SUPPLEMENTARY PROSPECTUS DATED 18th MARCH 2009

The Royal Bank of Scotland Group plc

(*Incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980, registered number SC045551)*

The Royal Bank of Scotland plc

(*Incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980, registered number SC090312)*

£75,000,000,000
Euro Medium Term Note Programme

This Supplement (the "**Supplement**") to the Prospectus (the "**Prospectus**") dated 17th June 2008, which comprises a base prospectus, constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the "**FSMA**") and is prepared in connection with the £75,000,000,000 Euro Medium Term Note Programme (the "**Programme**") established by The Royal Bank of Scotland Group plc ("**RBSG**") and The Royal Bank of Scotland plc ("**RBS**") (each, an "**Issuer**" and together, the "**Issuers**"). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and the documents incorporated by reference therein. This Supplement should also be read and construed in conjunction with the Supplementary Prospectuses dated 29th September 2008, 4th November 2008, 24th November 2008, 28th November 2008, 24th December 2008 and 22nd January 2009 which have been previously published and have been approved by the Financial Services Authority (the "**FSA**") and filed with it and which form part of the Prospectus.

Each Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each Issuer (each having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Financial results for the year ended 31 December 2008

On 9th March 2009, RBSG published its Annual Report and Accounts 2008. A copy of such Annual Report and Accounts has been filed with the FSA and, by virtue of this Supplement, the following sections of such Annual Report and Accounts are incorporated in, and form part of, the Prospectus:

Section	Page Numbers
Independent auditors' report for year ended 31 December 2008	172 to 173
Consolidated income statement for year ended 31 December 2008 (including restated comparative information for 2007)	174
Balance sheet as at 31 December 2008 (including restated comparative information for 2007)	175

Disincorporation of Information Incorporated by Reference in the Prospectus

The following information incorporated by reference in the Prospectus shall, by virtue of this Supplement, no longer be so incorporated:

(a) the RBSG Interim Information;

(b) those sections of the Placing and Open Offer Prospectus which are incorporated by reference in the Prospectus;

(c) the following section of the document dated 4th November 2008 which comprised a circular prepared for the purposes of the General Meeting of RBSG held on 20th November 2008: paragraph 7 (HM Treasury's Intentions) of the Appendix to the Letter from the Chairman of RBS on page 12; and

(d) the Trading Update.

Incorporation of Information by Reference in the Prospectus

The following documents, which have been (1) previously published and (2) approved by the FSA or filed with it shall be deemed to be incorporated in, and form part of, the Prospectus:

(a) the press release headed “RBS Group intended participation in HM Treasury asset protection scheme and additional capital raising” dated 26th February 2009 issued by RBSG;

(b) the following sections of the prospectus published on 16th March 2009 (the “**March 2009 Placing and Open Offer Prospectus**”) in connection with RBSG’s placing and open offer of 16,909,716,385 ordinary shares, which comprises a prospectus prepared in accordance with the Prospectus Rules of the UK Listing Authority made under section 73A of the FSMA: (i) the following sections in “Risk Factors” on pages 12 to 25: the first two paragraphs, the section “Risks Related to RBS” save for the risk factor entitled “The Company may face the risk of full nationalisation and under such circumstances Shareholders may lose the full value of their Shares”, and the risk factor in the section “Risks relating to the New Shares and the Placing and Open Offer” entitled “Subject to certain terms and conditions, any New Shares not subscribed for in the Placing and Open Offer by existing RBS Shareholders and new placees will be taken up by HM Treasury, which will therefore increase its already significant shareholding in the Group. This, and the increase in RBS’ share capital, may lead to adverse tax consequences for RBS. HM Treasury may take actions that are not in the interests of minority shareholders”; (ii) “Placing and Open Offer Statistics” on page 26; (iii) “Expected Timetable of Principal Events” on page 27; (iv) “Important Information” on pages 28 to 31; (v) Part I (Letter From the Chairman of RBS) on pages 35 to 39; (vi) Appendix to the Letter From the Chairman of RBS on pages 40 to 49 excluding Part A paragraph 10 (Overseas Shareholders) on page 46, Part A paragraph 11 (UK and US Taxation) on page 46 and Part A paragraph 12 (Action to be taken in respect of the Open Offer) on pages 46 to 47; (vii) paragraphs 1 (Introduction), 2 (The Open Offer) and 3 (Conditions and further terms of the Open Offer) of Part III (Terms and Conditions of the Open Offer) on pages 57 to 59; (viii) Part IV (Information on RBS) on pages 85 to 88; (ix) Part V (Overview of Business Performance and Operating and Financial Review of RBS) on pages 89 to 93; (x) paragraph A “Unaudited pro forma proportional Core Tier 1 capital ratio as at 31 December 2008” of Part VI (Unaudited Pro Forma Financial Information) on page 94; (xi) Part IX (Additional Information) on pages 105 to 150, excluding paragraphs 1 (Responsibility) on page 105; 4 (Memorandum of Association and Articles of Association) on pages 109 to 114; 5 (Mandatory takeover bids, squeeze-out and sell-out rules) on page 114; 15 (Environmental issues) on page 138; 19 (Other contingencies) on page 148; 22 (No significant change) on page 148; and 23 (Consents) on pages 148 to 149; and (xii) Part XI (Definitions) on pages 153 to 161;

(c) the following sections of RBSG’s Annual Report and Accounts 2007:

Section	Page Numbers
Business review	4 to 90
Report of the Directors	94 to 98
Corporate governance	99 to 104
Directors’ remuneration report	105 to 114
Directors’ interests in shares	115
Amounts in accordance with IFRS	214 to 222
Exchange rates	230

Economic and monetary environment	231
Supervision and regulation	231 to 233
Description of property and equipment	234
Major shareholders	234
Material contracts	234

and

(d) the sections entitled "Plans and Proposals for ABN AMRO" on pages 42 to 48 and "Information on the Consortium and Shareholders' Agreement" on pages 74 to 77 of the listing particulars published by RBSG on 20th July 2007.

Disclosure

The Prospectus Directive contains certain requirements for disclosure in relation to an issuer of debt securities. Those requirements are complied with by virtue of the information included in this Supplement or incorporated by reference in the Prospectus by virtue of this Supplement.

No Significant Change and Material Adverse Change

By virtue of this Supplement, the following paragraphs entitled "No Significant Change" and "Material Adverse Change" in the Prospectus shall be deleted:

"Save (i) for the continued market deterioration, credit market write-downs and increase in risk weighted assets as outlined in the paragraph entitled ''Introduction'' starting on page 40 of the Placing and Open Offer Prospectus which is incorporated by reference herein and the credit market write-downs in "Credit Market Exposures" on pages 43 to 46 of the Placing and Open Offer Prospectus which is incorporated by reference herein; (ii) as disclosed in the Trading Update which is incorporated by reference herein; and (iii) in respect of downgrades by Standard & Poor's, Moody's and Fitch of the ratings assigned to the securities issued by RBS and RBSG (the current ratings of such securities being set out under "Ratings Information" in this Prospectus), there has been no significant change in the trading or financial position of the Group and RBS and its subsidiaries taken as a whole since 30th June 2008 (the date to which the latest published financial information of each of the Group and RBS and its subsidiaries was prepared)."

"Save (i) as regards the continued market deterioration, credit market write-downs and increase in risk weighted assets as outlined in the paragraph entitled "Introduction" starting on page 40 of the Placing and Open Offer Prospectus which is incorporated by reference herein and the credit market write-downs in "Credit Market Exposures" on pages 43 to 46 of the Placing and Open Offer Prospectus which is incorporated by reference herein; (ii) the results of the Group in the first six months of 2008 as disclosed on pages 63 to 80 of the RBSG Interim Information, which is incorporated by reference herein, and in the pro forma financial information set out on pages 94 to 98 and 103 of the Placing and Open Offer Prospectus which is incorporated by reference herein; (iii) as disclosed in the Trading Update which is incorporated by reference herein; and (iv) in respect of downgrades by Standard & Poor's, Moody's and Fitch of the ratings assigned to the securities issued by RBS and RBSG (the current ratings of such securities being set out under "Ratings Information" in this Prospectus), there has been no material adverse change in the prospects of the Group and RBS and its subsidiaries taken as a whole since 31st December 2007 (the date to which the latest audited published financial information of each of the Group and RBS and its subsidiaries taken as a whole was prepared)."

and replaced with the following:

"As outlined in the first paragraph under "Part I – Letter from the Chairman – Background to the Placing and Open Offer" on page 36 of the March 2009 Placing and Open Offer Prospectus which is incorporated by reference herein, the statement regarding current trading and outlook for 2009 under "Part I – Letter from the Chairman – Trading and Outlook" on pages 38 to 39 of the March 2009 Placing and Open Offer Prospectus which is incorporated by reference herein, and the second paragraph of "Part V – Overview of Business Performance and Operating and Financial Review of RBS – Capital resources and liquidity management" on page 92 of the March 2009 Placing and Open Offer Prospectus which is incorporated by reference herein, the Group continues to be, and expects to continue to be, affected by market uncertainty and credit market write-downs, including further write-downs in respect of monoline exposures.

However, there has been (i) no significant change in the trading or financial position of the Group and RBS and its subsidiaries taken as a whole and (ii) no material adverse change in the prospects of the Group and RBS and its subsidiaries taken as a whole, in each case since 31st December 2008 (the date to which the latest audited published financial information of each of the Group and RBS and its subsidiaries taken as a whole was prepared)."

Risk Factors

The risk factor entitled "HM Treasury has wide-ranging powers under the UK Banking (Special Provisions) Act 2008 and the Banking Bill 2008" shall be deleted from the Prospectus. The following risk factor shall be included in the Prospectus:

"***Either Issuer may face the risk of full nationalisation due to risks under the Banking Act 2009 (the "Banking Act")***

Under the Banking Act, substantial powers have been granted to HM Treasury, the Bank of England and the FSA as part of the Special Resolution Regime to stabilise banks that are in financial difficulties. The Special Resolution Regime gives the authorities three stabilisation options: private sector transfer of all or part of the business of a UK-incorporated institution with permission to accept deposits (a ''**relevant entity**''); transfer of all or part of the business of the relevant entity to a ''bridge bank'' established by the Bank of England; and temporary public ownership (nationalisation) of the relevant entity or its UK-incorporated holding company.

The purpose of the stabilising options is to address the situation where all or part of the business of the relevant entity has encountered, or is likely to encounter, financial difficulties. Accordingly, the stabilisation options may only be exercised if the FSA is satisfied that a relevant entity such as RBSG's banking subsidiaries, including RBS and NatWest, (i) is failing, or is likely to fail, to satisfy the threshold conditions set out in Schedule 6 to the FSMA and (ii) having regard to timing and other relevant circumstances it is not reasonably likely that action will be taken that will enable the relevant entity to satisfy those threshold conditions. The threshold conditions are conditions which an FSA-authorised institution must satisfy in order to retain its FSA authorisation. They are relatively wide-ranging and deal with most aspects of a relevant entity's business, including, but not limited to, minimum capital resource requirements. It is therefore possible that the FSA may exercise one of the stabilisation options before a relevant entity is in severe difficulties and before an application for insolvency or an administration order could be made.

The stabilisation options may be exercised by means of powers to transfer property, rights or liabilities of a relevant entity and shares and other securities issued by a relevant entity. HM Treasury may also take the parent company of a relevant entity (such as RBSG) into temporary public ownership provided that certain conditions set out in Section 82 of the Banking Act are met. Temporary public ownership is effected by way of a share transfer order and can be actioned irrespective of the financial condition of the parent company.

If HM Treasury makes the decision to take RBSG or RBS into temporary public ownership, it may take various actions in relation to securities (including the Notes) issued by RBSG or RBS including:

- to transfer the Notes free from any contractual or legislative restrictions on transfer;
- to transfer the Notes free from any trust, liability, or encumbrance;
- to extinguish rights to acquire securities in the Issuers;
- to delist the Notes;
- to convert Notes into another form or class (for example, into equity securities);
- to disapply any termination or acceleration rights or events of default under the terms of the Notes which would be triggered by the transfer; or
- where property is held on trust, to remove or alter the terms of such trust.

Where HM Treasury has made a share transfer order in respect of securities issued by the holding company of a relevant entity, HM Treasury may make an order providing for the property, rights or liabilities of the holding company or of any relevant entity in the holding company group to be transferred.

Accordingly, there can be no assurance that the taking of any such actions would not adversely affect the rights of Noteholders and/or adversely affect the price or value of their investment or that the ability of the relevant Issuer to satisfy its obligations under the Programme Agreement, the Agency Agreement, the Trust Deed and the Notes would be unaffected. In such circumstances, Noteholders may have a claim for compensation under one of the compensation schemes provided for in the Banking Act. For the purposes of determining an amount of compensation, an independent valuer must disregard actual or potential financial assistance provided by the Bank of England or HM Treasury. There can be no assurance that Noteholders would thereby recover compensation promptly and/or equal to any loss actually incurred.

If either Issuer were made subject to the Special Resolution Regime and a partial transfer of its business was effected, the nature and mix of the assets and liabilities not transferred (which may include the Notes) may adversely affect its financial condition or creditworthiness and increase the risk that RBSG or RBS may eventually become subject to administration or insolvency proceedings.

While it was in force, the UK Government took action under the Banking (Special Provisions) Act 2008 in respect of a number of UK financial institutions, including in extreme circumstances, full and part nationalisation. There have been concerns in the market in recent months regarding the risks of such nationalisation in relation to RBSG, RBS and other UK banks. If economic conditions in the UK or globally continue to deteriorate, or the events described in the other risk factors set out in this Prospectus occur to such an extent that they have a materially adverse impact on the financial condition, perceived or actual credit quality, results of operations or business of any of the relevant entities in the Group, the UK Government may decide to take similar action in relation to the Issuers under the Banking Act. Given the extent of HM Treasury's and the Bank of England's powers under the Banking Act, it is difficult to predict what effect such actions might have on the Group and any securities issued by it. However, potential impacts may include full nationalisation of the Issuers and the total loss of value in the Notes."

Credit Guarantee Scheme

On 15th December 2008, the UK government issued a market notice including proposals to enhance the Scheme. These proposals include changes to the annual fee payable by participants in the Scheme and to make the Guarantee available in respect of Notes issued in Yen, Australian dollars, Canadian dollars and Swiss francs. The European Union approved the changes for state aid purposes on 23rd December 2008 and the changes became effective in early 2009.

On 19th January 2009, the UK government announced that it was extending the drawdown window of the Scheme from 9th April 2009 to 31st December 2009, subject to state aid approval.

Summary of the Programme

At the end of the last paragraph of "Summary of the Programme – Issuers" on page 15 of the Prospectus, the following shall be added:

"On 19th January 2009, the Group announced a capital restructuring involving a £5 billion capital raising by way of a placing and open offer of new ordinary shares (the "**March 2009 Placing and Open Offer**"). The proceeds of the placing and open offer will be used to redeem the £5 billion of preference shares issued to HM Treasury on 1st December 2008.

On 26th February 2009, the Group announced its participation in the UK government's asset protection scheme with assets with a par value of £325 billion and an associated capital raising."

Paragraph (i) of "Summary of the Programme – Risk Factors" on pages 15 and 16 of the Prospectus shall be deleted and replaced by the following:

(i) risk factors relating to the Issuers, including:

- Either Issuer may face the risk of full nationalisation due to risks under the Banking Act 2009;

- If RBSG is unable to participate in the asset protection scheme, or the operation of the asset protection scheme fails to have the desired effect on RBSG's financial and capital position, RBSG may face the risk of full nationalisation. If the costs of participation outweigh the benefits, this could have a negative impact on RBSG's business, earnings and financial prospects and its share price may suffer;

- if RBSG does not raise capital through the March 2009 Placing and Open Offer (including as a result of the resolutions not being approved or the termination of the underwriting commitments of HM Treasury or redeeming the preference shares), it may be unable to access additional funds or find alternative methods of increasing its core Tier 1 and Tier 1 capital ratios, there will be further limits on its ability to access funding and its business, financial condition, results of operations and share price will suffer;

- RBSG's businesses, earnings and financial condition have been and will continue to be affected by the continued deterioration in the global economy, as well as ongoing instability in the global financial markets;

- any conversion of the B shares would significantly increase HM Treasury's ownership interest in RBSG, have a corresponding dilutive effect on other RBSG shareholders and result in the delisting of RBSG's securities;

- lack of liquidity is a risk to RBSG's business and its ability to access sources of liquidity has been, and will continue to be, constrained;

- governmental support schemes are subject to cancellation or change, which may have a negative impact on the availability of funding in the markets in which RBSG operates;

- the financial performance of RBSG will be affected by borrower credit quality;
- the actual or perceived failure or worsening credit of other financial institutions and counterparties could adversely affect RBSG;
- RBSG's earnings and financial condition have been, and its future earnings and financial condition are likely to continue to be, affected by depressed asset valuations resulting from poor market conditions;
- the value or effectiveness of any credit protection that RBSG has purchased from monoline and other insurers and other market counterparties (including credit derivative product companies) depends on the value of the underlying assets and the financial condition of the insurers and such counterparties;
- changes in interest rates, foreign exchange rates, bond, equity and commodity prices, and other market factors have significantly affected and will continue to affect RBSG's business;
- RBSG's borrowing costs and its access to the debt capital markets depend significantly on its credit ratings;
- RBSG's business performance could be affected if its capital is not managed effectively;
- the value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgements and estimates that may change over time or may ultimately not turn out to be accurate;
- RBSG's future earnings and financial condition in part depend of the success of the Group's strategic refocus on core strengths and its disposal programme;
- RBSG operates in markets that are highly competitive and consolidating. If RBSG is unable to perform effectively, its business and results of operations will be adversely affected;
- RBSG has agreed to certain undertakings in relation to the operation of its business in the placing and open offer agreement effective as of 13th October 2008 and the placing and open offer agreement effective as of 19th January 2009, each between RBSG, HM Treasury, Merrill Lynch International and UBS Limited and in connection with the proposed asset protection scheme, which may serve to limit the Group's operations;
- RBSG could fail to attract or retain senior management or other key employees;
- each of the Group's businesses is subject to substantial regulation and oversight. Any significant regulatory developments could have an effect on how the Group conducts its business and on its results of operations and financial condition;
- the Group's results have been and could be further adversely affected in the event of goodwill impairment;
- RBSG may be required to make further contributions to its pension schemes if the value of pension fund assets is not sufficient to cover potential obligations;
- RBSG is and may be subject to litigation and regulatory investigations that may impact its business;
- operational risks are inherent in RBSG's operations;
- RBSG is exposed to the risk of changes in tax legislation and its interpretation and to increases in the rate of corporate and other taxes in the jurisdictions in which it operates;

- The acquisition of a majority shareholder in RBSG by HM Treasury could lead to adverse tax consequences for the Group;
- RBSG's insurance businesses are subject to inherent risks involving claims;
- RBSG's operations have inherent reputational risk;
- in the United Kingdom and in other jurisdictions RBSG is responsible for contributing to compensation schemes in respect of banks and other authorised financial services firms that are unable to meet their obligations to customers;
- RBSG's business and earnings may be affected by geopolitical conditions;
- the restructuring proposals for ABN AMRO are complex and may not realise the anticipated benefits for RBSG; and
- subject to certain terms and conditions, any shares not subscribed for in the placing and open offer by existing RBSG shareholders and new placees will be taken up by HM Treasury, which will therefore increase its already significant shareholding in the Group. This, and the increase in RBSG's share capital, may lead to adverse tax consequences for RBSG. HM Treasury may take actions that are not in the interests of minority shareholders."

A copy of any or all of the information which is incorporated by reference in the Prospectus can be obtained from the website of RBSG at www.rbs.com and from the London Stock Exchange plc's website at www.londonstockexchange.com/en-gb/pricesnews/marketnews/.

If the documents which are incorporated by reference in the Prospectus by virtue of this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Prospectus for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference in, or attached to, the Prospectus by virtue of this Supplement.

To the extent that there is any inconsistency between any statement in or incorporated by reference in the Prospectus by virtue of this Supplement and any other statement in or incorporated by reference in the Prospectus, the statements in or incorporated by reference in the Prospectus by virtue of this Supplement will prevail.

Save as disclosed in this Supplement or in any document incorporated by reference in the Prospectus by virtue of this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

Investors should be aware of their rights under Section 87Q(4) of the FSMA.