

ROYAL BANK OF SCOTLAND GROUP PLC

Form FWP

September 06, 2012

Filed pursuant to Rule 433. Registration Statement Nos. 333-162219 and 333-162219-01.

RBS Exchange Traded Notes

RBS US Large Cap Alternator ETN[] (ALTL)

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ETN Overview:

The RBS US Large Cap Alternator Exchange Traded Notes[] (the "RBS ETNs") track the RBS US Large Cap Alternator Index[] (USD) (the "Index") which is designed to provide exposure to the US large cap equity market by alternating between three popular indices, the SandP 500([R]) Total Return Index (MC), the SandP 500([R]) Low Volatility Total Return Index (LV) and the SandP 500([R]) Equal Weight Total Return Index (EW) (each, an "Underlying Index"). Each month, the Index will track the return of the Underlying Index with the highest relative strength score, which is based on average historical returns.

RBS US Large Cap Alternator Index[] Features

Strategy: Each month, the Index will track the return of the Underlying Index with the highest relative strength score at the end of the prior month.

Relative strength score: Simple average of the 1-month, 3-month, 6-month, 9-month and 12-month returns of each of the Underlying Indices.

Rebalanced monthly: Relative strength score is calculated with respect to the last business day of each month. The Index is rebalanced at the close of the first business day of the next month.

Hypothetical Market Cycle

[GRAPHIC OMITTED]

The graph above illustrates a hypothetical market cycle and which Underlying Index the relative strength Index methodology may select in the above stage of the market cycle. The illustrations above do not reflect an actual market cycle and they are not an indication of how a market cycle may develop, how long a stage of the market cycle could last in the future, which Underlying Index will be tracked during any part of a market cycle or whether any Underlying Index will be tracked at all or in any particular order.

SandP 500([R]) Total Return Index

[] Tracks the 500 largest U.S. stocks weighted by market capitalization.

[] Expected to outperform the other Underlying Indices during the last stage of a bull market.

[] May underperform low volatility indices in falling and choppy markets.

SandP 500([R]) Low Volatility Total Return Index

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- [] Consists of the 100 stocks from the SandP 500([R]) Index with the lowest historical volatility over the past 12 months. The least volatile stocks have the largest weighting in the index.
- [] Expected to outperform the other Underlying Indices in choppy markets and tracks the historically least volatile stocks of the SandP 500([R]) Index.
- [] May underperform the other Underlying Indices in a rising market.

SandP 500([R]) Equal Weight Total Return Index

- [] All 500 stocks rebalance to the same weight in the index on a quarterly basis.
- [] Expected to outperform the other Underlying Indices at the beginning and middle of bull markets because the equal weighting creates a higher exposure to the smaller companies within the index.
- [] May underperform the other Underlying Indices in falling markets.

Not FDIC Insured. May Lose Value.

RBS ETN Details

| | |
|---|--|
| Ticker | ALTL |
| Intraday Indicative Value Ticker | ALTL.IV |
| CUSIP | 78009P168 |
| ISIN | US78009P1681 |
| Primary Exchange | NYSE Arca |
| Annual Investor Fee (accrued on a daily basis) | 1.00% per annum |
| Inception Date | 8/30/2012 |
| Maturity | 9/5/2042 |
| Issuer | The Royal Bank of Scotland plc ("RBS plc") |
| Guarantor | The Royal Bank of Scotland Group plc ("RBSG") |
| Underlying Indices | SandP 500([R]) Total Return Index (SPTR), SandP 500([R]) Equal Weight Total Return Index (SPXEWTR), SandP 500([R]) Low Volatility Total Return Index (SP5LVIT) |
| Repurchase at your option | You may offer your RBS ETNs to RBS plc for repurchase on any business day on or prior to 8/27/2042, provided that you |

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offer a minimum of 20,000 RBS ETNs for any single repurchase and follow the procedures described in the pricing supplement.

Early _____ We may redeem all of the RBS redemption at ETNs at our discretion at any our option _____ time on or prior to 9/3/2042.

Daily Redemption Value Upon early repurchase or redemption or at maturity, you will receive a cash payment equal to the daily redemption value per RBS ETN. The daily redemption value on the relevant valuation date will be published on www.rbs.com/etnUS/at11.*

The ETNs _____ The RBS ETNs are unsecured and senior debt obligations of the Issuer and are fully and unconditionally guaranteed by the Guarantor.

* Information contained on our website is not incorporated by reference in, and should not be considered a part of, this document.

To find out more

Call toll free 855-RBS-ETPS or visit www.rbs.com/etnUS

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Illustration of a \$100,000 Investment in Each of the Three Underlying Indices -- 7/31/2011 - 7/31/2012

[GRAPHIC OMITTED]

The graph above does not reflect the performance of the RBS US Large Cap Alternator Index[]. You can not invest directly in an index. Source: Bloomberg. All indices are based to 100 as of 7/31/2011.

Calendar Year Returns for 2008 - 2012 (%) -- as of 7/31/2012

| | INCEPTION DATE | 2008 | 2009 | 2010 | 2011 | 2012 YTD |
|--|----------------|--------|-------|-------|-------|----------|
| SandP 500([R]) Total Return Index (SPTR) | 05/1991 | -37.00 | 26.46 | 15.06 | 2.11 | 11.49 |
| SandP 500([R]) Low Volatility Total Return Index (SP5LVIT) | 04/2011 | -- | -- | -- | 14.78 | 10.93 |
| SandP 500([R]) Equal Weight Total Return Index (SPXEWTR) | 01/2003 | -39.72 | 46.31 | 21.91 | -0.11 | 8.99 |

Index Statistics -- as of 7/31/2012

| | SandP 500([R]) TOTAL RETURN INDEX | SandP 500([R]) LOW VOLATILITY TOTAL RETURN INDEX | SandP 500([R]) EQUAL WEIGHT TOTAL RETURN INDEX |
|--|-----------------------------------|--|--|
| Top 10 Holdings (%) | 21.14 | 13.63 | 2.59 |
| Median Market Capitalization | 55.55 bn | 18.31 bn | 11.95 bn |
| Average Weighted Market Capitalization | 228.97 mil | 507.32 mil | 53.27 mil |
| Average Dividend Yield(1) (%) | 2.09 | 3.12 | 1.95 |
| Average Price to Earnings(2) | 17.72 | 17.07 | 23.00 |
| Beta(3) | 1.0 | 0.557 | 1.114 |

(1) Dividend Yield means the sum of the gross dividends paid on the stocks comprising the Index (which is a total return index) over the prior 12 months ending 7/31/2012 divided by the closing level of the price return version of the Index as of 7/31/2012.

(2) A valuation of a company's current share price compared to its earnings per share. Earnings per share is measured on a twelve month trailing basis. (3) A number describing the volatility of an index in relation to the volatility of the SandP 500([R]) that is calculated using trailing 12 month weekly returns.

Source: Bloomberg

Sector Weightings Comparison(4) -- as of 7/31/2012

| | | | | | |
|---------------|-------|---------------|-------|-------------|-------|
| Info Tech | 19.74 | Utilities | 31.15 | Financials | 16.26 |
| Financials | 14.23 | Cons. Staples | 28.87 | Cons. Disc. | 15.74 |
| Healthcare | 11.94 | Healthcare | 12.74 | Info Tech | 13.99 |
| Cons. Staples | 11.43 | Cons. Disc. | 8.04 | Industrials | 11.97 |
| | | Telecom | | | |

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| | | | | | |
|-------------|--------|------------|--------|---------------|--------|
| Energy | 11.20 | | 5.13 | Healthcare | 10.28 |
| | | Services | | | |
| Cons. Disc | 10.77 | Industials | 4.68 | Energy | 9.51 |
| Industrials | 10.23 | Info Tech | 4.38 | Cons. Staples | 8.17 |
| Utilities | 3.77 | Materials | 2.43 | Utilities | 6.31 |
| Telecom | | | | | |
| Services | 3.35 | Energy | 1.71 | Materials | 5.93 |
| | | | | Telecom | |
| Materials | 3.34 | Financials | 0.86 | | 1.84 |
| | | | | Services | |
| Total | 100.00 | Total | 100.00 | Total | 100.00 |

(4)Based on standard industry classifications. Source: SandP Dow Jones Indices

CERTAIN RISK CONSIDERATIONS: The RBS ETNs involve risks not associated with an investment in conventional debt securities, including a possible loss of some or all of your investment. The level of the Index must increase by an amount sufficient to offset the aggregate investor fee applicable to the RBS ETNs in order for you to receive at least the principal amount of your investment back at maturity or upon early repurchase or redemption. The Index may underperform the SandP 500([R]) Index or any Underlying Index.

Even though the RBS ETNs are listed on the NYSE Arca, a trading market may not develop and the liquidity of the RBS ETNs may be limited and/or vary over time, as RBS plc is not required to maintain any listing of the RBS ETNs. The RBS ETNs are not principal protected and do not pay interest. Any payment on the RBS ETNs is subject to the ability of RBS plc, as the issuer, and RBS Group, as the guarantor, to pay their respective obligations when they become due. You should carefully consider whether the RBS ETNs are suited to your particular circumstances before you decide to purchase them. We urge you to consult with your investment, legal, accounting, tax and other advisors with respect to any investment in the RBS ETNs.

The RBS ETNs are not suitable for all investors. You should carefully read the relevant pricing supplement and prospectus, including the more detailed explanation of the risks involved in any investment in the RBS ETNs as described in the "Risk Factors" section of the pricing supplement, before investing.

IMPORTANT INFORMATION: RBS plc and RBS Group have filed a registration statement (including a prospectus) with the U.S. Securities and Exchange Commission (SEC) for the offering of RBS ETNs to which this communication relates. Before you invest in any RBS ETNs, you should read the prospectus in that registration statement and other documents that have been filed by RBS plc and RBS Group with the SEC for more complete information about RBS plc and RBS Group, and the offering. You may get these documents for free by visiting EDGAR on the SEC's web site at www.sec.gov. Alternatively, RBS plc, RBS Securities Inc. (RBSSI) or any dealer participating in the offering will arrange to send you the prospectus and the pricing supplement at no charge if you request it by calling 1-855-RBS-ETPS (toll-free).

The RBS US Large Cap Alternator Index(TM) (USD) ("Index") is the property of RBS plc (the "Index Sponsor"), which has contracted with SandP Opco, LLC, a subsidiary of SandP Dow Jones Indices LLC ("SandP Dow Jones Indices") to maintain and calculate the Index. The SandP 500([R]) Index, SandP 500 Low Volatility Index([R]) and SandP 500([R]) Equal Weight Index(TM) (including the total return versions) are the exclusive property of SandP Dow Jones Indices and have been licensed for use by the Index Sponsor in connection with the Index. SandP Dow Jones Indices, its affiliates and their third party licensors shall have no liability for any errors or omissions in calculating the Index. SandP([R]) is a registered trademark of Standard and Poor's Financial Services LLC ("SPFS") and Dow Jones([R]) is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks have been licensed to SandP Dow

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