

## SUPPLEMENTARY PROSPECTUS DATED 1 APRIL 2011



### **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)*

**£90,000,000,000**

### **Euro Medium Term Note Programme**

This Supplement (the “**Supplement**”) to the Prospectus (the “**Prospectus**”) dated 10 June 2010, which comprises, except as set out therein in relation to Guaranteed Notes, a base prospectus for the purposes of the Prospectus Directive, 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 £90,000,000,000 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 9 August 2010, 27 August 2010, 5 November 2010, 31 December 2010, 25 February 2011, 8 March 2011 and 18 March 2011 (together, the “**Previous Supplements**”) and the documents incorporated by reference therein 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) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### ***Purpose of this Supplement***

The purpose of this Supplement is to:

- (a) disincorporate (i) the RBS Interim Results and (ii) the Relevant Risk Factors (each as defined below) from being incorporated by reference into the Prospectus;
- (b) incorporate by reference into the Prospectus the 2010 Annual Results of RBS (as defined below), which were published via the Regulatory News Service of the London Stock Exchange plc (the “**RNS**”) on 30 March 2011;
- (c) amend the “*Summary of the Programme*” section of the Prospectus to remove the reference to the Relevant Risk Factors;
- (d) amend the statement of no significant change contained in the registration document of RBS dated 25 February 2011 (which was published via the RNS on 25 February 2011 and which is

incorporated by reference into the Prospectus pursuant to the supplementary prospectus dated 25 February 2011) (the “**RBS Registration Document**”);

- (e) update certain information on RBS’ assets, owners’ equity and capital ratios currently set out in the RBS Registration Document;
- (f) provide additional disclosure in relation to the Deferred Prosecution Agreement entered into between The Royal Bank of Scotland N.V. and the United States Department of Justice, as set out under “Investigations — US dollar clearing activities” below; and
- (g) to amend certain defined terms used in the Prospectus.

#### ***Disincorporation of Information Incorporated by Reference into the Prospectus***

By virtue of this Supplement, “The Royal Bank of Scotland plc – Results for the half year ended 30 June 2010” (the “**RBS Interim Results**”), which were published via the RNS on 27 August 2010 and which were incorporated by reference into the Prospectus pursuant to the supplementary prospectus dated 27 August 2010, shall no longer be incorporated into the Prospectus.

By virtue of this Supplement, the risk factor headed “*As a condition to HM Treasury support, RBSG has agreed to certain undertakings which may serve to limit the Group’s operations*” on pages 17 and 18 of the registration document of RBSG dated 25 February 2011 (which was published via the RNS on 25 February 2011 and which is incorporated by reference into the Prospectus pursuant to the supplementary prospectus dated 25 February 2011) (the “**RBSG Registration Document**”) and on pages 17 and 18 of the RBS Registration Document (together, the “**Relevant Risk Factors**”) shall, for the purposes of being incorporated by reference into the Prospectus, be deemed to be deleted.

#### ***Incorporation of Information by Reference into the Prospectus***

By virtue of this Supplement, the unaudited results for the year ended 31 December 2010 of RBS (excluding the section headed “Risk Factors” on pages 31 to 61) (the “**2010 Annual Results of RBS**”) which were published via the RNS on 30 March 2011, 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 (other than for the purposes of the Guaranteed Notes).

#### ***Summary of the Programme: Risk Factors***

The paragraph headed “*As a condition to HM Treasury support, RBSG has agreed to certain undertakings which may serve to limit the Group’s operations*” that is set out under the heading “Summary of the Programme — Risk Factors — (i) risk factors relating to the Issuers including:” on page 9 of the Prospectus shall be deleted.

#### ***No Significant Change: The Royal Bank of Scotland plc***

By virtue of this Supplement, the first paragraph under the heading “No Significant Change and No Material Adverse Change” on page 61 of the RBS Registration Document, which states that:

“There has been no significant change in the trading or financial position of the Issuer Group taken as a whole since 30 June 2010 (the end of the last financial period for which either audited financial information or interim financial information has been published).”

shall, for the purposes of being incorporated by reference into the Prospectus, be deemed to be deleted and replaced with the following paragraph:

“There has been no significant change in the trading or financial position of the Issuer Group taken as a whole since 31 December 2010 (the end of the last financial period for which either audited financial information or interim financial information has been published).”

***Assets, Owners’ Equity and Capital Ratios: The Royal Bank of Scotland plc***

By virtue of this Supplement, the second paragraph under the heading “Assets, owners’ equity and capital ratios” on page 32 of the RBS Registration Document, which states that:

“The Issuer Group had total assets of £1,422 billion and shareholder’s equity of £58.1 billion as at 30 June 2010. As at 30 June 2010, the Issuer Group’s capital ratios were a total capital ratio of 14.0 per cent. a Core Tier 1 capital ratio of 8.5 per cent. and a Tier 1 capital ratio of 10.3 per cent.”

shall, for the purposes of being incorporated by reference into the Prospectus, be deemed to be deleted and replaced with the following paragraph:

“The Issuer Group had total assets of £1,307.3 billion and owners’ equity of £57.0 billion as at 31 December 2010. As at 31 December 2010, the Issuer Group’s capital ratios were a total capital ratio of 13.6 per cent., a Core Tier 1 capital ratio of 8.4 per cent. and a Tier 1 capital ratio of 10.1 per cent.”

***Investigations — US dollar clearing activities***

The section headed “Description of The Royal Bank of Scotland Group plc — Investigations — US dollar clearing activities” on pages 43 and 44 of the RBSG Registration Document and the section headed “Description of The Royal Bank of Scotland plc — Investigations — US dollar clearing activities” on pages 43 and 44 of the RBS Registration Document set out details of the Deferred Prosecution Agreement (the “**DPA**”) entered into between The Royal Bank of Scotland N.V. (“**RBS N.V.**”) and the United States Department of Justice (the “**DoJ**”). The DPA relates to the previously disclosed criminal investigation into ABN AMRO Bank N.V.’s US dollar clearing activities, Office of Foreign Assets Control compliance procedures and Bank Secrecy Act compliance matters during the period from 1995 to the end of 2007.

On 1 April 2011, the Group announced via the RNS that on 31 March 2011, the DoJ and RBS N.V. filed a joint status report with the U.S. District Court notifying it that the parties would seek an extension of the duration of the DPA until 31 December 2011. The request states that RBS N.V. and the DoJ have agreed to seek the extension to allow RBS N.V. sufficient time to fulfil its obligations under the DPA.

***Defined Terms Used in the Prospectus***

Page 2 of the Prospectus contains a definition of “RBS Information”. By virtue of this Supplement, the RBS Interim Results shall be deemed to be removed from, and the 2010 Annual Results of RBS shall be deemed to be included within, the definition of “RBS Information”.

Page 32 of the Prospectus contains a definition of “Disclosure relating to the Issuers”. As set out therein, the Disclosure relating to the Issuers is not incorporated by reference into the Prospectus for the purposes of issues of Guaranteed Notes. By virtue of this Supplement:

- (a) all the information that, by virtue of this Supplement, is no longer incorporated into the Prospectus, as set out under the heading “Disincorporation of Information by Reference into the Prospectus” above, shall be deemed to be removed from the definition of “Disclosure relating to the Issuers”; and

(b) all the information contained in this Supplement and incorporated by reference into the Prospectus by virtue of this Supplement shall be deemed to be included within the definition of "Disclosure relating to the Issuers".

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](http://www.rbs.com) and from the London Stock Exchange plc's website at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

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 the Previous Supplements and this Supplement or in any document incorporated by reference in the Prospectus by virtue of the Previous Supplements and 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.