENTR), the DBIQ Optimum Yield Energy Index Total Return (the “DBIQ Optimum Yield Energy Index”) (Bloomberg ticker: DBCMYTEN), and the Dow Jones-UBS Energy Subindex<sup>SM</sup> Total Return (the “DJ-UBS Energy Subindex”) (Bloomberg ticker: DJUBSEN).

Date	RICI Enhanced <sup>SM</sup> Energy	RICI Energy	S&P GSCI Energy	DBIQ Optimum Yield Energy Index	DJ-UBS Energy Subindex
12/31/2007	12,845.38	1,310.65	1,918.78	2,278.45	266.67
12/31/2008	8,064.69	613.75	913.72	1,375.66	138.34
12/31/2009	9,055.24	748.82	1,016.21	1,732.53	130.79
12/31/2010	9,055.34	773.16	1,035.59	1,804.26	116.84
12/30/2011	9,198.03	804.27	1,085.88	1,866.13	98.13
12/31/2012	9,355.48	793.70	1,071.05	1,905.30	88.86
6/24/2013	9,220.53	784.09	1,035.93	1,860.97	88.26

Source: Bloomberg

Comparison of the RICI Enhanced<sup>SM</sup> Industrial Metals, the Rogers International Industrial Metals Index<sup>®</sup>-Total Return<sup>SM</sup> (the “RICI Industrial Metals”) (Bloomberg ticker: RICIIMTR), the S&P GSCI<sup>®</sup> Industrial Metals Total Return (the “S&P GSCI Industrial Metals”) (Bloomberg ticker: SPGSIMTR), the DBIQ Optimum Yield Industrial Metals Index Total Return (the “DBIQ Optimum Yield Industrial Metals Index”) (Bloomberg ticker: DBCMYTIM), and the Dow Jones-UBS Industrial Metals Subindex<sup>SM</sup> Total Return (the “DJ-UBS Industrial Metals Subindex”) (Bloomberg ticker: DJUBSIN).

Date	RICI Enhanced <sup>SM</sup> Industrial Metals	RICI Industrial Metals	S&P GSCI Industrial Metals	DBIQ Optimum Yield Industrial Metals Index	DJ-UBS Industrial Metals Subindex
12/31/2007	5,868.44	1,491.10	1,835.59	320.85	190.19
12/31/2008	3,264.64	780.96	935.71	178.00	96.92
12/31/2009	5,825.53	1,475.89	1,706.93	336.06	174.17
12/31/2010	6,414.18	1,699.02	1,992.42	365.85	202.18
12/30/2011	5,360.30	1,320.31	1,547.42	284.82	153.11
12/31/2012	5,562.48	1,377.66	1,568.66	293.18	154.00
6/24/2013	4,724.63	1,148.12	1,301.07	248.24	126.22

Source: Bloomberg

Comparison of the RICI Enhanced<sup>SM</sup> Precious Metals, the Rogers International Commodity Index<sup>®</sup>-Precious Metals Total Return<sup>SM</sup> (the “RICI Precious Metals”) (Bloomberg ticker: RICIPMTR), the S&P GSCI<sup>®</sup> Precious Metals Total Return (the “S&P GSCI Precious Metals”) (Bloomberg ticker: SPGSPMTR), the DBIQ Optimum Yield Precious Metals Index Total Return (the “DBIQ Optimum Yield Precious Metals Index”) (Bloomberg ticker: DBCMYTPM), and the Dow Jones-UBS Precious Metals Subindex<sup>SM</sup> Total Return (the “DJ-UBS Precious Metals Subindex”) (Bloomberg ticker: DJUBSTR).

Date	RICI Enhanced <sup>SM</sup> Precious Metals	RICI Precious Metals	S&P GSCI Precious Metals	DBIQ Optimum Yield Precious Metals Index	DJ-UBS Precious Metals Subindex
12/31/2007	3,217.27	1,443.30	1,133.14	214.21	131.91
12/31/2008	2,752.73	1,188.51	1,138.60	208.15	124.67
12/31/2009	3,938.16	1,682.92	1,424.01	266.26	160.82
12/31/2010	5,855.32	2,408.16	1,914.77	369.64	229.10
12/30/2011	5,821.95	2,313.47	2,041.68	388.80	239.41
12/31/2012	6,210.03	2,488.63	2,168.47	413.64	254.24
6/24/2013	4,740.84	1,882.46	1,612.06	304.87	185.05

Source: Bloomberg

The graph below shows the daily closing levels of the RIC I Commodity Index, the RIC I Energy, the RIC I Agriculture, the RIC I Industrial Metals and the RIC I Precious Metals (together, the “Non-Enhanced RIC I Indices”) from July 31, 1998 to June 24, 2013.

Source: Bloomberg

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What if I have more questions?

You should read “Valuation of the ETNs” and “Specific Terms of the ETNs” in this pricing supplement for a detailed description of the terms of the ETNs. The ETNs are unsecured and unsubordinated obligations of RBS plc issued as part of our RBS Notes<sup>SM</sup> program and are fully and unconditionally guaranteed by RBSG. The ETNs offered by RBS plc will constitute our unsecured and unsubordinated obligations and rank pari passu without any preference among them and with all our other present and future unsecured and unsubordinated obligations. The guarantees of RBSG will constitute RBSG’s unsecured and unsubordinated obligations and rank pari passu without any preference among them and with all RBSG’s other current and future unsecured and unsubordinated obligations. You can find a general description of certain basic features of the ETNs in the section of the accompanying prospectus called “Description of Debt Securities.”

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## RISK FACTORS

The ETNs are our unsecured and unsubordinated obligations and are fully and unconditionally guaranteed by RBSG. The ETNs are securities as described in the accompanying prospectus dated September 28, 2012 and are riskier than ordinary unsecured debt securities. The return on the ETNs is linked to the performance of the underlying RICI EnhancedSM Commodity or Sector Index. Investing in the ETNs is not equivalent to investing directly in the underlying RICI EnhancedSM Commodity or Sector Index or commodity futures contracts. See “The RICI EnhancedSM Indices” below for more information.

You should carefully consider whether the ETNs are suited to your particular circumstances before you decide to purchase them. In addition, we urge you to consult with your investment, legal, accounting, tax and other advisers with respect to any investment in the ETNs.

### Risks Relating to the ETNs

You may lose all or a significant portion of your investment in the ETNs

The ETNs do not have a minimum redemption or repurchase value and you may receive less, and possibly significantly less, at maturity or upon early repurchase or redemption, than the amount you originally invested. Any cash payment on your ETNs at maturity or upon early repurchase or redemption of your ETNs will be based primarily on any increase or decrease in the level of the underlying RICI EnhancedSM Commodity or Sector Index, and will be reduced by the accrued investor fee on your ETNs. You may lose all or a significant amount of your investment in the ETNs if the level of the underlying RICI EnhancedSM Commodity or Sector Index decreases substantially. In addition, if the daily redemption value per ETN on any valuation date equals zero, the ETNs will be automatically accelerated on that day for an amount equal to the zero daily redemption value and will cease to be outstanding thereafter. In that event, you will not receive any payment in respect of your investment and you will lose your entire investment in the ETNs.

The credit risk of RBS plc and RBSG, and their credit ratings and their credit spreads, may adversely affect the market price of the ETNs prior to maturity, and all payments on the ETNs will be subject to the ability of RBS plc and RBSG to pay their respective obligations as they become due

You are dependent on RBS plc’s ability to pay all amounts due on the ETNs, and therefore you are subject to the credit risk of RBS plc and to changes in the market’s view of RBS plc’s creditworthiness. In addition, because the ETNs are unconditionally guaranteed by RBS plc’s parent company, RBSG, you are also dependent on the credit risk of RBSG in the event that RBS plc fails to make any payment or delivery required by the terms of the ETNs. Any actual or anticipated decline in RBS plc’s or RBSG’s credit ratings or increase in their credit spreads charged by the market for taking credit risk is likely to adversely affect the value of the ETNs prior to maturity, and all payments on the ETNs will be subject to the ability of RBS plc and RBSG to pay their respective obligations as they become due.

Our credit ratings are an assessment, by each rating agency, of our ability to pay our obligations, including those under the ETNs. Credit ratings are subject to revision, suspension or withdrawal at any time by the assigning rating organization in their sole discretion. However, because the return on the ETNs is dependent upon factors in addition to our ability to pay our obligations under the ETNs, an improvement in our credit ratings will not necessarily increase the market price of the ETNs and will not reduce market risk and other investment risks related to the ETNs. Credit ratings (i) do not reflect market risk, which is the risk that the level of the underlying RICI EnhancedSM Commodity or Sector Index may fall resulting in a loss of some or all of your investment, (ii) do not address the price, if any, at which the ETNs may be resold prior to maturity (which may be substantially less than the issue price of the ETNs),



and (iii) are not recommendations to buy, sell or hold the ETNs. Credit ratings are not taken into account in determining the daily redemption value of the ETNs. See “—The market price of the ETNs may be influenced by many unpredictable factors” below.

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Although we are a bank, the ETNs are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other government agency

The ETNs are our obligations but are not bank deposits. In the event of our insolvency, the ETNs will rank equally with our other unsecured, unsubordinated obligations and will not have the benefit of any insurance or guarantee of the Federal Deposit Insurance Corporation, The Deposit Insurance Fund or any other government agency.

Your return at maturity or upon early repurchase or redemption will be reduced by the investor fee

The daily redemption value payable at maturity or upon early repurchase or redemption of your ETNs will be reduced by the aggregate investor fee applicable to your ETNs. As a result, the level of the underlying RICI EnhancedSM Commodity or Sector Index must increase by an amount sufficient to offset such reduction in order for you to receive at least the initial amount of your investment at maturity or upon early repurchase or redemption. If the level of that index decreases or does not increase sufficiently, you will receive less, and possibly significantly less, than the initial amount of your investment at maturity or upon early repurchase or redemption.

There are restrictions on the minimum number of ETNs you may offer to us for repurchase

Unless the minimum repurchase amount has been reduced by RBS plc, we will repurchase your ETNs at your election only if you are offering at least 20,000 ETNs of a single series for any single repurchase and you have followed the procedures for repurchase detailed herein. The minimum repurchase amount and the procedures involved in the offer of any repurchase represent substantial restrictions on your ability to cause us to repurchase your ETNs. If you own fewer than 20,000 ETNs of a single series, you will not be able to cause us to repurchase your ETNs. However, RBS plc may, in its sole discretion, from time to time, reduce the minimum repurchase amount. Any such reduction will be applied on a consistent basis for all holders of the ETNs from the time the reduction becomes effective.

If you make an offer to us to repurchase your ETNs, your offer will be irrevocable. If your offer for repurchase is received after 4:00 p.m., New York City time, on a trading day, or your confirmation of repurchase is received after 5:00 p.m., New York City time, on a trading day, you will be deemed to have made your offer for repurchase on the following trading day. Also, unless the scheduled repurchase date is postponed because a resolution date applies in respect of the valuation date or because a Market Disruption Event occurs or is continuing on the valuation date, the final day on which we will repurchase your ETNs will be October 27, 2042. As such, you must offer your ETNs for repurchase no later than October 21, 2042. The repurchase date in respect of any offer you make to us will be the third business day following the applicable valuation date or, if applicable, the resolution date. See “Specific Terms of the ETNs—Repurchase at Your Option” for more information.

The daily repurchase feature is intended to induce arbitrageurs to counteract any trading of the ETNs at a discount to their indicative value. There can be no assurance that arbitrageurs will employ the repurchase feature in this manner.

You will not know the daily redemption value you will receive at the time an election is made to repurchase or redeem your ETNs

You will not know the daily redemption value you will receive at the time you elect to request that we repurchase your ETNs or that we elect to redeem your ETNs. This is because you will not know the daily redemption value until after the close of business on the applicable valuation date or, if applicable, the resolution date. The applicable valuation date will be:

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in the case of ETNs you have offered for repurchase, the first valuation date, following the trading day on which your offer for repurchase is deemed made; and

- in the case of ETNs we have elected to redeem, the valuation date we specify during the period from the inception date to and including October 22, 2042.

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Upon repurchase or redemption of your ETNs, we will pay you an amount per ETN equal to the daily redemption value calculated as of the applicable valuation date, subject to the provisions regarding resolution dates described under “Specific Terms of the ETNs” in this pricing supplement. We will pay you this amount on the applicable repurchase date or redemption date, which will be the third business day immediately following the applicable valuation date or, if applicable, the resolution date, for such repurchase or such redemption.

As a result, you will be exposed to market risk in the event that the market fluctuates between (i) either the time you deliver the repurchase offer to us or the date on which we deliver a redemption notice to DTC and (ii) the applicable valuation date or, if applicable, the resolution date.

We may redeem your ETNs at our option

We may, in our sole discretion, redeem the ETNs, in whole but not in part, by giving notice specifying the valuation date and redemption date for such redemption. The applicable valuation date may be any valuation date, from the inception date to and including October 22, 2042. On the redemption date, which will be three business days after the valuation date we specify, you will receive a cash payment equal to the daily redemption value for that valuation date, subject to the provisions regarding resolution dates described below. The last day on which we can deliver a redemption notice is October 20, 2042. If the ETNs are redeemed, your investment may result in a loss and you may not be able to reinvest the proceeds in a comparable investment.

If we exercise our right to redeem your ETNs, you will receive a cash payment in an amount equal to the daily redemption value with respect to the applicable valuation date, as described under “Specific Terms of the ETNs—Redemption at Our Option” and “—Daily Redemption Value.” The amount you may receive upon any such redemption may be less than the amount you would have received on your investment at maturity or if you had elected to have us repurchase your ETNs at a time of your choosing.

If we elect to redeem your ETNs at a time when the underlying RICI Enhanced<sup>SM</sup> Commodity or Sector Index closing level is relatively low, the daily redemption value, when calculated, will likely be relatively low as well, and any payment upon redemption may be substantially less than the amount you initially invested, the amount you could have received on your investment at maturity if the ETNs had not been redeemed or the amount you could have received if you had disposed of your ETNs or offered your ETNs for repurchase by us at the time of your choosing. See also “Summary—What will I receive if I sell my ETNs in the secondary market?”

On June 13, 2013, we announced that we would be exiting several business lines, including the structured retail investor products business that is responsible for issuing and maintaining the ETNs, and that we expect to move such businesses into a runoff organization which will go through a process of restructuring, asset sales and / or business sales (the “RBS Retail Investor Products Exit Plan”). The implementation of the RBS Retail Investor Products Exit Plan increases the likelihood that the ETNs will be redeemed by us prior to the Maturity Date. As of the date of this pricing supplement, we plan to continue to maintain the ETNs, including issuing new ETNs, but our plans could change.

We cannot give you any assurances as to any minimum period of time that you may hold the ETNs before we redeem them at our option, and we have no obligation to take your interests into account when deciding whether to maintain or redeem the ETNs.

If the ETNs are redeemed, you will be exposed to reinvestment risk

If the ETNs are redeemed by us, your holding period could be significantly less than the full term of the ETNs. There is no guarantee that you would be able to reinvest the proceeds in another investment with similar characteristics.

The ETNs may be accelerated, in which case you will lose your entire investment before the stated maturity date

The daily redemption value of the ETNs will be based primarily on any increase or decrease in the level of the underlying RICI EnhancedSM Commodity or Sector Index, and will be reduced by the accrued investor fee on your ETNs. If there are severe or repeated declines in the underlying RICI EnhancedSM Commodity or Sector Index during the term of the ETNs, the daily redemption value per ETN on any valuation date could be reduced to zero. In that case, the ETNs will be automatically accelerated on such day, as if such date were the maturity date of the ETNs, for an amount equal to the zero daily redemption value and the ETNs will cease to be outstanding thereafter. In such event, you will not receive any payment in respect of your investment and you will lose your entire investment in the ETNs.

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The market price of the ETNs may be influenced by many unpredictable factors

The market price of your ETNs may fluctuate between the date you purchase them and the valuation date (or resolution date) when the calculation agent determines the amount to be paid to you upon repurchase or redemption of your ETNs, or on the final valuation date (or resolution date) when the calculation agent determines the amount to be paid at maturity, as applicable. You may also sustain a significant loss if you sell the ETNs in the secondary market. We expect that generally the level of the underlying RICI EnhancedSM Commodity or Sector Index will affect the market price of the ETNs more than any other factor. Other factors that may influence the market price of the ETNs, and which may either offset or amplify each other, include:

- the performance of the underlying RICI EnhancedSM Commodity or Sector Index, which in turn depends on the underlying Single Commodity Indices and commodity futures contracts, all of which can fluctuate significantly;
- the volatility (frequency and magnitude of changes) in the underlying RICI EnhancedSM Commodity, Sector and Single Commodity Indices and commodity futures contracts as well as the liquidity or illiquidity of the relevant commodity markets;
- our ability to issue more ETNs—if we were to stop issuing additional ETNs, they could trade at a premium over their intraday indicative values due to the resulting decrease in the supply of the ETNs;
- economic, financial, political, legal, regulatory or judicial events that affect the prices of the underlying commodity futures contracts and therefore the levels of the underlying RICI EnhancedSM Commodity, Sector or Single Commodity Indices; and
- the actual or perceived creditworthiness of RBS plc as issuer of the ETNs and RBSG as the guarantor of RBS plc's obligations under the ETNs.

These factors interrelate in complex ways, and the effect of one factor on the market price of your ETNs may offset or enhance the effect of another factor.

Some or all of these factors will influence the price that you will receive if you sell your ETNs prior to maturity in the secondary market, if any. If you sell your ETNs prior to maturity, the price at which you are able to sell your ETNs may be at a discount, which could be substantial, from the then-applicable daily redemption value or the stated face amount. For example, there may be a discount on the ETNs if at the time of sale the underlying RICI EnhancedSM Commodity or Sector Index is at or below its initial level or if market interest rates rise. Thus, if you sell your ETNs before maturity, the price that you receive for your ETNs may be more or less than the applicable indicative value or the applicable daily redemption value of the ETNs. Further, you may receive more or less than the stated face amount of the ETNs or the price that you paid for them.

Some or all of these factors will influence the return, if any, that you receive upon maturity of the ETNs. We cannot predict the future performance of the ETNs, the underlying RICI EnhancedSM Commodity or Sector Index or commodity futures contracts based on their historical performance. Neither we nor RBSG nor any of our affiliates can guarantee that the level of the underlying RICI EnhancedSM Commodity or Sector Index will increase so that you will receive at maturity an amount in excess of the stated face amount of the ETNs.

As an investor in the ETNs you assume the risk that as a result of the performance of the ETNs you may not receive any return on your initial investment in the ETNs or that you may lose some or all of your investment in the ETNs.

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You will have no rights in the underlying commodity futures contracts or the underlying RICI EnhancedSM Commodity or Sector Index, and you have no rights against the Index Sponsor or the Index Calculation Agent

The return on your ETNs will not reflect the return you would realize if you actually purchased the commodity futures contracts tracked by the underlying RICI EnhancedSM Commodity or Sector Index, commodities upon which those commodity futures contracts are based or other exchange-traded or over-the-counter instruments referencing those futures contracts or commodities. You will not have any rights that holders of such assets or instruments have, merely as a result of your ownership of the ETNs.

Although your ETNs are linked to the underlying RICI EnhancedSM Commodity or Sector Index, an investor fee is embedded in the daily redemption value of your ETNs as described above under “—Your return at maturity or upon early repurchase or redemption will be reduced by the investor fee.” As a result, the performance of your ETNs will not be the same as the performance of the underlying RICI EnhancedSM Commodity or Sector Index, or the return on a similar investment in exchange traded notes or other instruments tracking that index or the underlying commodity futures contracts. Even if the level of the underlying RICI EnhancedSM Commodity or Sector Index increases from its level on the pricing date for the ETNs, the market price of the ETNs may not increase. It is also possible for the level of the RICI EnhancedSM Commodity or Sector Index to increase while the market price of the ETNs declines. Your payment at maturity may be less than you would have received if you had invested directly in the underlying RICI EnhancedSM Commodity or Sector Index. The trading value of the ETNs and final return on the ETNs may also differ from the performance of the underlying RICI EnhancedSM or Sector Index for the reasons described under “—The credit risk of RBS plc and RBSG, and their credit ratings and their credit spreads may adversely affect the market price of the ETNs prior to maturity, and all payments on the ETNs will be subject to the ability of RBS plc and RBSG to pay their respective obligations as they become due” and “—The market price of the ETNs may be influenced by many unpredictable factors.”

The sponsor of the RICI EnhancedSM Commodity or Sector Index has no obligations relating to the ETNs or the holders of the ETNs. You will have no rights against the Index Sponsor or the Index Calculation Agent, even though the amount you receive at maturity or upon repurchase of your ETNs by us will depend on the level of the underlying RICI EnhancedSM Commodity or Sector Index throughout the term of the ETNs.

There may not be an active trading market in the ETNs; sales in the secondary market may result in significant losses

There is currently no secondary market for the ETNs. Although the ETNs are listed on NYSE Arca under their respective ticker symbols listed on the cover page of this pricing supplement, there is no guarantee of secondary market liquidity. On the initial settlement date, we issued \$4,000,000 in face amount of each series of ETNs (equivalent to 160,000 ETNs of each series) to be sold through RBSSI. Even if a secondary market does develop, it may not be liquid and may not continue for the term of the ETNs. In addition, no assurances can be given as to the continuation of the listing during the term of the ETNs. We are not required to maintain any listing of the ETNs on NYSE Arca or any other exchange or quotation system.

The liquidity of the market for the ETNs may vary materially over time

As stated on the cover of this pricing supplement, we issued only a small portion of the ETNs \$4,000,000 in face amount of each series of ETNs (equivalent to 160,000 ETNs of each series)) on the initial settlement date. These ETNs and additional ETNs may be offered and sold from time to time by or through RBSSI, an affiliate of ours, acting as principal or as our agent, to one or more dealers purchasing as principals for resale to investors. We cannot assure you that any minimum number of ETNs will be sold or be outstanding at any given point. We are under no obligation to issue or sell additional ETNs at any time, and if we do sell additional ETNs, we may limit or restrict such



sales, and we may stop selling additional ETNs at any time. If we stop selling additional ETNs, the price and liquidity of the ETNs in the secondary market could be materially and adversely affected. See “—We are under no obligation to

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issue or sell additional ETNs at any time, and if we do sell additional ETNs, we may limit or restrict such sales, and we may stop selling additional ETNs at any time” below.

Also, the number of ETNs outstanding or held by persons other than our affiliates could be reduced at any time due to repurchases of the ETNs by us as described in this pricing supplement or due to our affiliates’ purchase of the ETNs in the secondary market. Accordingly, the liquidity of the market for the ETNs could vary materially over the term of the ETNs. While you may elect to offer your ETNs for repurchase by us prior to maturity, such repurchase is subject to the restrictive conditions and procedures described elsewhere in this pricing supplement, including the condition that you must offer at least the applicable minimum repurchase amount to us at one time for repurchase on any repurchase date.

The intraday indicative value and the daily redemption value are not the same as the trading price or market price of the ETNs in the secondary market

The intraday indicative value and the daily redemption value are not the same as the trading price or market price of the ETNs in the secondary market. An intraday “indicative value” is meant to approximate the intrinsic economic value of the ETNs from time to time. The intraday “indicative value” of the ETNs will be published every 15 seconds by NYSE Arca under their respective ticker symbols listed on the cover page of this pricing supplement. The trading price or market price of the ETNs at any time is the price at which you may be able to sell your ETNs in the secondary market, if it exists. The actual trading price or market price of the ETNs may vary significantly from the indicative value and the daily redemption value. Please see the cover page of this pricing supplement for the respective ticker symbols. Paying a premium price over the indicative value of the ETNs could lead to significant losses in the event you sell such ETNs at a time when that premium is no longer present in the marketplace, or in the event the ETNs are redeemed at our option (in which case you will receive a cash payment in an amount equal to the daily redemption value, which does not include any premium, with respect to the applicable valuation date or, if applicable, the resolution date). Any premium may be reduced or eliminated at any time. The “indicative value” of any ETN, which refers to the value of the ETN at any given time during a trading day, equals (a) the daily redemption value for that ETN for the immediately preceding valuation date, multiplied by (b) the index factor for that ETN on that trading day, multiplied by (c) the fee factor for that trading day (see “Valuation of the ETNs—Indicative Value” in this pricing supplement).

Any payment on the ETNs at maturity or upon early repurchase or redemption will be based on the daily redemption value for the applicable valuation date, as determined by the calculation agent, and not on any intraday “indicative value” of the ETNs as published by the calculation agent via NYSE Arca.

For any valuation date, the daily redemption value per ETN will be equal to (x) the daily redemption value with respect to the immediately preceding valuation date, multiplied by (y) the index factor with respect to such valuation date, multiplied by (z) the fee factor with respect to such valuation date (see “Specific Terms of the ETNs—Daily Redemption Value” in this pricing supplement). The calculation agent will publish the daily redemption value of the ETNs for each valuation date via NYSE Arca under the ticker symbols listed on the cover page of this pricing supplement. If the daily redemption value per ETN equals zero, the ETNs will be automatically accelerated on such date and will cease to be outstanding thereafter. In such event, you will not receive any payment in respect of your investment and you will lose your entire investment in the ETNs.

If purchased or sold in the secondary market, you will pay or receive the market price of the ETNs at that time. There may be significant differences between the intraday market prices of an ETN and the indicative value or the daily redemption value of that ETN as a result of market movements and other factors. See “Summary—What are the differences among the trading price or market price, the indicative value and the daily redemption value of the

ETNs?” If you were to sell your ETNs in the secondary market, if any, you would receive the market price for the ETNs, which may be more or less than the stated face amount, the indicative value or the daily redemption value of your ETNs, and which may be more or less than what you paid for them. See “Summary—What will I receive if I sell my ETNs in the secondary market?”

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We are under no obligation to issue or sell additional ETNs at any time, and if we do sell additional ETNs, we may limit or restrict such sales, and we may stop selling additional ETNs at any time

In our sole discretion, we may decide to issue and sell additional ETNs from time to time at a price that is higher or lower than the stated face amount, based on the indicative value of the ETNs at that time. The price of the ETNs in any subsequent sale may differ substantially (higher or lower) from the issue price paid in connection with any other issuance of the ETNs. Additionally, any ETNs held by us or an affiliate in inventory may be resold at prevailing market prices or lent to market participants who may have made short sales of the ETNs.

However, we are under no obligation to issue or sell additional ETNs at any time, and if we do sell additional ETNs, we may limit or restrict such sales, and we may stop selling additional ETNs at any time. If we start selling additional ETNs, we may stop selling additional ETNs for any reason, which could materially and adversely affect the price and liquidity of the ETNs in the secondary market. If we decide to limit or suspend issuance of additional ETNs, we or the calculation agent expect to notify market participants promptly by press release (or other means of communication) and also expect to post notification of such limitation or suspension on the website [www.rbs.com/etnus](http://www.rbs.com/etnus) (or another website relating to the ETNs that we may specify) as soon as practicable. If the decision to suspend issuance is made during trading hours, we or the calculation agent expect to notify NYSE Arca and request that NYSE Arca halt trading in the ETNs until a press release (or other means of communication) is disseminated. See also “Summary—What will I receive if I sell my ETNs in the secondary market?”

Hedging and trading activities by us or our affiliates could affect prices of ETNs

We and our affiliates may carry out activities that minimize our risks related to the ETNs. In particular, we may hedge our anticipated exposure in connection with the ETNs by taking positions in futures contracts, exchange-traded products or other derivatives positions (collectively, the “Hedge Transactions”) referencing the RICI EnhancedSM Indices, the underlying commodity futures contracts or any other market index. Furthermore, from time to time, we or our affiliates may enter into additional Hedge Transactions or unwind Hedge Transactions previously entered into.

We or our affiliates may enter into or unwind long positions referencing the RICI EnhancedSM Indices or any underlying commodity futures contracts, and enter into or unwind long positions in futures contracts, exchange-traded products or other derivative instruments linked to the RICI EnhancedSM Indices, any of the underlying commodity futures contracts, or any other market index. These trading activities, however, could potentially alter the levels of the RICI EnhancedSM or a Sector or Single Commodity Index or the prices of the underlying commodity futures contracts and therefore, the value of the ETNs.

We or our affiliates may also engage in trading futures contracts, exchange-traded products or other derivative instruments referencing the RICI EnhancedSM Indices or the underlying commodity futures contracts as part of our or their general broker-dealer activities and other businesses, for proprietary accounts, for other accounts under management or to facilitate transactions for customers, including through block transactions. Any of these activities could adversely affect the levels of the RICI EnhancedSM Commodity Index or a Sector or Single Commodity Index or the prices of the underlying commodity futures contracts and, therefore, the value of the ETNs.

We or one or more of our affiliates may also issue or underwrite other securities or other financial instruments with returns linked or related to changes in the level of the RICI EnhancedSM Indices or underlying commodity futures contracts. By introducing additional products into the marketplace in this manner, we or one or more of our affiliates could adversely affect the value of the ETNs.

Our affiliates through which we hedge our obligations under the ETNs expect to make a profit. Since hedging our obligations entails risk and may be influenced by market forces beyond our affiliates’ control, such hedging may result in a profit that is more or less than initially projected.

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Potential conflicts of interest between holders of the ETNs and the calculation agent and the Index Calculation Agent

Our affiliate, RBSSI, will serve as the calculation agent for the ETNs. RBSSI will, among other things, decide the amount of the return paid out to you on the ETNs at maturity or upon repurchase or redemption. For example, the calculation agent may have to determine whether a Market Disruption Event has occurred or is continuing on a valuation date. This determination may, in turn, depend on the calculation agent's judgment about whether the event has materially interfered with our ability to unwind our hedge positions. In addition, the calculation agent may have to determine the price of an underlying futures contract where a closing price is not available on the Relevant Commodities Exchange, and also may have to make additional calculations if the RICI EnhancedSM Commodity Index or a Sector Index is liquidated, discontinued, suspended, modified, delisted or otherwise terminated. The calculation agent will exercise its judgment when performing its functions. Since these determinations by the calculation agent may affect the market price of the ETNs, the calculation agent may have a conflict of interest if it needs to make any such decision.

We will serve as the Index Calculation Agent. Because determinations made by the Index Calculation Agent may affect the daily redemption value of the ETNs, potential conflicts of interest may arise between our role as the issuer of the ETNs and our role as the Index Calculation Agent, and you.

In addition, the methodology and rules for the RICI EnhancedSM Indices were developed by RBS N.V., our affiliate, jointly with Jim Rogers, and may be modified by the Index Committee, which includes our representative and may also result in potential conflicts of interest. See “—Potential conflicts of interest between holders of the ETNs and the Index Committee, including RBS plc, may exist” below.

In our sole discretion, we may decide to issue and sell additional ETNs from time to time at a price that is higher or lower than the stated face amount, based on the indicative value of the ETNs at that time, and any ETNs held by us or an affiliate in inventory may be resold at prevailing market prices or lent to market participants who may have made short sales of the ETNs. See “—We are under no obligation to issue or sell additional ETNs at any time, and if we do sell additional ETNs, we may limit or restrict such sales, and we may stop selling additional ETNs at any time” above.

Potential conflicts of interest between holders of the ETNs and the Index Committee, including RBS plc, may exist

The methodology and rules for the RICI EnhancedSM Indices were developed by RBS N.V. and Jim Rogers. All of the RICI EnhancedSM Indices are overseen by a committee (the “Index Committee”), which at present consists of two members: Jim Rogers, as the nominated representative of Beeland, and our nominated representative. The Index Committee is responsible for the index methodology (as described under “The RICI EnhancedSM Indices” below) that the Index Calculation Agent will use in order to calculate the levels of the RICI EnhancedSM Indices, and has the ability to take certain actions with respect to the index methodology, including actions that could affect the level of the RICI EnhancedSM Commodity Index or a Sector Index and, therefore, the value of your ETNs.

Beeland and RBS plc have entered into a non-exclusive license agreement providing for the license to us, and certain of our affiliated or subsidiary companies, in exchange for a fee, of the right to use the RICI EnhancedSM Commodity and Sector Indices. The fee will be calculated on the basis of the average total notional amount of ETNs outstanding in a calendar quarter.

We and Beeland, as the Index Committee members, make all decisions on the RICI EnhancedSM Indices and the interpretation of the index methodology. The Index Committee has discretion regarding the composition and management of the RICI EnhancedSM Indices, including additions, deletions and the weights of the component commodities or commodity futures contracts tracked by the RICI EnhancedSM Indices, all of which could affect the

value of the indices and, therefore, could affect the amount payable on the ETNs at maturity and the market price of the ETNs prior to maturity. The Index Committee does not have any obligation to take the needs of any parties to transactions involving the RICI EnhancedSM

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Indices, including the holders of the ETNs, into consideration when reweighting or making any other changes to the RICI EnhancedSM Indices.

Because determinations made by the Index Committee may affect the daily redemption value of the ETNs, potential conflicts of interest may arise between our role as the issuer of the ETNs and our role on the Index Committee, and you.

The Index Committee members may change the Index Committee voting rules, or appoint successors in place of their current nominated representatives.

Jim Rogers and Beeland are not affiliated with RBS plc or RBSG. Jim Rogers, individually or through an entity controlled by him, may also take positions in futures contracts, exchange-traded products or other derivatives referencing the RICI EnhancedSM Indices or the underlying commodity futures contracts, or in other instruments that he deems appropriate. With respect to any such activities, neither Jim Rogers nor any of the entities controlled by him has any obligation to take the needs of any buyers, sellers or holders of the ETNs into consideration at any time. It is possible that such trading and hedging activities, by any of these parties, will affect the value of the RICI EnhancedSM Indices and therefore the daily redemption value or market price of the ETNs.

The daily redemption value will be adjusted for any valuation date on which any Relevant Commodities Exchange is not open for trading for at least three hours, or if a Market Disruption Event exists with respect to such day.

If on any valuation date, any Relevant Commodities Exchange is not open for trading for at least three hours, or if a Market Disruption Event exists with respect to that valuation date, the daily redemption value for that valuation date will be adjusted so that it will reflect closing prices for any futures contracts underlying the applicable RICI EnhancedSM Index that were not obtainable on that valuation date. If any such price is not available within five business days of any valuation date, that price will be determined by the calculation agent in its discretion, using its estimate of the value of the relevant futures contract(s).

The daily redemption value as determined by the calculation agent may differ from the result that would be produced by simple application of the formula for the daily redemption value set forth under “Specific Terms of the ETNs—Daily Redemption Value” to any published level of the underlying RICI EnhancedSM Commodity or Sector Index or by a simple application of the methodology for that index set forth under “The RICI EnhancedSM Indices” in this pricing supplement.

If the daily redemption value is adjusted, the corresponding repurchase date or redemption date (or in the case of the final valuation date, the maturity date) will also be postponed, to the third business day immediately following the applicable resolution date. Any such postponement or determinations by the calculation agent may adversely affect your return on the ETNs. No interest or other payment will be payable as a result of such postponement. See “Specific Terms of the ETNs—Daily Redemption Value” in this pricing supplement.

We will not pay any amounts under the ETNs until maturity, or until the notes are redeemed or repurchased, as applicable.

We will not pay interest or dividends on the ETNs. You may receive less at maturity than you could have earned on ordinary interest-bearing debt securities with similar maturities, including our debt securities, since the payment at maturity is based on the appreciation or depreciation of the underlying RICI EnhancedSM Commodity or Sector Index, as reduced by the aggregate investor fee applicable to your ETNs. Because the payment due at maturity may be less than the amount originally invested in the ETNs, the return on the ETNs (the effective yield to maturity) may



be negative. Even if it is positive, the return payable on the ETNs may not be enough to compensate you for any loss in value due to inflation and other factors relating to the value of money over time.

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RBSSI and its affiliates may publish reports, express opinions or provide recommendations that are inconsistent with investing in or holding the ETNs. Any such reports, opinions or recommendations could affect the value of the underlying RICI EnhancedSM Commodity or Sector Index and therefore the market price of the ETNs

RBSSI and its affiliates may publish reports from time to time on financial markets and other matters that may influence the value of the ETNs or express opinions or provide recommendations that are inconsistent with purchasing or holding the ETNs. RBSSI and its affiliates may have published or may publish reports or other opinions that call into question the investment view implicit in an investment in the ETNs. Any reports, opinions or recommendations expressed by RBSSI or its affiliates may not be consistent with each other and may be modified from time to time without notice. Investors should make their own independent investigation of the merits of investing in the ETNs and the Index to which the ETNs are linked.

The U.S. federal income tax consequences of an investment in the ETNs are uncertain

As of the date of this pricing supplement, there is no direct legal authority regarding the proper U.S. federal income tax treatment of the ETNs, and we do not plan to request a ruling from the Internal Revenue Service (the "IRS"). Consequently, significant aspects of the tax treatment of the ETNs are uncertain, and the IRS or a court might not agree with the treatment of the ETNs as prepaid financial contracts that are not debt, as described in the section of this pricing supplement entitled "U.S. Federal Income Tax Consequences." If the IRS were successful in asserting an alternative treatment, the tax consequences of your ownership and disposition of the ETNs could be materially and adversely affected. In addition, in 2007 the U.S. Treasury Department and the IRS released a notice requesting comments on various issues regarding the U.S. federal income tax treatment of "prepaid forward contracts" and similar instruments. Any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the ETNs, possibly with retroactive effect. Prospective non-U.S. investors should also note that legislative provisions enacted in 2010 could result in the imposition of withholding tax on an investment in the ETNs.

You should review the discussion under "U.S. Federal Income Tax Consequences" and consult your tax adviser regarding the U.S. federal tax consequences of an investment in the ETNs, as well as tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

#### Risks Relating to the RICI EnhancedSM Commodity and Sector Indices

The RICI EnhancedSM Commodity and Sector Indices have limited actual history and may perform in unexpected ways

The RICI EnhancedSM Commodity and Sector Indices were established in October, 2007 and therefore have limited actual history and may perform in unexpected ways. Please see the historical levels in the section "Summary—How have the RICI EnhancedSM Commodity and Sector Indices performed historically?"

Historical levels of the RICI EnhancedSM Commodity and Sector Indices should not be taken as an indication of their future performance during the term of the securities

The actual performance of the RICI EnhancedSM Commodity and Sector Indices over the term of the ETNs, as well as the amount payable at maturity, may bear little relation to their historical levels. Due in part to the Index Committee's discretion regarding the RICI EnhancedSM Indices and its ability to make changes to the Indices at any time, the historical performance and composition of the RICI EnhancedSM Commodity and Sector Indices should not be taken as an indication of their future performance during the term of the ETNs. The trading prices of futures

contracts on the relevant commodities will determine the level of the underlying RICI EnhancedSM Commodity or Sector Index. As a result, it is impossible to predict whether the level of the underlying RICI EnhancedSM Commodity or Sector Index will rise or fall.

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The RICI EnhancedSM Commodity and Sector Indices include futures contracts on foreign exchanges and are subject to risks that do not always apply to U.S. Markets

The RICI EnhancedSM Commodity and Sector Indices include futures contracts on physical commodities on exchanges located outside the United States. The Index Committee has not established any limits on the volume of commodities included in the RICI EnhancedSM Commodity and Sector Indices that can be traded on non-U.S. exchanges. The percentage, by Target Weight, of the Component Commodities underlying the RICI EnhancedSM Commodity Index that are traded in foreign exchanges is approximately 28%; the percentages for the RICI EnhancedSM Agriculture, Energy, Industrial Metals and Precious Metals Sector Indices are approximately 5%, 32%, 100% and 0%, respectively. The regulations of the Commodity Futures Trading Commission do not apply to trading on foreign exchanges, and trading on foreign exchanges may involve different and greater risks than trading on United States exchanges. Certain foreign markets may be more susceptible to disruption than United States exchanges due to the lack of a government-regulated clearinghouse system. Trading on foreign exchanges also involves certain other risks that are not applicable to trading on United States exchanges. Those risks include varying exchange rates, foreign exchange controls, governmental expropriation, burdensome or confiscatory taxation systems, government imposed moratoriums, and political or diplomatic events.

The London Metal Exchange operates differently from other major regulated commodity futures markets

The RICI EnhancedSM Commodity Index and the RICI EnhancedSM Industrial Metals reference commodities (Aluminum, Copper, Zinc, Lead, Tin and Nickel) that are traded on the London Metal Exchange (the "LME"). The LME is a principals' market which operates in a manner more closely analogous to the over-the-counter physical commodity markets than regulated futures markets. For example, there are no daily price limits on the LME, which would otherwise restrict the extent of daily fluctuations in the prices of LME contracts. In a declining market, therefore, it is possible that prices would continue to decline without limitation within a trading day or over a period of trading days. In addition, a contract may be entered into on the LME calling for delivery on any day from one day to three months following the date of that contract and for monthly delivery up to 63, 27 and 15 months forward (depending on the commodity) following that third month, in contrast to trading on futures exchanges, which call for delivery in stated delivery months. As a result, there may be a greater risk of a concentration of positions in LME contracts on particular delivery dates, which in turn could cause temporary aberrations in the prices of LME contracts for certain delivery dates. If such aberrations occur during the term of the securities, the official U.S. dollar cash settlement prices per tonne of the commodity and, consequently, the levels of the RICI EnhancedSM Indices and the market prices of the ETNs, could be adversely affected.

The effects of any future regulatory change on the value of the ETNs is impossible to predict, but could be substantial and adverse to the interests of holders of the ETNs

Futures contracts related to commodities are subject to extensive statutes, regulations, and margin requirements. The Commodity Futures Trading Commission, commonly referred to as the "CFTC," and the exchanges on which such commodity futures contracts trade are authorized to take extraordinary actions in the event of a market emergency, including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily limits and the suspension of trading. Furthermore, certain exchanges have regulations that limit the amount of fluctuations in commodity futures contract prices that may occur during a single five-minute trading period. These limits could adversely affect the market prices of commodity futures contracts underlying the RICI EnhancedSM Indices. The regulation of commodity transactions in the United States is subject to ongoing modification by government and judicial action. In addition, various national governments have expressed concern regarding the disruptive effects of speculative trading in the commodity markets and the need to regulate the derivative markets in general. Any future regulatory changes, including but not limited to changes resulting from the

Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), which was enacted on July 21, 2010, may have a substantial adverse effect on the value of the ETNs.

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Additionally, in accordance with the Dodd-Frank Act, the CFTC is drafting regulations to establish limits on the amount of positions, other than bona fide hedge positions, that may be held by any person in futures contracts on certain energy and agricultural based commodities. In particular, on October 18, 2011, the CFTC adopted interim and final position limits that would have applied to a party's combined futures, options and swaps position in any one of 28 physical commodities and economically equivalent futures, options and swaps. These limits would have, among other things, expanded existing position limits applicable to options and futures contracts to apply to swaps and applied them across affiliated and controlled entities and accounts. However, the International Swaps and Derivatives Association and the Securities Industry and Financial Markets Association jointly filed a legal challenge to the position limit rules, which were due to take effect on October 12, 2012, in the U.S. District Court for the District of Columbia. On September 28, 2012, the court vacated the position limit rules and remanded them to the CFTC. It is unclear whether the CFTC will decide to appeal the court's ruling or seek to repropose position limit rules. If position limit rules are ultimately upheld in an appeal or if substantially similar rules are adopted and implemented by the CFTC, such rules could interfere with our ability to enter into or maintain hedge positions in instruments subject to the limits, and consequently, we may need to decide, or be forced, to sell a portion, possibly a substantial portion, of our hedge position in such underlying commodity or futures contracts on such underlying commodity or related contracts. Similarly, other market participants would be subject to the same regulatory issues and could decide, or be required to, sell their positions in such underlying commodity or futures contracts on such underlying commodity or related contracts. While the effect of these or other regulatory developments are difficult to predict, if this broad market selling were to occur, it would likely lead to declines, possibly significant declines, in the price of such underlying commodity or futures contracts on such underlying commodity and therefore, and could affect the value of the ETNs.

An increase in the margin requirements for any relevant commodity may adversely affect the value of the ETNs

Futures exchanges require market participants to post collateral in order to open and keep open positions in futures contracts. If an exchange increases the amount of collateral required to be posted to hold positions in a futures contract relating to any relevant commodity, market participants who are unwilling or unable to post additional collateral may liquidate their positions, which may cause the price of that futures contract to decline significantly. As a result, the value of the ETNs that reference the prices of these contracts may be adversely affected.

The RICI Enhanced<sup>SM</sup> Commodity and Sector Indices may be subject to pronounced risks of pricing volatility

Many commodities, like those in energy and industrial metals sectors, have liquid futures contracts that expire every month. Therefore, these contracts are rolled forward every month. Contracts based on certain other commodities, most notably agricultural and livestock products, tend to have only a few contract months each year that trade with substantial liquidity. Thus, these commodities, with related futures contracts that expire infrequently, roll forward less frequently than every month, and can have further pronounced pricing volatility during extended periods of low liquidity. The risk of aberrational liquidity or pricing around the maturity date of a commodity futures contract is greater than in the case of other futures contracts because (among other factors) a number of market participants take delivery of the underlying commodities. These factors (when combined or in isolation) may affect the price of the futures contracts and, as a consequence, the level of the underlying RICI Enhanced<sup>SM</sup> Commodity or Sector Index and your payment on the ETNs.

The ETNs will be subject to currency exchange risk

Because the prices of some of the commodities futures contracts tracked by the underlying RICI Enhanced<sup>SM</sup> Commodity or Sector Index are converted into U.S. dollars for the purposes of calculating the levels of the indices, the holders of the ETNs will be exposed to currency exchange rate risk with respect to each of the currencies in which those commodities futures contracts trade. An investor's net exposure will depend on the extent to which such

currencies strengthen or weaken against the U.S. dollar

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and the relative weights of the underlying commodities futures contracts denominated in each such currency. If, taking into account such weights, the U.S. dollar strengthens against such currencies, the level of the underlying RICI EnhancedSM Commodity or Sector Index will be adversely affected and the payment at maturity of the ETNs may be reduced. Additionally, the volatility of the exchange rate between the U.S. dollar and each of the currencies in which those underlying commodity futures contracts are denominated could affect the market price of the ETNs.

The ETNs and the RICI EnhancedSM Indices do not provide exposure to spot prices of commodities

The ETNs will reflect the return on the underlying RICI EnhancedSM Commodity or Sector Index, which tracks the settlement prices of futures contracts that are traded on the Relevant Commodities Exchanges, not physical commodities or their spot prices. The price movements in futures contracts on commodities may not correlate with changes in the spot prices of the commodities. A commodity futures contract is an agreement to buy a set amount of an underlying physical commodity at a predetermined price during a stated delivery period. A futures contract reflects the expected value of the underlying physical commodity upon delivery in the future. In contrast, the underlying physical commodity's current or "spot" price reflects the immediate delivery value of the commodity. A variety of factors can lead to a disparity between the expected future price of a commodity and the spot price at a given point in time, such as the cost of storing the commodity for the term of the futures contract, interest charges incurred to finance the purchase of the commodity and expectations concerning supply and demand for the commodity. The RICI EnhancedSM Indices track the settlement prices of futures contracts and not the spot prices of the relevant commodities. Consequently, an investment in the ETNs is not the same as an investment in the spot prices of the relevant commodities or buying and holding the relevant commodities. While price movements in the futures contracts of commodities may correlate with changes in the spot prices of the commodities, the correlation will not be perfect and price movements in the spot markets may not be reflected in the futures market and vice versa. Accordingly, increases in the spot prices of commodities may not result in increases in the prices of the futures contracts of the commodities. The prices of the futures contracts tracked by the RICI EnhancedSM Indices may decrease while the spot prices for the relevant commodities increase.

The prices of the commodities included in the applicable Sector Index may correlate with each other

The commodities included in each Sector Index are from one particular commodity sector. It is often, but not always, the case that prices of commodities in the same sector may move up or down in a similar pattern due to macroeconomic factors affecting that sector. This phenomenon is referred to as "correlation." Choosing commodities in the same sector is likely to result in correlation among the commodities, and it is possible that correlation will be detrimental to you because the prices of all of the commodities may move lower at the same time. This is impossible to predict.

On the other hand, price movements in the commodities within the relevant commodity sector may not correlate with each other. At a time when the price of one or more of the commodities increases, the price of one or more of the other commodities may not increase as much or may decrease. Therefore, in calculating on the applicable valuation date or, if applicable, the resolution date, the payment, if any, due at maturity or upon early repurchase or redemption, increases in the prices of one or more of the commodities may be moderated, or be wholly offset, by declines in the prices of one or more of the other commodities.

There can be no assurance that the diversification of the RICI EnhancedSM Commodity and Sector Indices will protect investors from negative market movements in the prices for commodity futures contracts.

The RICI EnhancedSM Indices are rolling indices and future prices of the commodities that are different relative to their current prices may decrease the amount payable at maturity



The RICI EnhancedSM Indices track commodity futures contracts. Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts normally specify a

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certain date for delivery of the underlying physical commodity. As the relevant futures contracts approach expiration, they are replaced by contracts that have a later expiration. Thus, for example, a contract purchased and held in August may specify an October expiration. As time passes, the RICI EnhancedSM Indices will replace the contract expiring in October by a contract for delivery in a later month (e.g., February of the following year). This process is referred to as “rolling”. If the market for these contracts is (putting aside other considerations) in “backwardation,” where the prices are lower in the distant delivery months than in the nearer delivery months, the sale of the October contract would take place at a price that is higher than the purchase price of the February contract, thereby creating a “roll yield” which might create a profit for the purchase of the contracts and accordingly an increase in the level of the RICI EnhancedSM Commodity and Sector Indices referencing those contracts. While certain commodities’ contracts included in the RICI EnhancedSM Indices have historically exhibited consistent periods of backwardation, backwardation will likely not exist at all times with respect to any commodity. Certain of the commodities included in the RICI EnhancedSM Indices have historically traded in “contango” markets. Contango markets are those in which the prices of contracts are higher in the distant delivery months than in the nearer delivery months, resulting in a loss on roll and a corresponding decrease in the relevant RICI EnhancedSM Index levels. The RICI EnhancedSM index methodology applies a formula designed to find the futures contract with the highest possible return in a market in backwardation and the least possible loss in a market in contango. There can be no assurance, however, that this outcome will occur, or backwardation or roll yields will exist in any particular commodity at any time during the term of the ETNs. The absence of backwardation or the presence of contango in certain of the relevant commodities could result in negative “roll yields” and create a loss for the purchase of the contracts, which could adversely affect the level of the underlying RICI EnhancedSM Commodity or Sector Index and accordingly, decrease the daily redemption value of the ETNs.

Unlike commodity indices that only track prices of front-month futures contracts, the RICI EnhancedSM Indices track the prices of front-month futures contracts and also futures contracts with more distant expiration dates, which may affect the level of the RICI EnhancedSM Indices, and consequently the value of the ETNs, in various ways

A futures contract for a commodity typically specifies an expiration date, which is the date on which the contract will cease to trade, and a delivery date, which is the date on which the underlying physical commodity referenced by the futures contract is delivered. A “front-month futures contract” for a commodity means the futures contract for that commodity that has the nearest expiration date. Various commodity indices, including the S&P GSCI®, provide exposure to commodities by tracking the front-month futures contracts for those commodities. Under the RICI EnhancedSM index methodology, the selection and rolling of the futures contracts for each underlying Single Commodity Index is based on a formula that was designed taking into account liquidity, seasonality, cyclicity and term structures of futures contracts for that commodity. In contrast to the RICI and other traditional commodity indices, which provide exposure to front-month contracts, the RICI EnhancedSM Commodity Index and the Sector Indices seek to maximize returns when there are significant positive price differences between further-dated and near-dated commodity contracts. Therefore, the performance of the RICI EnhancedSM Indices will differ from those commodity indices that track only front-month futures contracts. Consequently, the value of the ETNs may be affected in various ways, including the following:

- **Price and Liquidity risk.** Generally, futures contracts with expiration dates nearer to the front-month are more liquid when compared to futures contracts with more distant expiration dates, which may impact the prices for such contracts. The prices of futures contracts are also subject to supply and demand, which is subject to change at any time. The prices of the underlying futures contracts will affect the level of the underlying RICI EnhancedSM Commodity or Sector Index, and consequently the value of the corresponding ETNs.
- **Less correlation to the spot prices of commodities.** While not identical, generally, the prices of commodities futures contracts with expiration dates nearer to the front-month are more closely correlated to the spot prices of those

commodities. Because the underlying RICl EnhancedSM

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Commodity and Sector Indices track futures contracts with varying expiration dates, they may not have a high correlation to the spot prices of the underlying commodities.

- Less volatility and sensitivity to price changes in the underlying commodities than commodity indices that track front-month futures contracts. Generally, futures contracts with expiration dates nearer to the front-month are more susceptible to the price changes of the relevant commodities when compared to futures contracts with more distant expiration dates. Consequently, because the RICI EnhancedSM Commodity and Sector Indices are less heavily exposed to front-month futures contracts, the indices may exhibit less volatility and may be less sensitive to price changes impacting the relevant commodities than commodity indices that track front-month futures contracts on the commodities.

The prices of commodities are volatile and are affected by numerous factors, certain of which are specific to the market for each commodity

A decrease in the price of any relevant commodity may have a material adverse effect on the value of the ETNs and your return on your investment in the ETNs. Each commodity sector is subject to the effect of numerous factors, certain of which are specific to the market for each commodity sector, as discussed below.

#### Agriculture

Global agricultural commodity prices are primarily affected by the global demand for and supply of those commodities, but are also significantly influenced by speculative actions and by currency exchange rates. In addition, prices for agricultural commodities are affected by governmental programs and policies regarding agriculture, specifically, and trade, fiscal and monetary issues, more generally. Agricultural commodity prices are also affected by factors such as weather, disease and natural disasters.

#### Energy

Energy commodity prices are primarily affected by the global demand for and supply of the commodities, but are also influenced significantly from time to time by speculative actions and by currency exchange rates. Demand for energy is linked to general economic activity, as well as government regulations such as environmental or consumption policies. In addition, prices for energy are affected by political events, labor activity and, in particular, direct government intervention (such as embargos) or supply disruptions in major oil producing regions of the world. Such events tend to affect prices worldwide, regardless of the location of the event. Supply for crude oil may increase or decrease depending on many factors. These include production decisions by the Organization of the Petroleum Exporting Countries and other crude oil producers. In the event of sudden disruptions in the supplies of oil, such as those caused by war or the prospect of war, natural events, accidents or acts of terrorism, prices of oil futures contracts could become extremely volatile and unpredictable. Also, sudden and dramatic changes in the futures market may occur, for example, upon a cessation of hostilities that may exist in countries producing oil, the introduction of new or previously withheld supplies into the market or the introduction of substitute products or commodities.

#### Industrial Metals

Industrial metals commodity prices are primarily affected by the global demand for and supply of these metals, but are also influenced significantly from time to time by speculative actions and by currency exchange rates. Demand for industrial metals is significantly influenced by the level of global industrial economic activity, by adjustments to inventory in response to changes in economic activity and/or pricing levels, and by the availability of substitutes in various applications. In recent years, industrialization in the developing world has driven up demand of industrial

metals and their prices reached record levels in 2006. Depending on the application, there may be substitutes for the industrial metals. Low prices for metals such as nickel and zinc in the early 1990s tended to discourage such investments.

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## Precious Metals

Global precious metals commodity prices are primarily affected by the global demand for and supply of those commodities, but are also significantly influenced by speculative actions and by currency exchange rates. Gold and silver prices can fluctuate widely. Gold prices are affected by numerous factors, including macroeconomic factors, industry factors and by levels of gold production, production costs and short-term changes in supply and demand due to trading activities in the gold market. Silver prices also may be affected by numerous factors including general economic trends, technical developments, substitution issues and regulation, as well as other factors.

The ETNs are linked to the total return version of the underlying RICI EnhancedSM Commodity or Sector Index

The ETNs are linked to the total return version of the underlying RICI EnhancedSM Commodity or Sector Index. The excess return versions of these indices reflect the returns that are potentially available through an investment in the underlying futures contracts referenced by the corresponding Single Commodity Indices. The total return version, in addition to reflecting these returns, also reflects interest that could be earned on cash collateral invested in 3-month U.S. Treasury bills. The term “excess return” is not intended to suggest that the performance of the excess return versions of the RICI EnhancedSM Commodity or Sector Indices at any time will be positive or that the excess return version of the applicable index is designed to exceed a particular benchmark.

An underlying commodity futures contract may be replaced if that futures contract is terminated or replaced on the exchange where it is traded.

The RICI EnhancedSM Commodity and Sector Indices reference the prices of futures contracts on physical commodities. If any such futures contracts were to be terminated or replaced by an exchange, a comparable futures contract, if available, could be selected by the calculation agent to replace such futures contract underlying such reference commodity. The Relevant Commodities Exchange has no obligation to consider your interests, and may alter, discontinue or suspend calculation or dissemination of the official settlement price or fixing level, as applicable, for the relevant commodities and commodity futures contracts. The termination or replacement of any underlying futures contract may have an adverse impact on the levels of the RICI EnhancedSM Commodity Index or a Sector Index and, therefore, the value of the corresponding ETNs.

## Discontinuance of the RICI EnhancedSM Commodity and Sector Indices

Neither we, the Index Committee, the Index Sponsor nor Jim Rogers are under any obligation to continue to compile and maintain the RICI EnhancedSM Commodity and Sector Indices or are required to compile and maintain any successor index. If the Index Committee discontinues or suspends the compilation and maintenance of the underlying RICI EnhancedSM Commodity or Sector Index, it may become difficult to determine the market price of the ETNs or the amount payable at maturity or upon early repurchase or redemption. The calculation agent may designate a successor index selected in its sole discretion. If the calculation agent determines in its sole discretion that no successor index comparable to the underlying RICI EnhancedSM Commodity or Sector Index exists, the daily redemption value and the amount you receive at maturity or upon early repurchase or redemption will be determined by the calculation agent in its sole discretion. Please see “Specific Terms of the ETNs—Discontinuation or Modification of the RICI EnhancedSM Commodity and Sector Indices.”

Policies of the Index Committee and the composition of and changes to the underlying RICI EnhancedSM Commodity or Sector Index could affect the return on your ETNs

The policies of the Index Committee concerning the calculation of the level of the RICI EnhancedSM Indices, additions, deletions or substitutions of relevant commodities and the manner in which changes affecting the relevant commodities are reflected in the RICI EnhancedSM Indices could affect the level of the underlying RICI EnhancedSM Commodity or Sector Index and, therefore, the amount payable on the

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corresponding ETNs at maturity or upon early repurchase or redemption and the market price of the ETNs. If events such as these occur, or if the value of the underlying RICI EnhancedSM Commodity or Sector Index is not available or cannot be calculated because of a Market Disruption Event or for any other reason, the calculation agent may be required to make an alternative determination of the value of the underlying RICI EnhancedSM Commodity or Sector Index.

The composition of the RICI EnhancedSM Commodity and Sector Indices may change over time, for example, as additional commodities satisfy the eligibility criteria or commodities currently included in the indices fail to satisfy such criteria. The composition of the RICI EnhancedSM Commodity and Sector Indices will generally be determined by the Index Committee based on the Index Committee's assessment of the worldwide expected consumption of those commodities. This will generally be determined in reliance upon historic price, liquidity and production data that are subject to potential errors in data sources or errors that may affect the weights of components of the applicable index. Any discrepancies that require revision will not be applied retroactively but will be reflected in prospective weighting calculations of the underlying RICI EnhancedSM Commodity or Sector Index. However, not every discrepancy may be discovered.

If, for any reason, one or more of the commodity futures contracts in the relevant RICI EnhancedSM Indices ceases to exist, or any other event with similar consequences as determined in the discretion of the Index Committee occurs, the Index Committee will call an exceptional meeting to assess whether the composition and/or weights of, those indices should be modified. The modification of the composition and/or the weights of the relevant RICI EnhancedSM Indices may have an adverse impact on the value of the underlying RICI EnhancedSM Commodity or Sector Index, the amount payable on the ETNs at maturity and their market price prior to maturity.

The amount payable on the ETNs and their market price could also be affected if the Index Committee, in its sole discretion, discontinues or suspends compilation and maintenance of the underlying RICI EnhancedSM Commodity or Sector Index, in which case it may become difficult to determine the market price of the ETNs. Please see "—Discontinuance of the RICI EnhancedSM Commodity and Sector Indices" above.



## HYPOTHETICAL EXAMPLES

The following examples show how the ETNs would perform in hypothetical circumstances, based on the assumptions described below for each of the examples, over a period of 10 years. For ease of analysis and presentation, the numbers appearing in the following examples have been rounded.

These examples highlight the behavior of the daily redemption value of the ETNs in different hypothetical circumstances. They are not indicative of actual results. Any payment you will be entitled to receive on your ETNs is subject to the ability of The Royal Bank of Scotland plc, as the issuer of the ETNs, and The Royal Bank of Scotland Group plc, as the guarantor of the issuer's obligations under the ETNs, to pay their respective obligations as they become due.

Example 1. A hypothetical increase in the level of the underlying RICIS EnhancedSM Commodity or Sector Index.

This example assumes an initial index closing level of 600 and that the index increases by approximately 45% over an assumed term of the ETNs of 10 years. For simplicity, the daily redemption value is determined only once a year, rather than with respect to each valuation date, using the hypothetical index closing levels at the end of each year and at the end of the immediately preceding year to calculate the applicable index factor. The actual daily redemption value with respect to any valuation date will be calculated in the manner described under "Specific Terms of the ETNs—Daily Redemption Value" in this pricing supplement.

Year	A Index Closing Level	B Index Factor At / At-1	C Annual Investor Fee	D Fee Factor 1 – C	E Daily Redemption Value Et-1 × Bt × Dt	F Annual Index Return	G Annual ETN Return
0	600.00				\$25.00		
1	636.15	1.06025	0.95%	99.05%	\$26.25	6.02%	5.02%
2	702.12	1.10370	0.95%	99.05%	\$28.70	10.37%	9.32%
3	687.20	0.97875	0.95%	99.05%	\$27.83	-2.12%	-3.05%
4	711.14	1.03484	0.95%	99.05%	\$28.52	3.48%	2.50%
5	747.15	1.05064	0.95%	99.05%	\$29.68	5.06%	4.07%
6	768.09	1.02803	0.95%	99.05%	\$30.22	2.80%	1.83%
7	825.20	1.07435	0.95%	99.05%	\$32.16	7.44%	6.41%
8	816.18	0.98907	0.95%	99.05%	\$31.51	-1.09%	-2.03%
9	852.08	1.04399	0.95%	99.05%	\$32.58	4.40%	3.41%
10	870.00	1.02103	0.95%	99.05%	\$32.95	2.10%	1.13%

Hypothetical returns:

Annualized Index Return	3.79%	Cumulative Index Return:	45.00%
Annualized ETN Return	2.80%	Cumulative ETN Return:	31.80%

For ease of analysis and presentation, the numbers appearing in the above chart have been rounded. As such, the hypothetical returns may not reflect results calculated based directly on the numbers above due to the impact of rounding.



Example 2. A hypothetical decrease in the level of the underlying RICI EnhancedSM Commodity or Sector Index.

This example assumes an initial index closing level of 600 and that the index decreases by approximately 45% over an assumed term of the ETNs of 10 years. For simplicity, as for example 1 above, the daily redemption value is determined only once a year, rather than with respect to each valuation date, using the hypothetical index closing levels at the end of each year and at the end of the immediately preceding year to calculate the applicable index factor. The actual daily redemption value with respect to any valuation date will be calculated in the manner described under “Specific Terms of the ETNs—Daily Redemption Value” in this pricing supplement.

Year	A Index Closing Level	B Index Factor At / At-1	C Annual Investor Fee	D Fee Factor 1 – C	E Daily Redemption Value Et-1 × Bt × Dt	F Annual Index Return	G Annual ETN Return
0	600.00				\$25.00		
1	563.85	0.939750	0.95%	99.05%	\$23.27	-6.02%	-6.92%
2	505.38	0.896302	0.95%	99.05%	\$20.66	-10.37%	-11.22%
3	516.12	1.021251	0.95%	99.05%	\$20.90	2.13%	1.15%
4	498.14	0.965163	0.95%	99.05%	\$19.98	-3.48%	-4.40%
5	472.91	0.949352	0.95%	99.05%	\$18.79	-5.06%	-5.97%
6	459.66	0.971982	0.95%	99.05%	\$18.09	-2.80%	-3.73%
7	425.48	0.925641	0.95%	99.05%	\$16.58	-7.44%	-8.32%
8	430.13	1.010929	0.95%	99.05%	\$16.60	1.09%	0.13%
9	411.21	0.956013	0.95%	99.05%	\$15.72	-4.40%	-5.31%
10	330.00	0.802510	0.95%	99.05%	\$12.50	-19.75%	-20.51%

Hypothetical returns:

Annualized Index Return	-5.80%	Cumulative Index Return:	-45.00%
Annualized ETN Return	-6.70%	Cumulative ETN Return:	-50.01%

For ease of analysis and presentation, the numbers appearing in the above chart have been rounded. As such, the hypothetical returns may not reflect results calculated based directly on the numbers above due to the impact of rounding.

Example 3. A hypothetical increase followed by a hypothetical decrease in the level of the underlying RICIE EnhancedSM Commodity or Sector Index

This example assumes an initial index closing level of 600 and that the index increases by approximately 25% during the first five years, but then decreases to below its original level during the next five years of an assumed term of the ETNs of 10 years. For simplicity, as for examples 1 and 2 above, the daily redemption value is determined only once a year, rather than with respect to each valuation date, using the hypothetical index closing levels at the end of each year and at the end of the immediately preceding year to calculate the applicable index factor. The actual daily redemption value with respect to any valuation date will be calculated in the manner described under “Specific Terms of the ETNs—Daily Redemption Value” in this pricing supplement.

Year	A Index Closing Level	B Index Factor At / At-1	C Annual Investor Fee	D Fee Factor 1 – C	E Daily Redemption Value Et-1 × Bt × Dt	F Annual Index Return	G Annual ETN Return
0	600.00				\$25.00		
1	636.15	1.060250	0.95%	99.05%	\$26.25	6.02%	5.02%
2	702.12	1.103702	0.95%	99.05%	\$28.70	10.37%	9.32%
3	687.20	0.978750	0.95%	99.05%	\$27.83	-2.12%	-3.05%
4	711.14	1.034837	0.95%	99.05%	\$28.52	3.48%	2.50%
5	750.00	1.054645	0.95%	99.05%	\$29.79	5.46%	4.46%
6	732.68	0.976907	0.95%	99.05%	\$28.83	-2.31%	-3.24%
7	707.58	0.965742	0.95%	99.05%	\$27.58	-3.43%	-4.34%
8	668.70	0.945052	0.95%	99.05%	\$25.81	-5.49%	-6.39%
9	601.76	0.899895	0.95%	99.05%	\$23.01	-10.01%	-10.87%
10	561.60	0.933262	0.95%	99.05%	\$21.27	-6.67%	-7.56%

Hypothetical returns:

Annualized Index Return	-0.66%	Cumulative Index Return:	-6.40%
Annualized ETN Return	-1.60%	Cumulative ETN Return:	-14.92%

For ease of analysis and presentation, the numbers appearing in the above chart have been rounded. As such, the hypothetical returns may not reflect results calculated based directly on the numbers above due to the impact of rounding.

Example 4. A hypothetical decrease followed by a hypothetical increase in the level of the underlying RICI EnhancedSM Commodity or Sector Index.

This example assumes an initial index closing level of 600 and that the index decreases by approximately 55% during the first five years, but then increases by approximately 45% during the next five years of an assumed term of the ETNs of 10 years, for a net decrease of approximately 34.75% over the assumed term of the ETNs of 10 years. For simplicity, as for examples 1, 2 and 3 above, the daily redemption value is determined only once a year, rather than with respect to each valuation date, using the hypothetical index closing levels at the end of each year and at the end of the immediately preceding year to calculate the applicable index factor. The actual daily redemption value with respect to any valuation date will be calculated in the manner described under “Specific Terms of the ETNs—Daily Redemption Value” in this pricing supplement.

Year	A Index Closing Level	B Index Factor At / At-1	C Annual Investor Fee	D Fee Factor 1 – C	E Daily Redemption Value Et-1 × Bt × Dt	F Annual Index Return	G Annual ETN Return
0	600.00				\$25.00		
1	573.90	0.956500	0.95%	99.05%	\$23.69	-4.35%	-5.26%
2	484.38	0.844015	0.95%	99.05%	\$19.80	-15.60%	-16.40%
3	418.66	0.864321	0.95%	99.05%	\$16.95	-13.57%	-14.39%
4	349.78	0.835475	0.95%	99.05%	\$14.03	-16.45%	-17.25%
5	270.00	0.771914	0.95%	99.05%	\$10.73	-22.81%	-23.54%
6	344.94	1.277556	0.95%	99.05%	\$13.57	27.76%	26.54%
7	361.33	1.047516	0.95%	99.05%	\$14.08	4.75%	3.76%
8	403.70	1.117261	0.95%	99.05%	\$15.58	11.73%	10.66%
9	416.99	1.032920	0.95%	99.05%	\$15.94	3.29%	2.31%
10	391.50	0.938871	0.95%	99.05%	\$14.83	-6.11%	-7.00%

Hypothetical returns:

Annualized Index Return	-4.18%	Cumulative Index Return:	-34.75%
Annualized ETN Return	-5.09%	Cumulative ETN Return:	-40.69%

For ease of analysis and presentation, the numbers appearing in the above chart have been rounded. As such, the hypothetical returns may not reflect results calculated based directly on the numbers above due to the impact of rounding.

Example 5. A hypothetical example the underlying RIC1 EnhancedSM Commodity or Sector Index.

This example assumes an initial index closing level of 600 and that the index increases by approximately 0.12% over an assumed term of the ETNs of 10 years. For simplicity, as for examples 1, 2, 3 and 4 above, the daily redemption value is determined only once a year, rather than with respect to each valuation date, using the hypothetical index closing levels at the end of each year and at the end of the immediately preceding year to calculate the applicable index factor. The actual daily redemption value with respect to any valuation date will be calculated in the manner described under “Specific Terms of the ETNs—Daily Redemption Value” in this pricing supplement.

	A	B	C	D	E	F	G
	Index	Index	Annual		Daily	Annual	Annual
Year	Closing	Factor	Investor	Fee Factor	Redemption	Index	ETN
t	Level	At / At-1	Fee	1 – C	Value	Return	Return
					Et-1 × Bt × Dt		
0	600.00				\$25.00		
1	643.37	1.072283	0.95%	99.05%	\$26.55	7.23%	6.21%
2	657.89	1.022569	0.95%	99.05%	\$26.89	2.26%	1.29%
3	600.56	0.912858	0.95%	99.05%	\$24.32	-8.71%	-9.58%
4	556.01	0.925819	0.95%	99.05%	\$22.30	-7.42%	-8.30%
5	493.50	0.887574	0.95%	99.05%	\$19.60	-11.24%	-12.09%
6	600.43	1.216677	0.95%	99.05%	\$23.63	21.67%	20.51%
7	585.10	0.974468	0.95%	99.05%	\$22.80	-2.55%	-3.48%
8	521.05	0.890532	0.95%	99.05%	\$20.11	-10.95%	-11.79%
9	568.93	1.091891	0.95%	99.05%	\$21.75	9.19%	8.15%