

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT Re-Strike Deferred Purchase Agreements (Series 1 & 2)

This *Supplementary Product Disclosure Statement* dated 22 July 2010 ("SPDS") supplements the Product Disclosure Statement dated 3 May 2010 issued by RBS Group (Australia) Pty Ltd (ABN 78 000 862 797, AFSL 247013) for the Re-Strike Deferred Purchase Agreements Series 1 – Risk Stabilised SPI 200 Index Future Strategy and Series 2 – Risk Stabilised Aquantum Pegasus EL1 Strategy (the "PDS"). This SPDS is to be read together with the PDS.

Investors should reach an investment decision only after carefully reading and understanding the PDS, this SPDS and considering, with their advisers, the suitability of the Units in light of their specific circumstances.

The definitions and principles of construction used in the PDS apply in this SPDS.

In Section 2 'Why Invest in the Re-Strike Units', the sentence under the heading 'Investment Features' is deleted in its entirety and replaced with:

The Units offer the investment features summarised below. For more information, please refer to Section 3 'Product Summary' and Section 4 'The Offer'.

The Commencement Date for the Units was expected to be 10 July 2010, as stated in Section 3.1 'Timeline' on page 6 of the PDS. The PDS allows the Issuer to delay the Commencement Date. The Commencement Date was deferred to 19 July 2010. The table in Section 3.1 'Timeline' is deleted in its entirety and replaced with the following:

Issue Opening Date	3 May 2010
Issue Closing Date	23 June 2010
Commencement Date	19 July 2010
Maturity Averaging Dates	12 months prior to the Maturity Date 9 months prior to the Maturity Date 6 months prior to the Maturity Date 3 months prior to the Maturity Date Maturity Date
Coupon Determination Dates	Series 1 and 2: Annually on each 19 th day of July, commencing from 19 July 2011 to 19 July 2016, or if such day is not a Trading Day, the following Trading Day.
Investment Term	Series 1: 7 years Series 2: 6½ years
Maturity Date	Series 1: 19 July 2017 Series 2:

19 January 2017

Coupon Payment Dates & Instalment Payment Dates	10 Business Days after the relevant Coupon Determination Date
Buy-Back Dates	Monthly on the last Trading Day of each month commencing September 2010. Investors must lodge their Buy-Back Form no later than 10 Business Days before the relevant Buy-Back Date. Any Buy-Back Form received after this time will be held over to the next Buy-Back Date.
Settlement Date	20 Scheduled Business Days after the Maturity Date (or Buy-Back Date)

Throughout the PDS, the following replacements are made to reflect a change in name only of the Reference Index and Underlying Index for Series 1:

'Risk Stabilised SPI 200 Index Future Strategy' is replaced with 'RBS VC Australia 200 Index (AUD) ER 12%'; and

'ASX200 Excess Return Rolling Futures Index' is replaced with 'RBS Australia 200 Index (AUD) ER'.

There are no changes to the strategies and methodologies of the Reference Index and Underlying Index.

In Section 2 'Why Invest in the Re-Strike Units?', the section entitled 'Acquire Delivery Assets at Maturity' on page 4 of the PDS is amended by inserting the following additional sentence at the end of the section:

For further information refer to Section 4.5 'The Delivery Assets' and Section 5 'Maturity and Early Maturity'.

In Section 3.2, the section entitled 'Issuer Buy-Back' on page 7 of the PDS is amended by inserting the following additional paragraph at the end of the section:

For further information refer to Section 5.7 'Sale of Units Before Maturity – Issuer Buy-Back' in Section 5 'Maturity and Early Maturity' and clause 5.3 of Section 11 'Terms of the Deferred Purchase Agreement' in this PDS.

In Section 3.2, the section entitled 'Reference Index Closing Price' on page 8 of the PDS is deleted in its entirety and replaced with the following:

Reference Index Closing Price

Series 1: For a Trading Day on the ASX, the RBS VC Australia 200 Index (AUD) ER 12% level published on the following ASX Trading Day, as published at www.futureindices.co.uk/showindex.cfm?id=190.

Series 2: For a Trading Day, the RBS Australia 200 Index (AUD) ER level published on the following Trading Day following, as published at www.futurevindices.co.uk/showindex.cfm?id=166.

In Section 3.2, the sections entitled 'Fixed Coupons' and 'Variable Coupons' are amended by inserting 'and Section 6.4 'How are Coupons calculated?'' at the end of the last sentence of both existing sections.

The section entitled 'High Water Mark' on page 8 in Section 3.2 of the PDS is amended by inserting the following additional sentence at the end of the section:

Please refer to Section 4.1.5 for more detail on the High Water Mark.

In Section 3.2, the section entitled 'Hurdle Rate' on page 8 of the PDS is amended by inserting the following additional sentence at the end of the section:

Please refer to Section 4.1.6 for more detail on the Hurdle Rate.

In Section 3.2, the section entitled 'Participation Rate and volatility' on page 9 of the PDS, is amended by adding the following sentence to the paragraph above the table:

The Issuer intends to publish the applicable Participation Rate on its website at www.rbs.com.au/structuredproducts, immediately after the Commencement Date and weekly thereafter.

In Section 3.2, the section entitled 'Participation Rate and volatility' on page 9 of the PDS, is amended by making the following changes to paragraph 3:

'www.rbs.com.au/structuredproducts' is deleted and replaced with 'www.futurevindices.co.uk/showindex.cfm?id=190, if different'.

In the seventh line, 'int he' is replaced with 'in the'.

The table in Section 3.2, in the section entitled 'Participation Rate and volatility' on page 9 of the PDS, which shows the effect volatility has on the Participation Rate for Series 1 was reset on the Commencement Date in accordance with the PDS. The revised table has been published on the Reference Index Calculation Agent's website at www.futurevindices.co.uk/showindex.cfm?id=190.

In Section 3.2, the section entitled 'Capital Protection Hedge' on page 11 of the PDS is amended by inserting the following new paragraph after the second paragraph:

The amount received on partial close-out of the Capital Protection Hedge in the case of Issuer Buy-Back or an Early Maturity Event, is one factor in determining the amount Investors receive. Please refer to Section 5.7 'Sale of Units Before Maturity - Issuer Buy-Back' and clause 5 of Section 11 'Terms of the Deferred Purchase Agreement' in this PDS for more information. The amount that the Issuer receives from unwinding the Capital Protection Hedge early will depend on the amount the Capital Protection Provider achieves on the unwinding of any securities or derivatives it has in place to hedge its exposure under the Capital Protection Hedge. The economic value that the Capital Protection Provider achieves will be reliant on several factors including but not limited to the level and volatility of the securities and futures contracts underlying the relevant Reference Index, Australian and offshore interest rates and the remaining term to Maturity. The actual size of the impact of these factors on the unwind price will vary and is not quantifiable at the time you acquire your Units. The Issuer may also incur costs when executing the early unwind, including expenses and losses suffered by the Capital Protection Provider as a result of the early termination of the Capital Protection Hedge and their related hedging arrangements. Such amounts may include, but are not limited to

costs incurred in terminating the Capital Protection Provider's hedge positions, taxes or fees paid that are non-recoverable, administrative cost of processing the early termination, or loss of profits on the terminated positions. These costs may also affect the amount Investors receive, please refer to Section 5.7 'Sale of Units Before Maturity - Issuer Buy-Back' and clause 5 of Section 11 'Terms of the Deferred Purchase Agreement' in this PDS further detail.

In Section 3.2, the section entitled 'Delivery Parcel' on page 11 of the PDS is amended by inserting the following paragraph at the end of the section:

For an example of how the Delivery Parcel and its composition is calculated, please refer to Section 6.5 'How is the Final Value calculated?'

In Section 3.2, the section entitled 'Underlying Index Costs' on page 12 of the PDS is amended by inserting the following additional sentences after the first sentence below 'Series 2':

The fees incorporated into the Underlying Index comprise an access fee, licensee management fee and a licensor management fee. Please refer to the formula for 'Net Underlying Price' in Section 13 'Formulae and Calculation Table' for further detail.

In Section 3.2, the section entitled 'Key Risks' on page 12 of the PDS is amended by inserting the following paragraph immediately below the title:

Some of the significant risks associated with investing in the Units are outlined below. Further information on the below listed risks as well as other significant risks and other risks which may be applicable to investing in the Units are outlined in Section 7 'Risks'. Investors should ensure they have closely read Section 7 'Risks' before investing in the Units.

In Section 3.2, the section entitled 'Key Risks' on page 12 of the PDS is amended by inserting the following new section entitled 'Variable Coupons' below the section entitled 'Performance of the Underlying Index':

Variable Coupons

There may be no Variable Coupons where the Reference Index Value has remained constant or declined over the relevant period. In order for an investor to receive a Variable Coupon in each year of the Investment Term the Reference Index Value on each Coupon Determination Date must be greater than the Reference Index Value on every prior Coupon Determination Date. Please refer to the worked examples in Section 6.4 'How are Coupons calculated'.

In Section 4.1.4, the section entitled 'Potential Variable Coupon payments' on page 13 of the PDS is amended by inserting the following new paragraph after the first paragraph:

Whether a Variable Coupon is paid, and the amount of such coupon (if any), is dependent on the Reference Index Value on the relevant Coupon Determination Date, the Initial Reference Index Value, the High Water Mark and the Hurdle Rate. There will be no Variable Coupon if the Reference Index Value has not increased above the High Water Mark and the Hurdle Rate. Please refer to Section 7.1 for further information on the risk factors which could impact the payment of the Variable Coupon.

In Section 4.2 'The Reference Indices', the section entitled 'RBS VC Australia 200 Index (AUD) ER 12%' (previously 'Risk Stabilised SPI 200 Index Future Strategy') on page 14 of the PDS is deleted in its entirety and replaced with the following:

The RBS VC Australia 200 Index (AUD) 12% ER (Bloomberg code RBSBAEA1 <index>) (Reference Index) aims to track a notional strategy that applies a risk-stabilisation overlay to the performance of the RBS Australia 200 Index (AUD) ER (Bloomberg code RBSERAA1 <index>) (Underlying Index). The Underlying Index uses rolling futures contracts over the S&P

ASX 200 and therefore its performance is correlated with the performance of the Australian share market. Both the Reference Index and Underlying Index are calculated and maintained by Future Value Consultants Limited (Reference Index Calculation Agent) based on methodologies developed by The Royal Bank of Scotland plc (Index Sponsor).

In Section 4.2 'The Reference Indices', the section entitled 'Volatility stabilisation overlay and Participation Rate' on page 14 of the PDS is amended by deleting the words 'around their average' on the eighth line of the first paragraph.

In Section 4.2 'The Reference Indices', the third paragraph of the section entitled 'Series 2' on page 15 of the PDS is amended by inserting the following additional sentences after the first sentence of that paragraph:

The fees incorporated into the Underlying Index comprise an access fee, licensee management fee and a licensor management fee. Please refer to the formula for 'Net Underlying Price' in Section 13 'Formulae and Calculation Table' for further detail.

In Section 4.2 'The Reference Indices', the fourth paragraph of the section entitled 'Series 2' on page 15 of the PDS is amended by inserting the following additional sentences after the first sentence of that paragraph:

The fees incorporated into the Underlying Index comprise an access fee, licensee management fee and a licensor management fee. Please refer to the formula for 'Net Underlying Price' in Section 13 'Formulae and Calculation Table' for further detail.' ;

and

is amended by deleting the fourth sentence in that fourth paragraph in its entirety.

In Section 4.2 'The Reference Indices', the last paragraph of the section entitled 'Series 2' on page 15 of the PDS is amended by replacing '(Bloomberg code RBSAQLUI <index>)' with '(Bloomberg code RBSAQLU1 <index>)'.

In Section 4.2 'The Reference Indices', the section entitled 'Aquantum Pegasus EL Excess Return Index (USD)' is amended by deleting the first sentence in its entirety and replacing it with the following:

The Aquantum Pegasus EL Excess Return Index (USD) (Underlying Index) sponsored by Aquantum SARL is a rules based methodology which provides enhanced exposure to a commodity market-neutral index linked to the performance of an advanced qualitative exchange traded commodities strategy.

In Section 4.2 'The Reference Indices', the section entitled 'Aquantum Pegasus EL Excess Return Index (USD)' is amended by replacing the reference to 'RBS Sempra Energy Trading LLC' in the last paragraph on page 15 with 'RBS Group'.

In Section 4.2 'The Reference Indices', the final paragraph in the first column on page 16 is amended by replacing the reference to 'RBS Sempra Energy Trading LLC' with 'RBS Group'.

In Section 4.2 'The Reference Indices', footnote 9 in the section entitled 'Historical Performance of Reference Indices' on page 16 is deleted.

In Section 4.2 'The Reference Indices', the first paragraph of the section entitled 'Historical Performance of Reference Indices' on page 16 is deleted in its entirety and replaced with:

The data shown in the graphs and the average annual rate of return published under the graphs are based on:

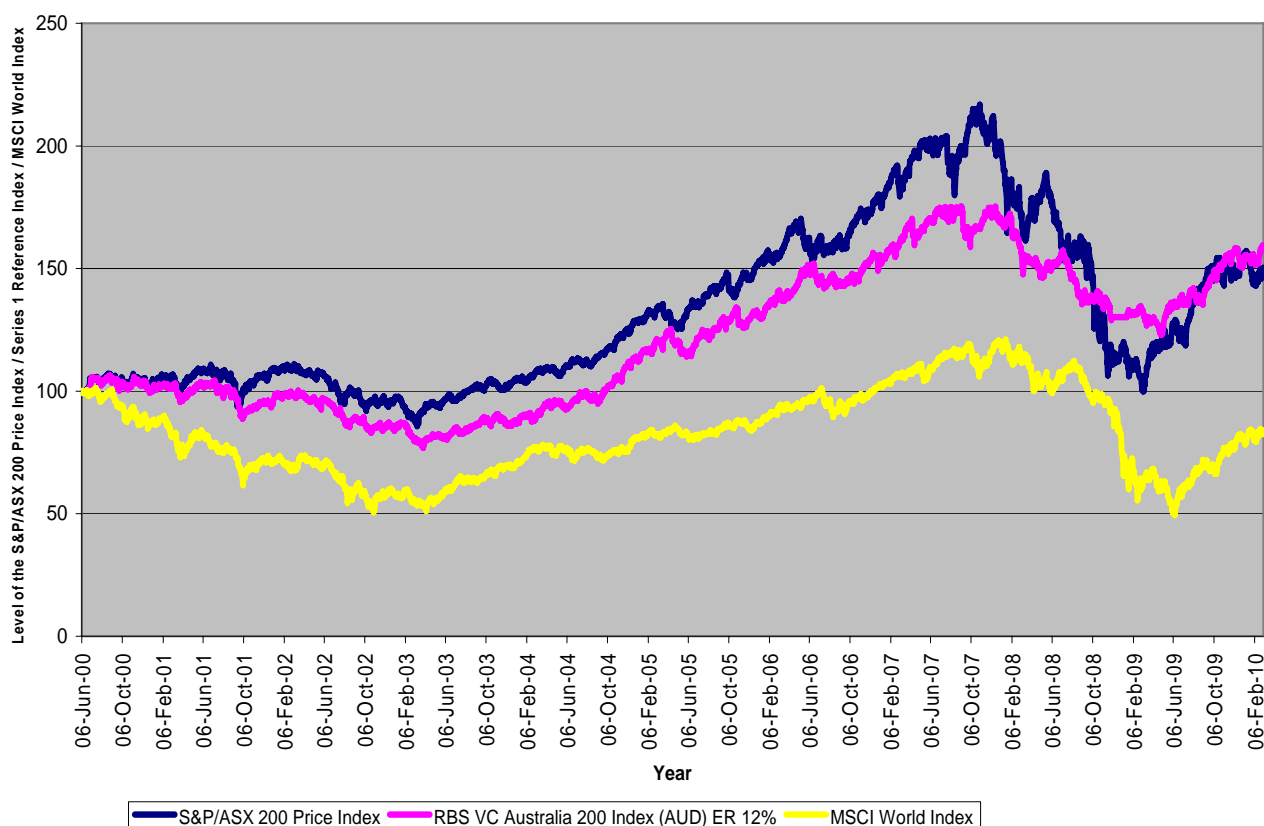
For Series 1, actual historic levels of the S&P/ASX 200 Price Index (as published by Standard & Poor's) and MSCI World Index (as published by Bloomberg) and the simulated historic levels of the RBS VC Australia 200 Index (AUD) ER 12%. The graph uses data ending on each Business Day from 6 June 2000 to 3 March 2010.

For Series 2, historic levels of the MSCI World Index (as published by Bloomberg), simulated historic levels of the Aquantum Pegasus EL1 Excess Return Index and Risk Stabilised Aquantum Pegasus EL1 Strategy (net of fees and costs) for the period up to 27 October 2009 (as published by Bloomberg), and actual historic levels of the Aquantum Pegasus EL1 Excess Return Index and Risk Stabilised Aquantum Pegasus EL1 Strategy (net of fees and costs) for the period from and including 28 October 2009 (as published by Bloomberg). The graph uses simulated historical data ending on each Business Day from 6 October 1997 to 28 October 2009 and actual historical data ending on each Business Day from 29 October 2009 to 3 March 2010. In the graph for Series 2 below, different colours for the Risk Stabilised Aquantum Pegasus EL1 Strategy and the Aquantum Pegasus EL1 Excess Return Index show the periods for which simulated historical data and actual historical data was used.

In Section 4.2 'The Reference Indices', the graph for Series 1 (including the title) in the section entitled 'Historical Performance of Reference Indices' on page 16 is deleted in its entirety and replaced with the following:

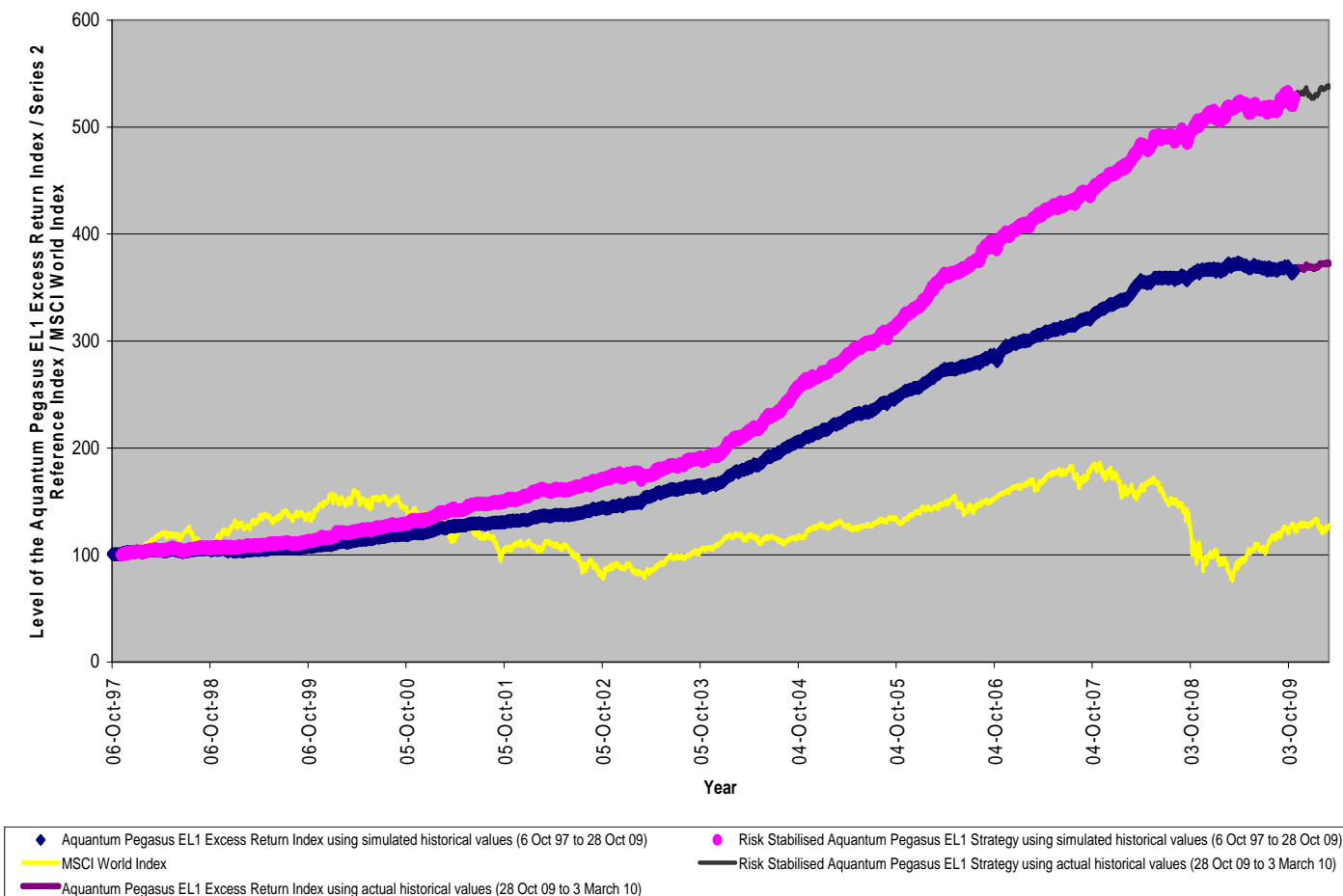
Series 1: S&P/ASX 200 Price Index vs RBS VC Australia 200 Index (AUD) ER 12% vs MSCI World Performance Graphs

S&P/ASX 200 Price Index vs RBS VC Australia 200 Index (AUD) ER 12% vs MSCI World Performance Graphs



In Section 4.2 'The Reference Indices', the graph for Series 2 in the section entitled 'Historical Performance of Reference Indices' on page 16 is deleted in its entirety and replaced with the following:

Aquantum Pegasus EL1 Excess Return Index vs Risk Stabilised Aquantum Pegasus EL1 Strategy vs MSCI World Performance Graphs



Section 5.6 'Early Maturity' on page 20 of the PDS is amended by the insertion of the following sentence at the end of the third paragraph:

If the Issuer receives nothing in relation to the partial close out of the Capital Protection Hedge, the amount Investors receive on Early Maturity (the Early Maturity Value) may be zero.

Section 5.7 'Sale of Units Before Maturity – Issuer Buy-Back' on page 21 of the PDS is amended by the insertion of the following sentence at the end of the fourth paragraph:

If the Issuer receives nothing in relation to the partial close out of the Capital Protection Hedge, the Buy-Back Price may be zero and Investors may receive nothing.

Section 6.4 'How are Coupons calculated?' on page 24 of the PDS is amended by inserting the following sentence under the heading 'Variable Coupons' below the seventh line:

In relation to the calculation of Variable Coupon, where the formula above gives a result of zero, no Variable Coupon will be payable.

Section 6.5 'How is Final Value calculated?' on page 26 of the PDS is amended by inserting the following above the section titled 'Overview of Scenarios 1, 2, 3 and 4':

The number of each type of Delivery Asset that would be received by an Investor (i.e. the Delivery Parcel) is calculated as follows:

$[(\text{Final Value} \times \text{Number of Units held by Investor} - \text{Delivery Costs}) / N] / \text{Delivery Asset Price}$
 Where N is the number of Delivery Assets in each Delivery Parcel.

Therefore, under Scenario 1 an Investor in Series 1 would receive the following Delivery Parcel:

Delivery Asset	Delivery Asset Price	Number of Delivery Assets (Delivery Parcel)
BHP Billiton Limited	\$38.15	450
Commonwealth Bank of Australia	\$49.61	346
Wesfarmers Limited	\$28.72	598
Telstra Corporation Limited	\$3.22	5,335
Woolworths Limited	\$27.08	634

The Delivery Asset Prices for each of the Delivery Assets used for the purpose of this example only are the opening prices on the ASX on 9 July 2010. The above figures were calculated on the assumption that there were no Delivery Costs (as at the date of this PDS, it is not anticipated that Delivery Costs will apply). The number of Delivery Assets has been rounded to the nearest whole number and is valued at \$85,854.54. Therefore, there is a difference of \$45.46 (i.e. \$85,900.00 less \$85,854.54). As this amount is greater than \$20, this amount will be paid to you within 10 Business Days of the Settlement Date or as soon as reasonably practicable thereafter.

In Section 6.5, the section entitled 'Overview of Scenarios 1, 2, 3 and 4' on page 26 of the PDS is amended by inserting the following at the end of the section:

In relation to the calculation of the Variable Coupon, where the calculation produces a negative result, no Variable Coupon will be payable.

The number of each type of Delivery Asset that would be received by an Investor (i.e. the Delivery Parcel) for **Series 1** under each scenario is as follows:

Delivery Asset	Delivery Asset Price	Scenario 1	Scenario 2	Scenario 3	Scenario 4
BHP Billiton Limited	\$38.15	450	262	296	262
Commonwealth Bank of Australia	\$49.61	346	201	227	201
Wesfarmers Limited	\$28.72	598	348	393	348
Telstra Corporation Limited	\$3.22	5,335	3,105	3,509	3,105
Woolworths Limited	\$27.08	634	369	417	369

The Delivery Asset Prices for each of the Delivery Assets used for the purpose of this example only are the opening prices on the ASX on 9 July 2010. The above figures were calculated on the assumption that there were no Delivery Costs (as at the date of this PDS, it is not anticipated that Delivery Costs will apply). The number of Delivery Assets has been rounded to the nearest whole number.

For Scenario 1, the number of Delivery Assets are valued at \$85,854.54. Therefore, there is a difference of \$45.46 (i.e. \$85,900.00 less \$85,854.54). As this amount is greater than \$20, this amount will be paid to you within 10 Business Days of the Settlement Date or as soon as reasonably practicable thereafter.

For Scenarios 2 and 4 the number of Delivery Assets are valued at \$49,952.09. Therefore, there is a difference of \$47.91 (i.e. \$50,000.00 less \$49,952.09). As this amount is greater than \$20, this amount will be paid to you within 10 Business Days of the Settlement Date or as soon as reasonable practicable thereafter.

For Scenario 3 the number of Delivery Asset are valued at \$56,423.17. Therefore, there is a difference of \$67.83 (i.e. \$56,500.00 less \$56,423.17). As this amount is greater than \$20, this amount will be paid to you within 10 Business Days of the Settlement Date or as soon as reasonable practicable thereafter.

The number of each type of Delivery Asset that would be received by an Investor (i.e. the Delivery Parcel) for **Series 2** under each scenario is as follows:

Delivery Asset	Delivery Asset Price	Scenario 1	Scenario 2	Scenario 3	Scenario 4
BHP Billiton Limited	\$38.15	469	262	315	262
Commonwealth Bank of Australia	\$49.61	361	201	242	201
Wesfarmers Limited	\$28.72	624	348	419	348
Telstra Corporation Limited	\$3.22	5,568	3,105	3,742	3,105
Woolworths Limited	\$27.08	662	369	444	369

The Delivery Asset Prices for each of the Delivery Assets used for the purpose of this example only are the opening prices on the ASX on 9 July 2010. The above figures were calculated on the assumption that there were no Delivery Costs (as at the date of this PDS, it is not anticipated that Delivery Costs will apply). The number of Delivery Assets has been rounded to the nearest whole number.

For Scenario 1, the number of Delivery Assets are valued at \$89,578.76. Therefore, there is a difference of \$71.24 (i.e. \$89,650.00 less \$89,578.76). As this amount is greater than \$20, this amount will be paid to you within 10 Business Days of the Settlement Date or as soon as reasonable practicable thereafter.

For Scenarios 2 and 4 the number of Delivery Assets are valued at \$49,952.09. Therefore, there is a difference of \$47.91 (i.e. \$50,000.00 less \$49,952.09). As this amount is greater than \$20, this amount will be paid to you within 10 Business Days of the Settlement Date or as soon as reasonable practicable thereafter.

For Scenario 3 the number of Delivery Asset are valued at \$60,129.31. Therefore, there is a difference of \$120.69 (i.e. \$60,250.00 less \$60,129.31). As this amount is greater than \$20, this amount will be paid to you within 10 Business Days of the Settlement Date or as soon as reasonable practicable thereafter.

Section 7.1 on page 27 of the PDS is amended by including the following additional disclosures:

Variable Coupons

There will be no Variable Coupon if the Reference Index Value has not increased above the High Water Mark and the Hurdle Rate.

The High Water Mark is the highest Reference Index Value calculated on any prior Coupon Determination Date (the Initial Reference Index Value for the first Coupon Determination Date). Therefore, in order for an investor to receive a Variable Coupon in each year of the Investment Term the Reference Index Value on each Coupon Determination Date must be greater than the Reference Index Value on every prior Coupon Determination Date.

Further information on the Variable Coupon and how it is calculated can be found in Section 4.1.4 'Potential Variable Coupon payments'.

Index Sponsor / Reference Index Calculation Agent discretion

The rules of the Reference Index confer on the Reference Index Calculation Agent and the Index Sponsor discretion in making certain determinations, calculations and corrections from time to time. The exercise of such discretion in the making of calculations, determinations and corrections may adversely affect the performance of the relevant Reference Index and therefore also an investment in the Units.

In Section 7.1, the section entitled 'Creditworthiness of the Capital Protection Provider' on page 28 is amended by inserting the following new paragraph after the first paragraph:

The Capital Protection Provider only has a contractual relationship with the Issuer. Investors do not have a contractual relationship with the Capital Protection Provider in relation to the Capital Protection Hedge (which includes the payment of the Fixed Coupons and the Minimum Final Value). The Issuer will use its best endeavours to recover amounts owed to it under the Capital Protection Hedge.

In Section 7.1, the section entitled 'Trading Strategy' on page 28 is amended by inserting the following new paragraph after the first paragraph:

No assurance can be given that the strategy employed by the relevant Index Sponsor will be successful, generate positive returns, outperform any benchmark or other indices or that the return on the relevant Reference Index will be as projected or estimated.

In Section 7.1, the section entitled 'Changes to the Reference Index and Underlying Index' on page 28 is amended by inserting the words 'Reference Index' immediately prior to the words 'Calculation Agent' on the third line.

In Section 7.1, the section entitled 'Delivery Assets' on page 29 of the PDS is amended by deleting the words 'something other than' in the first line of the last paragraph and replacing them with 'other securities which are constituents of the S&P/ASX 200 instead of'.

In Section 7.1, the section entitled 'Early Maturity' on page 30 of the PDS is amended by inserting the following sentence in the second paragraph after the first sentence:

The determination of Early Maturity Value takes into account any money received on early termination of the Capital Protection Hedge. For a description of the factors affecting this amount, please refer to the section entitled 'Capital Protection Hedge' in Section 3.2 (as amended by this SPDS).

In Section 7.1, the section entitled 'Calculation Agent Risk' on page 30 of the PDS is amended by replacing all references to 'Calculation Agent' with 'Reference Index Calculation Agent'.

In Section 7.1, the section entitled 'Guarantee of payment obligations only of the Issuer' on page 30 of the PDS is amended by deleting the second and third paragraphs of the section.

In Section 7.2, the section entitled 'General market risk' on page 30 of the PDS is amended by inserting the following additional paragraphs below the existing paragraph:

The Reference Index for Series 2 references the performance of commodities. The value of commodities is volatile and subject to market conditions. For example, the value of a commodity is subject to the supply of, and/or demand for, such commodity and whether or not any alternatives to that commodity exist. Additionally, commodity prices can be influenced by the prevailing political climate and government stability in commodity producing nations. Current market conditions for a commodity do not guarantee the performance, demand or supply of that commodity in the future. Changes in demand or supply of a commodity and the stability of political affairs will affect the performance of the Reference Index.

The Reference Index for Series 1 references the performance of futures contracts. Transactions in futures contracts involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The 'gearing' or 'leverage' often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of an investment. Futures contracts need to be rolled i.e. when the existing futures contract approaches expiry it is sold and the next futures contract is simultaneously purchased. The price for which the existing futures contract is sold and the new one purchased may be different and this could adversely affect the value of the Reference Index and the return on your Units.

In Section 7.2, the section entitled 'Conflicts of Interest' on page 30 is amended by inserting the words ', Index Sponsor' immediately after the words 'Calculation Agent' in the second line.

In Section 8 'Parties to the Offer', the additional sentence below is inserted at the end of the section entitled 'About RBS' on page 32 of the PDS:

Financial information for RBS is available at
http://www.investors.rbs.com/our_performance/resultsandpresentations.cfm.

In Section 8 'Parties to the Offer', the section entitled 'Further information' on page 32 of the PDS is amended by deleting the sentence below in its entirety:

To facilitate a market in warrants and structured products, RBS Group (Australia) Pty Limited intends to issue to its nominee some or all of the warrants or structured products remaining unissued during the Offer Period.

In Section 8 'Parties to the Offer', the section entitled 'About Aquantum' on page 37 of the PDS is amended by deleting the reference to "Aquantum Algorithmic Limited" and replacing it with "Aquantum SARL"; and

deleting the reference to "Oxford, United Kingdom" and replacing it with "Luxembourg".

In section 11 'Terms of the Deferred Purchase Agreement', clause 6.2(a) on page 43 of the PDS is amended by inserting ', any Calculation Date' on the fourth line immediately after 'any Observation Date'.

In Section 8 'Parties to the Offer', the section entitled 'RBS Sempra Commodities' on page 32 is deleted in its entirety.

In Section 12 'Definitions', the definition of 'RBS or RBS Group' on page 52 of the PDS is deleted in its entirety and replaced with the following:

RBS Group means RBS Group (Australia) Pty Ltd 9ACN 000 862 797) together with its affiliates (including its parent entity), The Royal Bank of Scotland plc and subsidiaries, and The Royal Bank of Scotland N.V. (ABN 84 079 478 612) and subsidiaries;

In Section 12 'Definitions', the definition of 'Reference Index Calculation Agent' on page 52 of the PDS is amended by deleting 'The Royal Bank of Scotland plc' and replacing it with 'Future Value Consultants Limited'.

Section 12 'Definitions' is amended by inserting the definition below after the definition of 'Relevant Exchange' on page 52 of the PDS:

Rolling Futures has the meaning given in Section 4.2 'The Reference Indices'.

Pages 71 to 92 of the PDS are renumbered as pages 62 to 83.

In Section 13 'Formulae and Calculation Table', the section entitled 'Reference Index Value' on page 54 is amended by making the following changes:

- replacing DP_t with DP_{t-2} throughout the section; and
- the second last sentence of the section is deleted in its entirety and replaced with ' DP_{t-2} means the Participation Rate on the Business Day that is 2 Business Days immediately preceding Business Day t.

In Section 13 'Formulae and Calculation Table', the section entitled 'Volatility' on page 54 is amended by replacing the formula with the following:

$$RV_v = \sqrt{\frac{\sum_{j=0}^{19} \left[\ln \left(\frac{\text{Rolling Future } (v - j)}{\text{Rolling Future } (v - j - 1)} \right) - \frac{1}{20} \sum_{k=0}^{19} \left(\frac{\text{Rolling Future } (v - k)}{\text{Rolling Future } (v - k - 1)} \right) \right]^2}{19}} \times \sqrt{252}$$

In Section 13 'Formulae and Calculation Table', the section entitled 'Participation Rate and volatility' on page 56 of the PDS, is amended by deleting 'www.rbs.com.au/structuredproducts' and replacing it with 'www.futurevindices.co.uk/showindex.cfm?id=190'.

In Section 13 'Formulae and Calculation Table', the section entitled 'Net Underlying Price' on page 58 of the PDS, is amended by making the following changes:

- deleting '1.15%' and replacing it with '0.95%' in relation to the Licensee Management Fee; and
- deleting 'from 1.00% to 1.40% per annum' and replacing it with 'from 0.75% to 1.40% per annum' in relation to the Licensee Management Fee.

Right to Withdraw

All Investors have the option to withdraw their investment within 7 business days of the date of the SPDS. If Investors withdraw, their Investment Amount will be refunded in full and their Units will be terminated. In order to exercise this withdraw option, Investors should send their request to: RBS Group (Australia) Pty Limited, PO Box 4675, Sydney NSW 2001. Investors who wish to retain their Units are not required to do anything.

Other Information

In all other respects, the PDS remains unaltered. No circumstance has arisen and no information has become available since the date of the PDS that would materially affect an Investor's assessment of the capacity of RBS Group (Australia) Pty Limited to fulfil its obligations in respect of the Units and the risks, rights and obligations associated with the Units.

Investors should reach an investment decision only after carefully reading and understanding the PDS, this SPDS and any other supplementary product disclosure statements to the PDS, and considering, with their advisers, the suitability of the Units in the light of their specific circumstances.

RBS Group (Australia) Pty Ltd

22 July 2010