

SUPPLEMENTARY PROSPECTUS DATED 30 NOVEMBER 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)

£90,000,000,000

Euro Medium Term Note Programme

This Supplement (the “**Supplement**”) to the Prospectus (the “**Prospectus**”) dated 16th June 2009, which comprises, except as set out therein in relation to Guaranteed Notes (as defined in the Prospectus), 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 £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 14 August 2009, 28 August 2009, 8 September 2009 and 19 November 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.

It should be noted that the registration document dated 19 November 2009 of RBSG, which was published via the Regulatory News Service of the London Stock Exchange plc (the “**RNS**”) on 19 November 2009 (the “**RBSG Registration Document**”) and the registration document dated 19 November 2009 of RBS, which was published via the RNS on 19 November 2009 (the “**RBS Registration Document**”) are incorporated by reference into the Prospectus by virtue of the supplement to the Prospectus dated 19th November 2009.

Disincorporation of Information by Reference into the Prospectus

Each of the risk factors from (and including) the risk factor headed “*RBSG and its United Kingdom bank subsidiaries may face the risk of full nationalisation or other resolution procedures under the Banking Act 2009*” to (and including) the risk factor headed “*The recoverability and regulatory capital treatment of certain deferred tax assets recognised by the Group depends on the Group’s ability to generate sufficient future taxable profits and there being no adverse changes to tax legislation, regulatory requirements and accounting standards*” on pages 6 to 26 of the RBSG

Registration Document and on pages 6 to 27 of the RBS Registration Document (together, the “**Disincorporated Risk Factors**”) shall, by virtue of this Supplement, no longer be incorporated into the Prospectus. In place of the Disincorporated Risk Factors, the Incorporated Risk Factors (as defined below) shall, by virtue of this Supplement, be incorporated into the Prospectus.

The first paragraph under the heading “No Significant Change and No Material Adverse Change” on page 50 of the RBSG Registration Document shall, by virtue of this Supplement, no longer be incorporated into the Prospectus.

In the paragraph under the heading “No Significant Change and No Material Adverse Change” on page 50 of the RBS Registration Document, the words “(a) *no significant change in the trading or financial position of the Issuer and its subsidiaries taken as a whole and (b)*” shall, by virtue of this Supplement, be deemed to be deleted from that paragraph which is incorporated into the Prospectus.

Each of the paragraphs under the headings “Litigation” and “Investigations” on pages 31 to 37 of the RBSG Registration Document and on pages 32 to 38 of the RBS Registration Document shall, by virtue of this Supplement, no longer be incorporated into the Prospectus.

Incorporation of Information by Reference into the Prospectus

On 27th November 2009, RBSG published a shareholder circular in connection with its proposed accession to the Asset Protection Scheme and B Share and Dividend Access Share issues, which has been (1) previously published and (2) approved by the Financial Services Authority or filed with it (the “**Shareholder Circular**”).

The following sections of the Shareholder Circular shall be deemed to be incorporated in, and form part of, the Prospectus (other than for the purposes of the Guaranteed Notes):

- (i) “Financial Information” on page 5;
- (ii) “Expected Timetable of Principal Events” on page 7;
- (iii) “Part I – Letter From the Chairman of RBS” on pages 10 to 20;
- (iv) “Appendix 1 to the Letter From the Chairman of RBS – Risk Factors” on pages 21 to 45 (the “**Incorporated Risk Factors**”);
- (v) “Appendix 2 to the Letter From the Chairman of RBS – Principal Terms and Conditions of the APS” on pages 46 to 75;
- (vi) “Appendix 3 to the Letter From the Chairman of RBS – Principal Terms of Issue of the B Shares and the Dividend Access Share” on pages 76 to 84;
- (vii) “Appendix 4 to the Letter From the Chairman of RBS – Key Terms of the State Aid Restructuring Plan” on pages 85 to 86;
- (viii) “Part II – Capital Resources and Liquidity Management” on pages 89 to 94;
- (ix) “Part III – Unaudited Pro Forma Financial Information – Part A Unaudited Pro Forma Financial Information” on pages 95 to 99;
- (x) “Part IV – Additional Information – 7 Litigation” on pages 107 to 108;
- (xi) “Part IV – Additional Information – 8 Investigations” on pages 108 to 111;
- (xii) “Part IV – Additional Information – 9 Material contracts” on pages 111 to 118;
- (xiii) “Part IV – Additional Information – 11 Significant change statement” on page 118;

- (xiv) “Part VI – Definitions” on pages 121 to 133;
- (xv) “Annex 1 - Terms of Issue of the B Shares and the Dividend Access Share” on pages 134 to 170; and
- (xvi) “Annex 3 - Scheme Principles” on pages 177 to 181.

Summary of the Programme: Risk Factors

Each of the paragraphs under “Summary of the Programme — Risk Factors — (i) risk factors relating to the Issuers including:” in the Prospectus (as amended by the supplementary prospectus dated 19 November 2009) shall be deleted and replaced with the paragraphs set out in the Schedule to this Supplement.

A copy of any or all of the information which is incorporated by reference in the Prospectus can be obtained 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.

SCHEDULE

Risk Factors

- RBSG and its UK bank subsidiaries may face the risk of full nationalisation or other resolution procedures under the Banking Act.
- The Group's businesses, earnings and financial condition have been and will continue to be affected by the global economy and instability in the global financial markets.
- The aid given to the Group by HM Treasury is subject to State aid review by the Commission. The outcome of this review is uncertain and may involve the imposition of conditions on the Group that may be materially adverse to its interests, the prohibition of some elements of the aid or the requirement for the Group to repay the aid. It is expected that there will be a prohibition on the making of discretionary dividend or coupon payments on existing hybrid capital instruments (including preference shares and B Shares) for a two-year period, which may impair the Group's ability to raise new Tier 1 Capital through the issuance of Ordinary Shares and other Securities.
- Lack of liquidity is a risk to the Group's business and its ability to access sources of liquidity has been, and will continue to be, constrained.
- Governmental support schemes may be subject to cancellation, change or withdrawal or may fail to be renewed, which may have a negative impact on the availability of funding in the markets in which the Group operates.
- The financial performance of the Group has been and will be affected by borrower credit quality.
- The actual or perceived failure or worsening credit of the Group's counterparties has adversely affected and could continue to adversely affect the Group.
- The Group's earnings and financial condition have been, and its future earnings and financial condition may continue to be, affected by depressed asset valuations resulting from poor market conditions.
- The value or effectiveness of any credit protection that the Group 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, credit spreads, bond, equity and commodity prices and other market factors have significantly affected and will continue to affect the Group's business.
- The Group's borrowing costs and its access to the debt capital markets depend significantly on its and the UK Government's credit ratings.
- The Group's business performance could be adversely 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.

- The Group's ability to implement its strategic plan depends on the success of the Group's refocus on its core strengths and the balance sheet reduction programme arising out of its previously announced non-core restructuring plan and the State aid restructuring plan.
- The extensive organisational restructuring may adversely affect the Group's business, results of operations and financial condition.
- The Group operates in markets that are highly competitive and consolidating. If the Group is unable to perform effectively, its business and results of operations will be adversely affected.
- As a condition to HM Treasury support, RBS has agreed (or in certain cases, agreed in principle) to certain undertakings which may serve to limit the Group's operations and it may be required to agree to further restrictions in the future.
- The Group could fail to attract or retain senior management, which may include members of the Board, or other key employees, and it may suffer if it does not maintain good employee relations.
- 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.
- The Group 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.
- The Group is and may be subject to litigation and regulatory investigations that may impact its business.
- Operational risks are inherent in the Group's operations.
- The Group 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.
- HM Treasury (or UKFI on its behalf) may be able to exercise a significant degree of influence over the Group.
- The Group's insurance businesses are subject to inherent risks involving claims.
- The Group's operations have inherent reputational risk.
- In the United Kingdom and in other jurisdictions, the Group 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.
- The Group'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 the Group.
- The recoverability and regulatory capital treatment of certain deferred tax assets recognised by the Group depends on the Group's ability to generate sufficient future taxable profits and there being no adverse changes to tax legislation, regulatory requirements or accounting standards.

- In addition to the risk factors described above, the Group is also subject to additional risks related to the entry into the APS, the issuance of the B Shares and the Dividend Access Share.