

SUPPLEMENTARY PROSPECTUS DATED 19 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, 18 March 2011 and 1 April 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 2008 Annual Report and Accounts of RBS (as defined below), (ii) the 2009 Material Contracts Section (as defined below) and (iii) the 2010 Annual Results of RBS (as defined below) from being incorporated by reference into the Prospectus;
- (b) incorporate by reference into the Prospectus (i) the 2010 Annual Report and Accounts of RBS (as defined below) and (ii) the Press Release in relation to the Proposed Transfers (each as defined below);

- (c) for the purposes of being incorporated by reference into the Prospectus, amend the statement of no material adverse change contained in the registration document of RBS dated 25 February 2011 (which was published via the Regulatory News Service of the London Stock Exchange plc (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**”);
- (d) for the purposes of being incorporated by reference into the Prospectus, insert additional disclosure relating to the Press Release into (i) 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 (ii) the RBS Registration Document; and
- (e) amend certain defined terms used in the Prospectus.

Disincorporation of Information Incorporated by Reference into the Prospectus

By virtue of this Supplement, the annual report and accounts of RBS for the financial year ended 31 December 2008 (the “**2008 Annual Report and Accounts of RBS**”), which was published via the RNS on 27 April 2009 and certain parts of which were incorporated by reference into the Prospectus pursuant to paragraph (f) on page 31 of the Prospectus, shall no longer be incorporated by reference into the Prospectus.

By virtue of this Supplement, the section headed “Material contracts” on pages 363 to 369 of the annual report and accounts of RBSG for the financial year ended 31 December 2009 (the “**2009 Material Contracts Section**”), which was published via the RNS on 18 March 2010 and which was incorporated by reference into the Prospectus pursuant to paragraph (g)(xxviii) on page 31 of the Prospectus, shall no longer be incorporated by reference into the Prospectus.

By virtue of this Supplement, the unaudited results for the year ended 31 December 2010 of RBS (the “**2010 Annual Results of RBS**”) which were published via the RNS on 30 March 2011 and certain parts of which were incorporated by reference into the Prospectus pursuant to the supplementary prospectus dated 1 April 2011, shall no longer be incorporated into the Prospectus.

Incorporation of Information by Reference into the Prospectus

By virtue of this Supplement, the annual report and accounts of RBS for the year ended 31 December 2010 (excluding the sections headed “Financial Review — Risk Factors” on page 5 and “Additional Information — Risk Factors” on pages 238 to 254) (the “**2010 Annual Report and Accounts of RBS**”) which was published via the RNS on 15 April 2011 and which has 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).

By virtue of this Supplement, the press release entitled “Proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc” (excluding (i) the statement therein which reads “Certain unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V. is set out in the Appendix to this announcement” and (ii) the Appendix thereto) (the “**Press Release**”) which was published by RBSG via the RNS on 19 April 2011 and which has 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).

No Material Adverse Change: The Royal Bank of Scotland plc

By virtue of this Supplement, the second 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 material adverse change in the prospects of the Issuer Group taken as a whole since 31 December 2009 (the last date to which the latest audited published financial information of the Issuer Group was prepared).”

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 material adverse change in the prospects of the Issuer Group taken as a whole since 31 December 2010 (the last date to which the latest audited published financial information of the Issuer Group was prepared).”

Proposed transfers of a substantial part of the business activities of The Royal Bank of Scotland N.V. to The Royal Bank of Scotland plc

By virtue of this Supplement, the following paragraph shall, for the purposes of being incorporated by reference into the Prospectus, be deemed to be inserted into:

- (a) page 32 of the RBSG Registration Document immediately after the paragraph headed “Description of The Royal Bank of Scotland Group plc — Acquisition and separation of ABN AMRO Holding N.V.”; and
- (b) page 32 of the RBS Registration Document immediately after the paragraph headed “Description of The Royal Bank of Scotland plc — Acquisition and separation of ABN AMRO Holding N.V.”:

“Proposed transfers of a substantial part of the business activities of The Royal Bank of Scotland N.V. to The Royal Bank of Scotland plc

On 19 April 2011, the boards of RBSG, RBS, RBS Holdings N.V. and The Royal Bank of Scotland N.V. (“**RBS N.V.**”) approved the proposed transfers of a substantial part of the business activities of RBS N.V. to RBS (the “**Proposed Transfers**”), subject, among other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures. It is expected that the Proposed Transfers will be implemented on a phased basis over a period ending 31 December 2013. A large part of the Proposed Transfers (including the transfers of certain securities issued by RBS N.V.) is expected to have taken place by the end of 2012. For further information see the press release entitled “Proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc” (excluding (i) the statement therein which reads “Certain unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V. is set out in the Appendix to this announcement” and (ii) the Appendix thereto) which was published by RBSG via the Regulatory News Service of the London Stock Exchange plc on 19 April 2011, which is incorporated by reference.”

For the avoidance of doubt, the Press Release referred to above (excluding (i) the statement therein which reads “Certain unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V. is set out in the Appendix to this announcement” and (ii) the Appendix thereto) is incorporated by reference into the Prospectus pursuant to this Supplement.

Defined Terms Used in the Prospectus

Page 2 of the Prospectus contains a definition of “RBS Information”. By virtue of this Supplement, the 2008 Annual Report and Accounts of RBS and the 2010 Annual Results of RBS shall be deemed to be removed from, and the 2010 Annual Report and Accounts 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 Incorporated 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, as set out under the headings “Incorporation of Information by Reference into the Prospectus”, “No Material Adverse Change: The Royal Bank of Scotland plc” and “Proposed transfers of a substantial part of the business activities of The Royal Bank of Scotland N.V. to The Royal Bank of Scotland plc” 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 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.