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ROYAL BANK OF SCOTLAND GROUP PLC

Form FWP

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333-184147-01.

BUILDING TOMORROW [TM]

RBS Rogers Enhanced Commodity ETNs

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"Commodities are real things that are always likely to be worth something to somebody." -- Jim Rogers

Commodities play a role in our lives every day. From taking your first sip of coffee in the morning to turning off your lights in the evening, our reliance on commodities is overwhelming.

Why Commodities?

Population Growth

Currently the world population is around 7 billion. People require "things" and a growing population will continue to influence the world's supply and demand.

Emerging Markets

The Far East, with a population of roughly 3 billion, has continued to modernize. Developed and developing nations such as China, Japan and Malaysia, and Singapore have been the main drivers behind this increased demand.

Global Supply and Demand

Continued industrialization and progress of developed and developing countries may require:

- [ ] More energy in the form of commodities such as gas and oil.
- [ ] Agricultural products such as wheat, rice, and corn.
- [ ] Industrial metals, copper and aluminum for housing and building construction.

[GRAPHIC OMITTED]

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Commodities are Everywhere!

In our lives, there are certain products we use every day. We take these things for granted but without them, our lives would be drastically different. How many commodities can you spot in this picture?

Figure 1.1

Spot the Commodities

#	Item	Commodity
1	Child's cup	Crude oil, Rubber
2	Door handle	Aluminum
3	Clothes	Cotton
4	Breakfast	Corn, Orange, Rice, Wheat
5	Cell phone	Copper, Crude oil, Natural gas
6	Glasses	Aluminum, Copper, Gold, Nickel
7	Refrigerator	Aluminum, Copper, Iron, Lead, Nickel, Tin
8	Coffee mug	Coffee, Sugar
9	Laptop	Copper, Lead, Platinum, Zinc
10	Cabinet	Lumber
11	Sink	Copper, Lead, Nickel, Zinc

Commodities, Stocks and Bonds

An important part of any portfolio is to make sure you have assets that behave differently in different markets. Commodities can provide diversification for investors who are invested in other asset classes such as stocks and bonds:

- [ ] Can help protect against inflation
- [ ] Returns less correlated with traditional asset classes like stocks and bonds.

Figure 1.2

Annualized Index Portfolio Volatility and Returns for 10/31/2007 --  
10/31/2012(1)

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[GRAPHIC OMITTED]

You can not invest directly in an index. (1) Index Returns are before investment fees and expenses. Theoretical Investing Returns assume 0.10%, 0.10% and 0.95% annual expense ratios for investment in funds or notes tracking the stock, bond and commodity indices shown, respectively. 5-year returns shown reflect annualized stock index loss of approximately 1% and bond and commodity index gains of approximately 6% and 2%, respectively. Not indicative of future results. Volatilities and returns vary significantly over different time periods. Individual RICI Enhanced(SM) Commodity Sector Indices returns and volatilities over this 5-year period varied greatly from those of the RICI Enhanced(SM) Commodity Total Return Index shown.

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Jim Rogers: Prominent Stock Market and Commodities Investor

In 1970, Jim Rogers co-founded the Quantum fund. After his achieved success in the hedge fund business, Jim withdrew from active trading business at the age of 37 and set off on a motorcycle trip around the world in the beginning of the 1990s. He published his views and experiences from the trip in a best seller called, "Investment Biker". At the turn of the millennium, he undertook a second around the world trip, this time traveling through 116 countries.

Rogers recognized the potential growth of developing economies. Partly based on his first-hand sighting and experiences, Jim launched the Rogers International Commodity Index[R] (RICI([R])) in the late 1990's. In 2004, Rogers published "Hot Commodities", in which he described opportunities offered by the commodities markets in connection with the growth of emerging markets. Jim currently resides in Singapore with his wife and two daughters.

The RICI Enhanced(SM) Commodity Total Return Index

The RICI EnhancedSM Commodity Total Return Index is broadly diversified among 36 commodities which are broken down into four sub indices including energy, agriculture, precious metals and industrial metals. The Index was developed for investors who believe that returns on commodities futures contracts are strongly driven by seasonality, term structure and supply and demand.

Features of the Index include:

- [ ] Always participates in the commodities market
- [ ] Rebalanced semi-annually
- [ ] Weights are based on expected global consumption patterns and liquidity
- [ ] Strategic rollover calendar used to select contracts

RICI Enhanced(SM) Commodity Total Return Index compared with traditional commodity index concepts

	RICI Enhanced(SM) Commodity Total Return Index	Traditional Commodity Indices
Underlying contracts diversification	Various maturity segments depending on the commodity	Mainly front-month futures contracts
Rollover cycle	Depending on the commodity, less frequent than traditional indices, thus resulting in lower cost	Monthly, depending on the expiry dates of all futures contracts
Rule Based	Yes	Yes

[GRAPHIC OMITTED]

The Strategy

The RBS ETNs are designed to provide commodity exposure on the basis of expected economic global demand. By investing in futures contracts with varying maturities, the Index seeks to maximize returns when there are significant price differences between near dated and future dated commodity contracts. This is unlike many commodity investments in the market today which invest solely in front month contracts. A strategic rollover calendar is defined for each commodity in the index to address specific conditions such as the seasonality, liquidity and term structure of each commodity contract.

Determining the rollover calendar for individual commodities

All available futures contracts

Filtering criteria applied based on seasonal patterns and cycles (only for energy and grains)

Liquidity (except for precious metals, rubber and palm oil)

Contracts are selected according to the individual rollover calendar for each commodity. Rollover based on liquidity and futures curves. (term structure)

Rollover Calendar:

The rollover calendar defines the universe of available contracts that are selected by the strategy's filtering criteria.

Futures contracts

Since commodities are difficult to store, financial investors gain access mainly through futures markets or indices made up of commodity futures contracts. A futures contract mainly is an agreement to buy or sell a specified asset for a certain price agreed today, with delivery and payment occurring at a future date.

Seasonality of goods

Many commodities have a season or time period where they grow or are more frequently used. For example, corn is harvested in the fall months and most people use oil to heat their homes in the winter months.

Liquidity

Some futures contracts are more liquid than others. Liquidity refers to the level of activity in the market relative to other available contracts. Certain contracts may be traded more frequently than others.

Term structure

Returns of the commodities futures contracts are contingent on the time frame the contract is held to the expiration of the contract.

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Rogers Enhanced Family of ETNs

The Royal Bank of Scotland plc Rogers Enhanced family of ETNs ("RBS ETNs") gives investors the flexibility of investing in the broad-based RIC I EnhancedSM Commodity Total Return Index or in specific sectors via the Enhanced Sector ETNs. This provides the capability to use the sector indices as building blocks to help meet financial objectives and goals.

RIC I Enhanced(SM) Commodity Total Return Index ETN Ticker: RGRC

Commodities	Target Weights	Commodities	Target Weights
WTI Crude Oil	13.00%	Corn	7.00%
Brent Crude Oil	10.00%	Sugar	3.25%
Natural Gas	7.00%	Wheat	3.00%
RBOB Gasoline	4.00%	Soybeans	3.00%
Heating Oil	4.00%	Coffee	3.00%
Gas Oil	3.00%	Live Cattle	2.50%
Energy	41.00%	Cotton	2.00%
Aluminum	4.00%	Soybean Oil	2.00%
Copper	4.00%	Lean Hogs	2.00%
Zinc	2.00%	Kansas City Wheat	2.00%
Lead	1.50%	Cocoa	1.50%
Nickel	1.00%	Soybean Meal	1.25%
Tin	0.50%	Rubber	1.00%
Industrial Metals	13.00%	Coffee Robusta	1.00%
Gold	4.00%	Palm Oil	1.00%
Silver	2.00%	Lumber	0.50%
Platinum	1.00%	Orange Juice	0.50%
Palladium	1.00%	Rice	0.50%
Precious Metals	8.00%	Oats	0.50%
		Minneapolis Wheat	0.50%
		Agriculture	38.00%
Overall Total			100.00%

RIC I Enhanced(SM) Energy Total Return Index ETN Ticker: RGRE

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- [ ] One reason for frequent changes in the price of energy commodities is global supply and demand.
  
- [ ] Prices for energy commodities are affected by political events, labor activity, direct government intervention such as embargos, or supply disruptions in the major oil producing regions of the world such as Iran or Iraq.

Component's Name	Target Weights
WTI Crude	31.71%
Brent Crude	24.39%
Natural Gas	17.07%
Gasoline RBOB	9.76%
Heating Oil	9.76%
Gas Oil	7.32%
Total	100.00%

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RICI Enhanced(SM) Agriculture Total Return Index ETN Ticker: RGRA

[ ] Growing populations have contributed to the scarcity of certain agricultural products translating into decreased supply and increased demand.

[ ] The Index seeks to provide investors access to a wide range of agricultural commodities including grains, seed oils, soft commodities, livestock, and fibres.

Component's Name	Target Weights	Component's Name	Target Weights
Corn	18.42%	Cocoa	3.95%
Sugar	8.55%	Soymeal	3.29%
Wheat	7.89%	Coffee Robusta	2.63%
Soybean	7.89%	Rubber	2.63%
Coffee	7.89%	Palm Oil	2.63%
Live Cattle	6.58%	Minneapolis Wheat	1.32%
Kansas City Wheat	5.26%	Oats	1.32%
Lean Hogs	5.26%	Lumber	1.32%
Soybean Oil	5.26%	Rice	1.32%
Cotton	5.26%	Orange Juice	1.32%
Total			100.00%

RICI Enhanced(SM) Precious Metals Total Return Index ETN Ticker: RGRP

[ ] Precious metals are used as a store of wealth in volatile markets as well as for jewelry and other applications.

[ ] Their weightings are based on their global consumption levels worldwide and supply constraints.

Component's Name	Target Weights
Gold	50.00%
Silver	25.00%
Platinum	12.50%
Palladium	12.50%
Total	100.00%

RICI Enhanced(SM) Industrial Metals Total Return Index ETN Ticker: RGRI

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[ ] Industrial or base metals are vital for industrial development as they are found in most electronics and technological devices.

[ ] In recent years, industrialization in the developing world has driven up demand of industrial metals.

Component's Name	Target Weights
Copper	30.77%
Aluminium	30.77%
Zinc	15.38%
Lead	11.54%
Nickel	7.69%
Tin	3.85%
Total	100.00%

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RBS Rogers Enhanced ETN Lineup:  
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[www.rbs.com/etnUS](http://www.rbs.com/etnUS) | TOLL FREE: 855-RBS-ETPS

**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 relevant RICI EnhancedSM 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 RBS ETNs and the RICI EnhancedSM Indices do not provide exposure to spot prices of the relevant commodities and, consequently, may not be representative of an investment that provides exposure to the spot prices of the relevant commodities or buying and holding the relevant commodities. The prices of commodities are volatile and are affected by numerous factors. The RICI EnhancedSM Indices may include futures contracts on non-U.S. exchanges and trading on such exchanges may be subject to different and greater risks than trading on U.S. exchanges and trading on such exchanges may be subject to different and greater risks than trading on U.S. exchanges. 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 The Royal Bank of Scotland plc ("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 The Royal Bank of Scotland Group plc ("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.

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