

SUPPLEMENTARY PROSPECTUS DATED 30 AUGUST 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 7 June 2011, which comprises a base prospectus for the purposes of the Directive 2003/71/EC, in relation to Notes issued by The Royal Bank of Scotland plc (“**RBS**”), 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 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 14 June 2011 and 5 August 2011 (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.

RBS accepts responsibility for the information contained in this Supplement. To the best of the knowledge of RBS (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 (i) incorporate by reference into the Prospectus the unaudited Interim Results 2011 of RBS for the six months ended 30 June 2011, which were published via the Regulatory News Service of the London Stock Exchange plc on 26 August 2011 (the “**RBS Interim Results 2011**”); (ii) update the summary included in the Prospectus in respect of the RBS Interim Results 2011; (iii) amend the statements of no significant change and no material adverse change; and (iv) amend certain defined terms used in the Prospectus, so that those definitions can be read in light of the changes made by this Supplement.

Incorporation of Information by Reference into the Prospectus

By virtue of this Supplement, the RBS Interim Results 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.

Summary of the Programme

By virtue of this Supplement, the following paragraph shall be inserted after the seventh paragraph under the heading "Issuers" on page 7 of the Prospectus to reflect updated financial information published in the RBS Interim Results 2011 as at 30 June 2011:

"The RBS Group had total assets of £1,299.7 billion and owners' equity of £56.9 billion as at 30th June 2011. As at 30th June 2011, the RBS Group's capital ratios were a total capital ratio of 14.0 per cent., a Core Tier 1 capital ratio of 8.7 per cent. and a Tier 1 capital ratio of 10.6 per cent."

No Significant Change and No Material Adverse Change

By virtue of this Supplement, each of the paragraphs under the heading "No Significant Change and No Material Adverse Change" on page 59 of the RBS Registration Document shall, for the purposes of being incorporated by reference into the Prospectus, be deemed to be deleted and replaced with the following paragraphs:

"There has been no significant change in the financial position of the Issuer Group taken as a whole since 30 June 2011 (the end of the last financial period for which either audited financial information or interim financial information has been published).

Save in relation to matters referred to on page 22 of the RBS Interim Results 2011, relating to Payment Protection Insurance, which the Issuer Group has made provisions for therein, 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)."

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 2011 shall be deemed to be included within the definition of "RBS Information".

A copy of any or all of the information which is incorporated by reference in the Prospectus can be obtained from the website of RBS at <http://www.rbs.com> and from the London Stock Exchange plc's website at <http://www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html>.

If the document which is incorporated by reference in the Prospectus by virtue of this Supplement itself incorporates 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 or the Previous Supplements, 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.