



The Royal Bank of Scotland plc

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

AUD883,419,000 Subordinated Fixed to Fixed Rate Notes due 2022 Callable 2017 (the “Australian Dollar Notes”)

CAD420,199,000 Subordinated Fixed to Fixed Rate Notes due 2022 Callable 2017 (the “Canadian Dollar Notes”)

EUR563,801,000 Subordinated Fixed to Fixed Rate Notes due 2022 Callable 2017 (the “Euro Notes”) and

USD2,132,059,000 Subordinated Fixed to Fixed Rate Notes due 2022 Callable 2017 (the “U.S. Dollar Notes”)

Issue Price:

In relation to the Australian Dollar Notes, 99.536 per cent. of par.

In relation to the Canadian Dollar Notes, 100.00 per cent. of par.

In relation to the Euro Notes, 99.865 per cent. of par.

In relation to the U.S. Dollar Notes, 99.571 per cent. of par.

issued pursuant to the £90,000,000,000 Euro Medium Term Note Programme of The Royal Bank of Scotland plc and The Royal Bank of Scotland Group plc (the “Programme”)

This document (including the information incorporated by reference herein) constitutes a prospectus (the “**Prospectus**”) in respect of the Australian Dollar Notes, the Canadian Dollar Notes, the Euro Notes and the U.S. Dollar Notes (together the “**Notes**”) to be issued by The Royal Bank of Scotland plc (the “**Issuer**” or “**RBS**”) for the purposes of Article 5 of Directive 2003/71/EC (the “**Prospectus Directive**”).

This Prospectus has been approved by the UK Financial Services Authority (the “**FSA**”), which is the United Kingdom competent authority for the purposes of the Prospectus Directive and relevant implementing measures in the United Kingdom (the “**UK Listing Authority**”). Application has been made to the UK Listing Authority for the Notes to be admitted to the Official List of the UK Listing Authority (the “**Official List**”) and to the London Stock Exchange plc (the “**London Stock Exchange**”) for such Notes to be admitted to trading on the London Stock Exchange’s Regulated Market (the “**Market**”). References in this Prospectus to the Notes being “**listed**” (and all related references) shall mean that such Notes have been admitted to the Official List and have been admitted to trading on the Market. The Market is a regulated Market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

In limited circumstances, the Issuer has a right of substitution or variation in respect of the Notes as set out herein.

The offer and sale of Notes may, in certain circumstances, be restricted by law. For a further description of certain restrictions on the offer and sale of the Notes, see the section headed “Subscription and Sale” in the Base Prospectus as defined under “Information Incorporated by Reference” below.

Unless otherwise defined herein, capitalised terms used in this Prospectus have the meanings set out in the terms and conditions of the Notes.

Prospective investors should have regard to the factors described under the section headed “Risk Factors” herein.

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

RBS Group: References herein to the “RBS Group” are to the Issuer and its subsidiaries consolidated in accordance with International Financial Reporting Standards.

Independent Investigation: Neither this Prospectus nor any financial statements or any other information supplied in connection with this Prospectus or the Notes is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation by the Issuer that any recipient of this Prospectus or any financial statements or any other information supplied in connection with this Prospectus or the Notes should purchase any Notes. Investors should conduct their own independent investigations into the financial condition, and affairs, and their own appraisal of the creditworthiness, of the Issuer and of the suitability of the Notes as an investment, and of the tax, accounting, legal and regulatory consequences of an investment in the Notes, for such investor, in light of their own circumstances and financial condition and, in deciding whether to purchase Notes, investors should form their own views of the merits of such an investment based upon such investigations and not in reliance solely upon any information given in this Prospectus. Prospective investors should have regard to the factors described in the section headed “Risk Factors” herein. Each Noteholder takes full responsibility for its decision to purchase any Notes and the terms on which it does so.

Purchase of the Notes may involve substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Investment in the Notes is suitable only for investors who can bear the risks associated with a lack of liquidity in the Notes and the financial and other risks associated with an investment in the Notes. Prior to making an investment decision, prospective purchasers should consider carefully, in light of their own financial circumstances and investment objectives, all the information set forth in the Base Prospectus and in this document, particularly under the headings “Risk Factors” in the Base Prospectus and in the Registration Document (which are incorporated by reference herein) and the additional investment considerations set forth below in the section entitled “Risk Factors”.

Prospective investors should make such enquiries as they deem necessary and consult with their own legal, regulatory, tax, business, investment, financial and accounting advisers as they deem necessary without relying on the Issuer or any of its affiliates.

Change of Circumstances: The delivery of this Prospectus does not at any time imply that the information contained in this Prospectus concerning the Issuer is correct at any time subsequent to the date of this Prospectus or that any other information supplied in connection with the Notes or the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Trustee, the Australian Agent and Registrar, the Agent and the other Paying Agents expressly do not undertake to review the financial condition or affairs of the Issuer or any of its subsidiaries during the life of the Notes.

No Offer: This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Trustee to subscribe for, or purchase, any Notes. This document does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offering or solicitation and no action is being taken to permit an offering of the Notes or the distribution of this Prospectus in any jurisdiction where action is required.

Any prospective investor intending to acquire any Notes from a bank, financial intermediary or other entity will do so in accordance with any terms and other arrangements in place between the relevant seller and such investor, including as to price, allocations and settlement arrangements. The Issuer is not a party to such arrangements with investors and accordingly investors must obtain such information from the relevant seller. The Issuer has no responsibility to an investor for such information.

Distribution: The distribution of this Prospectus and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Prospectus or any Notes come must inform

themselves about, and observe, any such restrictions. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see the section entitled “Subscription and Sale” in the Base Prospectus.

No Representations: No person has been authorised to give any information or to make any representation not contained in or which is inconsistent with this Prospectus or any financial statement or other information supplied in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Australian Agent and Registrar, the Agent, the other Paying Agents or the Trustee.

No Investment Advice: This Prospectus is not, nor does it purport to be, investment advice. The Issuer is not acting as an investment adviser or providing advice of any other nature, and does not assume any fiduciary obligation, to any investor in the Notes.

References: In this Prospectus, references to “**AUD**” are to Australian dollars, “**CAD**” are to Canadian dollars, “**EUR**” are to euro and “**USD**” are to U.S. dollars. In this Prospectus, references to the “**Conditions**” are to the terms and conditions of the Notes.

No Regulatory Review: Except as expressly set out herein, the contents of this Prospectus have not been reviewed or approved by any regulatory authority.

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SUMMARY

This summary must be read as an introduction to this Prospectus. Any decision to invest in the Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference, by any investor. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area (an “EEA State”), the Issuer may have civil liability in respect of this summary if it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in an EEA State, the plaintiff may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.

Terms and expressions defined in the Registration Document or the Conditions shall have the same meaning in this Summary.

Information relating to the Issuer

Issuer

The Royal Bank of Scotland plc

The Royal Bank of Scotland plc (“**RBS**” or the “**Issuer**”) was incorporated on 31 October 1984 (registration number SC090312). The Issuer’s registered office is at 36 St Andrew Square, Edinburgh EH2 2YB, telephone number +44 (0) 131 556 8555. RBS is a wholly-owned subsidiary of The Royal Bank of Scotland Group plc (“**RBSG**”). RBSG and RBS are public limited companies incorporated in Scotland. RBSG is the holding company of a large global banking and financial services group. Headquartered in Edinburgh, RBSG and its subsidiaries consolidated in accordance with International Financial Reporting Standards (together, the “**Group**”) operate in the United Kingdom, the United States and internationally through RBSG’s principal subsidiaries, RBS and National Westminster Bank Plc (“**NatWest**”).

Risk Factors Relating to the RBS Group

Certain factors may affect the Issuer’s ability to fulfil its obligations under the Notes. These include:

- The Group’s businesses and performances can be negatively affected by actual or perceived global economic and financial market conditions and by other geopolitical risks.
- The Group’s ability to meet its obligations including its funding commitments depends on the Group’s ability to access sources of liquidity and funding.
- The Independent Commission on Banking has published its final report on competition and possible structural reforms in the UK banking industry. The UK Government has indicated that it supports and intends to implement the recommendations substantially as proposed, which could have a material adverse effect on the Group.
- The Group’s ability to implement its strategic plan

depends on the success of the Group's refocus on its core strengths and its balance sheet reduction programme.

- The occurrence of a delay in the implementation of (or any failure to implement) the approved proposed transfers of a substantial part of the business activities of RBS N.V. to RBS may have a material adverse effect on the Group.
- The Group is subject to a variety of risks as a result of implementing the State Aid restructuring plan and is prohibited from making discretionary dividend or coupon payments on existing hybrid capital instruments (including preference shares and B Shares) which may impair the Group's ability to raise new Tier 1 capital.
- RBSG and its United Kingdom bank subsidiaries may face the risk of full nationalisation or other resolution procedures under the Banking Act 2009 which may result in various actions being taken in relation to any securities issued by RBS.
- The financial performance of the Group has been, and continues to be, materially affected by deteriorations in borrower and counterparty credit quality and further deteriorations could arise due to prevailing economic and market conditions, and legal and regulatory developments.
- The Group's earnings and financial condition have been, and its future earnings and financial condition may continue to be, materially affected by depressed asset valuations resulting from poor market conditions.
- The value or effectiveness of any credit protection that the Group has purchased depends on the value of the underlying assets and the financial condition of the insurers and counterparties.
- Changes in interest rates, foreign exchange rates, credit spreads, bond, equity and commodity prices, basis, volatility and correlation risks and other market factors have significantly affected and will continue to affect the Group's business and results of operations.
- The Group's borrowing costs, its access to the debt capital markets and its liquidity depend significantly on its and the United Kingdom Government's credit ratings.
- The Group's business performance could be adversely affected if its capital is not managed effectively or as a result of changes to capital adequacy and liquidity requirements.
- The Group is and may be subject to litigation and regulatory investigations that may have a material impact on its business.

- 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 operates in markets that are highly competitive and its business and results of operations may be adversely affected.
- 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. Significant regulatory developments, including changes in tax law, could have an adverse effect on how the Group conducts its business and on its results of operations and financial condition.
- The Group's results could be 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.
- Operational risks are inherent in the Group's businesses.
- HM Treasury (or UKFI on its behalf) may be able to exercise a significant degree of influence over the Group and any proposed offer or sale of its interests may affect the price of any securities issued by RBS.
- 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 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.
- RBS has entered into a credit derivative and a financial guarantee contract with RBS N.V. which may adversely affect the RBS Group's results.

In addition to the risk factors summarised above, the Group is also subject to additional risks related to the Group's

Risk Factors relating to the Notes

participation in the Asset Protection Scheme, the B Shares, the Contingent B Shares and the Dividend Access Share.

There are certain factors which are material for the purpose of assessing the risks associated with the Notes. These include:

- There is no assurance that a liquid secondary market for the Notes will develop or continue.
- The Issuer's obligations under the Notes are subordinated.
- Upon the occurrence and continuation of a Capital Event or Tax Event (as such terms are defined in the Final Terms), the Issuer may (subject to certain conditions), without the requirement for the consent or approval of the Noteholders or the Trustee, substitute all (but not some only) of the Notes, or vary the terms of the Notes so that (in the case of a Capital Event) or provided that (in the case of a Tax Event) they become or, as appropriate, remain, Qualifying Tier 2 Securities.

Description

AUD883,419,000 Subordinated Fixed to Fixed Rate Notes due 2022 Callable 2017 (the "**Australian Dollar Notes**"), CAD420,199,000 Subordinated Fixed to Fixed Rate Notes due 2022 Callable 2017 (the "**Canadian Dollar Notes**"), EUR563,801,000 Subordinated Fixed to Fixed Rate Notes due 2022 Callable 2017 (the "**Euro Notes**") and USD2,132,059,000 Subordinated Fixed to Fixed Rate Notes due 2022 Callable 2017 (the "**U.S. Dollar Notes**") issued under the Programme.

Trustee

The Law Debenture Trust Corporation p.l.c.

Paying Agents

The Bank of New York Mellon, The Bank of New York Mellon (Luxembourg) S.A. and, in respect of the Canadian Dollar Notes only, BNY Trust Company of Canada.

Australian Agent and Registrar

In respect of the Australian Dollar Notes only, BTA Institutional Services Australia Limited (ABN 48 002 916 396).

Method of Issue

Non-syndicated (initial delivery only to holders of existing securities issued by the Issuer).

Issue Dates

(In relation to the Notes other than the Australian Dollar Notes) 16 March 2012 and (in relation to the Australian Dollar Notes) 19 March 2012.

Issue Prices

In relation to the Australian Dollar Notes, 99.536 per cent. of their nominal value. In relation to the Canadian Dollar Notes, 100.00 per cent. of their nominal value. In relation to the Euro Notes, 99.865 per cent. of their nominal value. In relation to the U.S. Dollar Notes, 99.571 per cent. of their nominal value.

Form and Denominations

The Australian Dollar Notes will be issued in registered form in the single denomination of A\$1,000.

A5.4.1

A5.4.3

The Canadian Dollar Notes will be in bearer form in the single denomination of C\$1,000, and will initially be issued in global form which will be held by CDS & Co., as nominee for CDS, or such other nominee of CDS as an authorised representative of CDS may advise.

The Euro Notes will be in bearer form in the single denomination of €1,000, and will initially be issued in global form.

The U.S. Dollar Notes will be in bearer form in the single denomination of U.S.\$1,000, and will initially be issued in global form.

Clearing Systems

In relation to the Euro Notes and the U.S. Dollar Notes, Clearstream, Luxembourg and Euroclear.

In relation to the Australian Dollar Notes, the Austraclear System (the Australian Dollar Notes may also be held in or through Clearstream, Luxembourg and Euroclear).

In relation to the Canadian Dollar Notes, CDS (the Canadian Dollar Notes may also be held in or through Clearstream, Luxembourg and Euroclear).

Currencies

The Notes comprise Australian dollar, Canadian dollar, euro and U.S. dollar denominated subordinated Notes to be issued by the Issuer.

Interest Rates

In respect of each Interest Period commencing prior to the Reset Date, a fixed rate of interest payable (in the case of the Australian Dollar Notes, the Canadian Dollar Notes and the U.S. Dollar Notes) semi-annually or (in the case of the Euro Notes) annually in arrear as specified in the relevant Final Terms. In respect of each Interest Period commencing on or following the Reset Date, the Notes will bear interest at a fixed rate of interest per annum determined on the date falling two Business Days prior to the Reset Date as the 5-year Mid Swap Rate plus the Initial Margin payable annually in arrear in the case of the Euro Notes (the sum of which will be annualised) and payable semi-annually in arrear in the case of the Australian Dollar Notes, the Canadian Dollar Notes and the U.S. Dollar Notes.

Redemption Dates

In relation to the Notes other than the Australian Dollar Notes, 16 March 2022, subject to any early redemption of the Notes.

Each series of Notes other than the Australian Dollar Notes may also be redeemed in whole (but not in part) on 16 March 2017.

In relation to the Australian Dollar Notes, 19 March 2022, subject to any early redemption of the Australian Dollar Notes.

The Australian Dollar Notes may also be redeemed in whole (but not in part) on 19 March 2017.

Substitution and Variation

If a Capital Event or Tax Event (as each such term is defined

in item 43 of each of the Final Terms set out herein) has occurred and is continuing, then subject as provided in Condition 5A as set out at item 43 of each Final Terms set out herein, the Issuer may, without any requirement for the consent or approval of the Noteholders or the Trustee, elect to substitute all (but not some only) of the relevant series of Notes for, or vary the terms of the relevant series of Notes so that (in the case of a Capital Event) or provided that (in the case of a Tax Event) they become or, as appropriate, remain, Qualifying Tier 2 Securities (as defined in item 43 of each of the Final Terms set out herein).

Status of the Notes

The Notes will constitute unsecured, subordinated obligations of the Issuer and the holders of the Notes will, in the event of the Winding Up or Qualifying Administration of the Issuer, be subordinated and postponed in right of payment in the manner provided in the Trust Deed and as specified in Condition 2(b) but shall rank at least *pari passu* with the claims of holders of all other subordinated obligations of the Issuer and shall rank in priority to the claims of holders of all perpetual obligations of the Issuer.

Withholding Tax

All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the United Kingdom, subject to Condition 13.

Governing Law

English, except that the subordination provisions will be governed by Scots law.

Listing and Admission to Trading

Application has been made to list the Notes on the Official List and to admit them to trading on the Market.

Ratings

The Notes to be issued have been rated:

S&P: BBB-

Fitch: BBB-

As defined by Fitch, a “BBB” rating means that the Issuer has an adequate capacity for payment of its financial commitments on the relevant notes issued by it but adverse business or economic conditions are more likely to impair this capacity. As defined by Fitch, the modifiers “+” or “-” may be appended to a rating to denote relative status within major rating categories.

Fitch Ratings Limited (“**Fitch**”) and Standard & Poor’s Credit Market Services Europe Limited (“**S&P**”) are each established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Selling Restrictions

See “Subscription and Sale” in the Base Prospectus.

RISK FACTORS

Prospective investors should consider carefully the risk factors set out under the headings “Risk Factors” in the Base Prospectus and the Registration Document (each of which is incorporated by reference herein) and set out below, as well as the other information set out in each such document (including any documents incorporated by reference herein) and form their own views prior to making any investment decision with respect to the Notes.

The “Risk Factors” sections in the Base Prospectus and the Registration Document incorporated by reference into this Prospectus shall be read together with the following:

Certain Further Investment Considerations relating to the Notes

Substitution and Variation of the Notes

Upon the occurrence and continuation of a Capital Event or Tax Event (as each such term is defined in the relevant Final Terms), the Issuer may, subject as provided in Condition 5A as set out at item 43 of each of the Final Terms set out herein and without any requirement for the consent or approval of the Noteholders or the Trustee, elect to substitute all (but not some only) of the relevant series of Notes for, or vary the terms of the relevant series of Notes so that (in the case of a Capital Event) or provided that (in the case of a Tax Event) they become or, as appropriate, remain, Qualifying Tier 2 Securities (as defined in item 43 of each of the Final Terms set out herein).

Credit ratings

Rating agencies continue to reappraise the rating methodologies applicable to global financial institutions and any public announcement of any change in such rating agencies’ methodologies could adversely affect the credit ratings and value of the Notes. For further details of the risk of credit rating downgrades on the Group generally, see “Risk Factors - The Group’s borrowing costs, its access to the debt capital markets and its liquidity depend significantly on its and the United Kingdom Government’s credit ratings” in the Registration Document.

INFORMATION INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and form part of, this Prospectus:

- (i) the base prospectus dated 24 February 2012 (the “**Base Prospectus**”) relating to the £90,000,000,000 Euro Medium Term Note Programme of the Issuer and RBSG;
- (ii) the registration document dated 24 February 2012 relating to the Issuer (the “**Registration Document**”);
- (iii) the unaudited interim results 2011 of RBS for the six months ended 30 June 2011 published via the Regulatory News Service provided by the London Stock Exchange (being a Regulated Information Service on the list of Regulatory Information Services maintained by the FSA) (“**RNS**”) on 26 August 2011;
- (iv) the annual report and accounts of RBS (including the audited consolidated annual financial statements of RBS, together with the audit report thereon) for the financial 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) which was published via the RNS on 15 April 2011;
- (v) the annual report and accounts of RBS (including the audited consolidated annual financial statements of RBS, together with the audit report thereon) for the financial year ended 31 December 2009 (excluding the section headed “Risk Factors” on pages 5 to 23) which was published via the RNS on 9 April 2010;
- (vi) the following sections of the 2011 annual report and accounts of RBSG, which were published via the RNS on 9 March 2012 (the “**2011 Annual Report and Accounts of RBSG**”):
 - (i) Independent auditor’s report on page 306;
 - (ii) Consolidated income statement on page 307;
 - (iii) Consolidated statement of comprehensive income on page 308;
 - (iv) Consolidated balance sheet as at 31 December 2011 on page 309;
 - (v) Consolidated statement of changes in equity on pages 310 to 312;
 - (vi) Consolidated cash flow statement on page 313;
 - (vii) Accounting policies on pages 314 to 326;
 - (viii) Notes on the consolidated accounts on pages 327 to 419;
 - (ix) Parent company financial statements and notes on pages 420 to 431;
 - (x) Essential reading – Highlights on page 1;
 - (xi) Chairman’s statement on page 9;
 - (xii) Group Chief Executive’s review on pages 10 to 11;
 - (xiii) Our key targets on page 13;
 - (xiv) Our business and our strategy on pages 14 to 18;
 - (xv) Divisional review on pages 19 to 29;
 - (xvi) Business review on pages 32 to 249;

- (xvii) Corporate governance on pages 258 to 262;
 - (xviii) Letter from the Chair of the Group Remuneration Committee on pages 272 to 273;
 - (xix) Directors' remuneration report on pages 274 to 295;
 - (xx) Report of the Directors on pages 298 to 302;
 - (xxi) Directors' interests in shares on page 303;
 - (xxii) Financial Summary on pages 433 to 441;
 - (xxiii) Exchange rates on page 441;
 - (xxiv) Economic and monetary environment on page 442;
 - (xxv) Supervision on page 443;
 - (xxvi) Regulatory developments and reviews on page 444;
 - (xxvii) Description of property and equipment on page 445;
 - (xxviii) Major shareholders on page 445;
 - (xxix) Material contracts on pages 445 to 450; and
 - (xxx) Glossary of terms on pages 476 to 483; and
- (vii) the following sections of the 2010 annual report and accounts of RBSG, which were published via the RNS on 17 March 2011:
- (i) Independent auditor's report on page 267;
 - (ii) Consolidated income statement on page 268;
 - (iii) Consolidated statement of comprehensive income on page 269;
 - (iv) Balance sheets as at 31 December 2010 on page 270;
 - (v) Statements of changes in equity on pages 271 to 273;
 - (vi) Cash flow statements on page 274;
 - (vii) Accounting policies on pages 275 to 286;
 - (viii) Notes on the accounts on pages 287 to 385;
 - (ix) Essential reading – We have met, and in some cases exceeded, the targets for the second year of our Strategic Plan on page 1;
 - (x) Chairman's statement on pages 2 to 3;
 - (xi) Group Chief Executive's review on pages 4 to 5;
 - (xii) Our key targets on page 7;
 - (xiii) Our business and our strategy on pages 10 to 19;
 - (xiv) Divisional review on pages 21 to 41;
 - (xv) Business review on pages 50 to 224 (excluding the financial information on page 51, pages 56 to 77, pages 106 to 118 and page 131 which is indicated as being "pro forma");
 - (xvi) Report of the Directors on pages 230 to 234;

- (xvii) Corporate governance on pages 235 to 245;
- (xviii) Letter from the Chair of the Remuneration Committee on pages 246 to 247;
- (xix) Directors' remuneration report on pages 248 to 263;
- (xx) Directors' interests in shares on page 264;
- (xxi) Financial Summary on pages 387 to 395;
- (xxii) Exchange rates on page 395;
- (xxiii) Economic and monetary environment on page 396;
- (xxiv) Supervision on page 397;
- (xxv) Regulatory developments and reviews on pages 398 to 399;
- (xxvi) Description of property and equipment on page 399;
- (xxvii) Major shareholders on page 399; and
- (xxviii) Glossary of terms on pages 434 to 439.

Any information or other documents themselves incorporated by reference, either expressly or implicitly, in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus, except where such information or other documents are specifically incorporated by reference into this Prospectus.

It should be noted that, except as set forth above, no other portion of the above documents is incorporated by reference into this Prospectus. In addition, where sections of any of the above documents which are incorporated by reference into this Prospectus cross-reference other sections of the same document, such cross-referenced information shall not form part of this Prospectus, unless otherwise incorporated by reference herein. Those parts of the documents incorporated by reference which are not specifically incorporated by reference in this Prospectus are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in this Prospectus.

The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the information which is incorporated herein by reference. Written or oral requests for such information should be directed to the Issuer at its principal office set out on the last page of this Prospectus.

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes (the “**Conditions**”) shall consist of the base terms and conditions set out on pages 47 to 121 (the “**Base Conditions**”) of the Base Prospectus under the heading “Terms and Conditions of the Ordinary, Tier 2 and Tier 3 Notes” as amended and/or supplemented by the relevant set of Final Terms issued in respect of the relevant series of Notes, the form of each of which is set out below in the section of this Prospectus entitled “Forms of Final Terms”. Any references in the Base Conditions or the Base Prospectus to “Final Terms” shall be deemed to refer to the relevant series of Final Terms as set out below.

Terms used herein but not otherwise defined shall have the meanings given to them in the Base Prospectus. All references to Conditions or to a numbered Condition shall be to the Base Conditions, the relevant numbered Condition of the Base Conditions or to Condition 5A as set out below and in each set of Final Terms.

AMENDED TERMS AND CONDITIONS

Redemption for Taxation Reasons

Condition 5(b) “Redemption for Taxation Reasons” shall apply provided that, upon CRD IV taking effect in the United Kingdom, it shall only apply if, when and to the extent not prohibited by CRD IV and (in any such case) if, in the Issuer’s opinion, the circumstance that entitles it to exercise such right of redemption was not reasonably foreseeable to it at the Issue Date.

Redemption due to Capital Distribution Event

Condition 5(c) “Redemption due to Capital Disqualification Event” shall apply provided that, upon CRD IV taking effect in the United Kingdom, it shall only apply if, when and to the extent not prohibited by CRD IV and (in any such case) if, in the Issuer’s opinion, the circumstance that entitles it to exercise such right of redemption was not reasonably foreseeable to it at the Issue Date, and provided further that the last two paragraphs of Condition 5(c) shall be deleted and replaced by the following:

A “**Capital Disqualification Event**” shall be deemed to have occurred if, as a result of any amendment to, or change in, the Capital Regulations which are in effect at the Issue Date, the Notes are fully excluded from Lower Tier Two Capital (as defined in the Capital Regulations), or, on or after CRD IV taking effect in the United Kingdom, are fully excluded from Tier 2 Capital (as defined in the Capital Regulations), as the case may be, of the Issuer and/or the Group.

Purchases

Condition 5(i) “Purchases” shall apply provided that, upon CRD IV taking effect in the United Kingdom, purchases are only permitted if, when and to the extent not prohibited by CRD IV.

Substitution or Variation

The Conditions of the Notes shall be amended to include a new Condition 5A as set out below:

“5A Substitution or Variation

Subject to the Issuer having notified the FSA at least one month before (or such other period as the FSA may then require or accept) and no objection thereto having been raised by the FSA or (if required) the FSA having provided its consent thereto, if a Capital Event or Tax Event has occurred and is continuing, the Issuer may without any requirement for the consent or approval of the Noteholders or the Trustee elect to substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that (in the case of a Capital Event) or provided that (in the case of a Tax Event) they become or, as appropriate, remain Qualifying Tier 2 Securities by giving not less than 30 days nor more than 60 days’ notice to the Trustee, the Agent and, in accordance with Condition 19, the Noteholders (which notice shall be

irrevocable). Upon the expiry of the notice required by this Condition 5A, the Issuer shall either vary the terms of, or substitute, the Notes in accordance with this Condition 5A, as the case may be, and, subject as set out below, the Trustee shall agree to such substitution or variation.

Any substitution or variation in accordance with this Condition 5A does not give the Issuer an option to redeem the Notes under the Conditions.

Prior to the publication of any notice of substitution or variation pursuant to this Condition 5A, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer stating that the Capital Event or Tax Event giving rise to the right to substitute or vary has occurred and is continuing as at the date of the certificate and the Trustee shall accept such certificate without any further inquiry as sufficient evidence of the occurrence of a Capital Event or, as the case may be, Tax Event in which event it shall be conclusive and binding on the Trustee and the Noteholders.

The Trustee shall use its reasonable endeavours to participate in, or assist the Issuer with, the substitution of the Notes for, or the variation of the terms of the Notes so that they become, Qualifying Tier 2 Securities, provided that the Trustee shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed alternative Qualifying Tier 2 Securities or the participation in, or assistance with, such substitution or variation would impose, in the Trustee's opinion, more onerous obligations upon it or require the Trustee to incur any liability for which it is not indemnified and/or secured and/or pre-funded to its satisfaction.

The Trustee may rely without liability to Noteholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders."

Definitions

The Conditions of the Notes shall be amended to include the following after Condition 5A:

"As used in Condition 5 and 5A:

"Capital Event" shall be deemed to have occurred if, as a result of an amendment to, or change in, the Capital Regulations, the Notes (or any part thereof) may not, or may no longer, be included in full in the Tier 2 Capital (as defined in the Capital Regulations) of the Issuer and/or the Group by reason of their non-compliance with CRD IV;

"Capital Regulations" means, at any time, the regulations, requirements, guidelines and policies relating to capital adequacy of the FSA then in effect;

"CRD IV" means, taken together, (i) the CRD IV Directive, (ii) the CRD IV Regulation and (iii) the Future Capital Instruments Regulations;

"CRD IV Directive" means a directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms amending Directive 2002/87/EC, a draft of which was published on 20 July 2011, and any successor directive;

"CRD IV Regulation" means a regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, a draft of which was published on 20 July 2011, and any successor regulation;

"Future Capital Instruments Regulations" means regulatory capital rules which may in the future be introduced by the FSA and which are applicable to the Issuer (on a solo or consolidated basis) as applied

and construed by the FSA, which lay down the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer (on a solo or consolidated basis) as required by (i) the CRD IV Regulation or (ii) the CRD IV Directive;

“Group” means The Royal Bank of Scotland Group plc and its subsidiaries and subsidiary undertakings from time to time;

“Qualifying Tier 2 Securities” means securities issued directly or indirectly by the Issuer that:

- (a) shall (i) contain terms such that they comply with the then current requirements of the FSA in relation to Tier 2 Capital; (ii) include terms which provide for the same maturity date as the Notes and at least the same interest rate from time to time applying to the Notes; (iii) rank at least pari passu with the Notes; and (iv) preserve any existing rights under these Terms and Conditions to any accrued interest which has not been satisfied; provided that the terms of such securities are not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Issuer, and provided that a certification to such effect of two authorised signatories of the Issuer shall have been delivered to the Trustee prior to the substitution or variation taking effect);
- (b) are (i) listed on the Official List and admitted to trading on the Market or (ii) listed on such other stock exchange as is a Recognised Stock Exchange at that time as selected by the Issuer; and
- (c) if the Notes had a published rating from a Rating Agency immediately prior to their substitution or variation, each such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the Notes or the substituted securities;

“Rating Agency” means Fitch Ratings Limited or Moody’s Investors Service Ltd. or Standard & Poor’s Credit Market Services Europe Limited or their respective successors;

“Recognised Stock Exchange” means a recognised stock exchange as defined in section 1005 of the Income Tax Act 2007, as the same may be amended from time to time, and any provision, statute or statutory instrument replacing the same from time to time; and

A **“Tax Event”** shall be deemed to have occurred if the Issuer satisfies the Trustee immediately prior to the giving of such notice that:

- (i) it has or will or would, but for redemption, become obliged to pay additional amounts as provided or referred to in Condition 13 in respect of the Notes;
- (ii) the payment of interest in respect of the Notes would be a “distribution” for United Kingdom tax purposes; or
- (iii) in respect of the payment of interest in respect of the Notes, the Issuer would not to any material extent be entitled to have any attributable loss or non-trading deficit set against the profits of companies with which it is grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at 16 March 2012 (in respect of New Notes other than the Australian Dollar New Notes), or 19 March 2012 (in respect of the Australian Dollar New Notes), or any similar system or systems having like effect as may from time to time exist),

in each such case, as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 16 March 2012 (in respect of New Notes other than the Australian Dollar New Notes), or 19 March 2012 (in respect of the Australian Dollar New Notes), and the effect of which cannot be avoided by the Issuer taking reasonable steps available to it.”

Australian Dollar Notes

The Conditions applicable to the Australian Dollar Notes shall be amended, in respect of the Australian Dollar Notes only, such that:

- (i) the words “amended and restated Deed Poll executed on 18th June 2007 by Royal Bank” in the twelfth paragraph of Condition 1 are deleted and replaced with the words “Deed Poll executed on 14 March 2012 by Royal Bank”; and
- (ii) Condition 26 is deleted and replaced with a new Condition 26 as follows:

“26. Governing Law and Submission to Jurisdiction

The Trust Deed, the Agency Agreement, the Deed Poll, the Notes, the Receipts and the Coupons, and any non-contractual obligations arising out of or in connection with them, shall be governed by, and construed in accordance with, English law, except that the provisions of Conditions 2(b) and 2(c) (and related provisions of the Trust Deed) relating to subordination of the Dated Subordinated Notes and the Undated Tier 2 Notes, respectively, are governed by, and shall be construed in accordance with, Scots law. The Agency and Registry Agreement is governed by, and shall be construed in accordance with, the laws in force in New South Wales, Australia.

The Issuer has submitted to the jurisdiction of the English courts in the Trust Deed and Royal Bank has submitted to the jurisdiction of the English courts in the Deed Poll, provided that if Royal Bank (whether in or outside Australia) suspends payment or becomes unable to meet its obligations within the meaning of Section 11F of the Banking Act 1959 of Australia, an action against Royal Bank to enforce the Deed Poll may only be brought in Scotland. Royal Bank has submitted to the non-exclusive jurisdiction of the courts of New South Wales, Australia and courts of appeal from them in the Agency and Registry Agreement.”

FORMS OF FINAL TERMS

PART 1 – AUSTRALIAN DOLLAR NOTES FINAL TERMS

Final Terms dated 13 March 2012

The Royal Bank of Scotland plc

Issue of A\$883,419,000 Subordinated Fixed to Fixed Rate Notes due 2022 Callable 2017 (the “Notes”)
under the £90,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 24 February 2012, which will be incorporated by reference into the drawdown prospectus dated 14 March 2012 (the “**Drawdown Prospectus**”). The Drawdown Prospectus will constitute a prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document must be read in conjunction with such Drawdown Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Drawdown Prospectus. References in the Drawdown Prospectus to “**Final Terms**” shall be deemed to refer to the final terms set out below. The Drawdown Prospectus will be available for viewing at: <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

1	Issuer:	The Royal Bank of Scotland plc
2	(a) Series Number:	3452
	(b) Tranche Number:	1
3	Specified Currency or Currencies:	Australian Dollar (“ A\$ ”)
4	Aggregate Nominal Amount:	A\$883,419,000
5	Issue Price:	99.536 per cent. of the Aggregate Nominal Amount
6	(i) Specified Denominations:	A\$1,000 The Notes will not be issued to a subscriber of the Notes unless the aggregate consideration paid by the relevant subscriber for such Notes is at least A\$500,000 (disregarding moneys lent by the Issuer or its associates) and the Notes are otherwise issued in a manner that does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia.
	(ii) Calculation Amount:	A\$1,000
7	(i) Issue Date:	19 March 2012
	(ii) Interest Commencement Date:	Issue Date
8	Maturity Date:	19 March 2022, subject to any early redemption of the Notes in accordance with

		items 12, 25 and 43 below
9	Interest Basis:	Fixed Rate (single reset) (further particulars specified below)
10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest or Redemption/Payment Basis:	See item 15 below
12	Put/Call Options:	Issuer Call (further particulars specified below)
13	(i) Status of the Notes:	Dated Subordinated Notes
	(ii) Date of Board approval for issuance of Notes obtained:	25 January 2012
14	Method of distribution:	Non-syndicated (initial delivery only to holders of existing securities issued by the Issuer)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	Fixed Rate Note Provisions	Applicable
	(i) Rate(s) of Interest:	<p>In respect of each Interest Period commencing prior to 19 March 2017 (the “Reset Date”), 13.125 per cent. per annum Fixed Rate, payable semi-annually in arrear.</p> <p>In respect of each Interest Period commencing on or following the Reset Date, a fixed rate of interest per annum determined on the date falling two Business Days prior to the Reset Date as the 5 Year Mid-Swap Rate plus the Initial Margin, payable semi-annually in arrear,</p> <p>where:</p> <p>“5 Year Mid-Swap Rate” means the mid-market arithmetic mean, expressed as a percentage and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards), of the 5 Year Australian Dollar Swap Rates, as determined by the Calculation Agent at 11.00 a.m. (Sydney time) on the date falling two Business Days prior to the Reset Date. If the 5 Year Australian Dollar Swap Rates are not available, then the 5 Year Mid-Swap Rate shall instead be determined by the Calculation Agent on the basis of (i) quotations provided by the principal office of each of four major banks in the Australian Dollar swap market of the rates at which swaps in Australian Dollars are offered by them at approximately 11.00 a.m. (Sydney</p>

time) on the date falling two Business Days prior to the Reset Date to participants in the Australian Dollar swap market for a five year period and (ii) the arithmetic mean expressed as a percentage and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards) of such quotations;

“5 Year Australian Dollar Swap Rates” means the bid and offered swap rates for Australian Dollar swap transactions with a maturity of 5 years displayed on Bloomberg page “ICAA1” (or such other page as may replace that page on Bloomberg, or such other service as may be nominated by the person providing or sponsoring the information appearing there for the purposes of displaying comparable rates) at 11.00 a.m. (Sydney time) on the date falling two Business Days prior to the Reset Date;

“Business Day” has the meaning given to it in Condition 3(b)(i);

“Calculation Agent” means BTA Institutional Services Australia Limited;

“Initial Margin” means 8.75 per cent.; and

“Interest Period” has the meaning given to it in Condition 3(b)(i)

(ii) Interest Payment Date(s):	19 March and 19 September in each year commencing 19 September 2012, up to and including the Maturity Date
(iii) Fixed Coupon Amount(s):	In respect of Interest Periods commencing prior to the Reset Date, A\$65.63 per Calculation Amount The Fixed Coupon Amount for Interest Periods commencing on or following the Reset Date will be notified by the Calculation Agent once calculated on the date falling two Business Days prior to the Reset Date in accordance with Conditions 3(b)(vii) and 19
(iv) Broken Amount(s):	Not Applicable
(v) Day Count Fraction:	RBA Bond Basis
(vi) Determination Dates:	Not Applicable
(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16 Floating Rate Note Provisions:	Not Applicable

17	Zero Coupon Note Provisions:	Not Applicable
18	Index Linked Interest Note Provisions:	Not Applicable
19	Equity Linked Interest Note Provisions:	Not Applicable
20	Commodity Linked Interest Note Provisions:	Not Applicable
21	Currency Linked Interest Note Provisions:	Not Applicable
22	Government Bond Linked Interest Note Provisions:	Not Applicable
23	Inflation Index Linked Interest Note Provisions:	Not Applicable
24	Dual Currency Interest Note Provisions:	Not Applicable
PROVISIONS RELATING TO REDEMPTION		
25	Issuer Call:	Applicable
	(i) Optional Redemption Date(s):	The Reset Date
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	A\$1,000 per Calculation Amount
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	Not Applicable
	(b) Maximum Redemption Amount:	Not Applicable
	(iv) Notice period (if other than as set out in the Conditions):	Not Applicable
26	Investor Put:	Not Applicable
27	Final Redemption Amount:	A\$1,000 per Calculation Amount
28	Index Linked Redemption Notes:	Not Applicable
29	Equity Linked Redemption Notes:	Not Applicable
30	Currency Linked Redemption Notes:	Not Applicable
31	Commodity Linked Redemption Notes:	Not Applicable
32	Government Bond Linked Redemption Notes:	Not Applicable
33	Inflation Index Linked Redemption Notes:	Not Applicable
34	Additional Disruption Events:	Not Applicable
35	Early Redemption Amount	
	Early Redemption Amount(s) payable on redemption for taxation reasons, or following the occurrence of a Capital Disqualification Event or an event of default or other early redemption and/or	A\$1,010 per Calculation Amount in relation to redemption under Condition 5(c); otherwise A\$1,000 per Calculation Amount

the method of calculating the same (if required or if different from that set out in the Conditions):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

36	Form of Notes:	
	(a) Form:	Australian Domestic Notes
	(b) New Global Note:	No
	(c) CMU Notes:	No
37	Special provisions relating to Payment Dates:	Not Applicable
38	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
39	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
40	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
41	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
42	Consolidation provisions:	Not Applicable
43	Other final terms or special conditions:	For the purposes of the Notes described in these Final Terms only, the following shall apply: <ol style="list-style-type: none"> 1. a new Condition 5A shall be included as set out below: <p style="margin-left: 20px;"><i>5(A) Substitution or Variation</i></p> <p style="margin-left: 20px;">Subject to the Issuer having notified the FSA at least one month before (or such other period as the FSA may then require or accept) and no objection thereto having been raised by the FSA or (if required) the FSA having provided its consent thereto, if a Capital Event or Tax Event has occurred and is continuing, the Issuer may without any requirement for the consent or approval of the Noteholders or the Trustee elect to substitute all (but not some only) of the Notes for, or vary the terms of the Notes</p>

so that (in the case of a Capital Event) or provided that (in the case of a Tax Event) they become or, as appropriate, remain Qualifying Tier 2 Securities by giving not less than 30 days nor more than 60 days' notice to the Trustee, the Agent and, in accordance with Condition 19, the Noteholders (which notice shall be irrevocable). Upon the expiry of the notice required by this Condition 5A, the Issuer shall either vary the terms of, or substitute, the Notes in accordance with this Condition 5A, as the case may be, and, subject as set out below, the Trustee shall agree to such substitution or variation.

Any substitution or variation in accordance with this Condition 5A does not give the Issuer an option to redeem the Notes under the Conditions.

Prior to the publication of any notice of substitution or variation pursuant to this Condition 5A, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer stating that the Capital Event or Tax Event giving rise to the right to substitute or vary has occurred and is continuing as at the date of the certificate and the Trustee shall accept such certificate without any further inquiry as sufficient evidence of the occurrence of a Capital Event or, as the case may be, Tax Event in which event it shall be conclusive and binding on the Trustee and the Noteholders.

The Trustee shall use its reasonable endeavours to participate in, or assist the Issuer with, the substitution of the Notes for, or the variation of the terms of the Notes so that they become, Qualifying Tier 2 Securities, provided that the Trustee shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed alternative Qualifying Tier 2 Securities or the participation in, or assistance with, such substitution or variation would impose, in the Trustee's opinion, more onerous obligations upon it

or require the Trustee to incur any liability for which it is not indemnified and/or secured and/or pre-funded to its satisfaction.

The Trustee may rely without liability to Noteholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

2. Condition 5(b) "Redemption for Tax Reasons" shall apply provided that, upon CRD IV taking effect in the United Kingdom, it shall only apply if, when and to the extent not prohibited by CRD IV and (in any such case) if, in the Issuer's opinion, the circumstance that entitles it to exercise such right of redemption was not reasonably foreseeable to it at the Issue Date.
3. Condition 5(c) "Redemption due to Capital Disqualification Event" shall apply provided that, upon CRD IV taking effect in the United Kingdom, it shall only apply if, when and to the extent not prohibited by CRD IV and (in any such case) if, in the Issuer's opinion, the circumstance that entitles it to exercise such right of redemption was not reasonably foreseeable to it at the Issue Date, and provided further that the last two paragraphs of Condition 5(c) shall be deleted and replaced by the following:

A "**Capital Disqualification Event**" shall be deemed to have occurred if, as a result of any amendment to, or change in, the Capital Regulations which are in

effect at the Issue Date, the Notes are fully excluded from Lower Tier Two Capital (as defined in the Capital Regulations), or, on or after CRD IV taking effect in the United Kingdom, are fully excluded from Tier 2 Capital (as defined in the Capital Regulations), as the case may be, of the Issuer and/or the Group.

4. Condition 5(i) "Purchases" shall apply provided that, upon CRD IV taking effect in the United Kingdom, purchases are only permitted if, when and to the extent not prohibited by CRD IV

As used in this item 43:

"Capital Event" shall be deemed to have occurred if, as a result of an amendment to, or change in, the Capital Regulations, the Notes (or any part thereof) may not, or may no longer, be included in full in the Tier 2 Capital (as defined in the Capital Regulations) of the Issuer and/or the Group by reason of their non-compliance with CRD IV;

"Capital Regulations" means, at any time, the regulations, requirements, guidelines and policies relating to capital adequacy of the FSA then in effect;

"CRD IV" means, taken together, (i) the CRD IV Directive, (ii) the CRD IV Regulation and (iii) the Future Capital Instruments Regulations;

"CRD IV Directive" means a directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms amending Directive 2002/87/EC, a draft of which was published on 20 July 2011, and any successor directive;

"CRD IV Regulation" means a regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, a draft of which was published on 20 July 2011, and any successor regulation;

"Future Capital Instruments Regulations" means regulatory capital rules which may in the future be introduced by the FSA and which are

applicable to the Issuer (on a solo or consolidated basis) as applied and construed by the FSA, which lay down the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer (on a solo or consolidated basis) as required by (i) the CRD IV Regulation or (ii) the CRD IV Directive;

“Group” means The Royal Bank of Scotland Group plc and its subsidiaries and subsidiary undertakings from time to time;

“Qualifying Tier 2 Securities” means securities issued directly or indirectly by the Issuer that:

- a) shall (i) contain terms such that they comply with the then current requirements of the FSA in relation to Tier 2 Capital; (ii) include terms which provide for the same maturity date as the Notes and at least the same interest rate from time to time applying to the Notes; (iii) rank at least pari passu with the Notes; and (iv) preserve any existing rights under these Terms and Conditions to any accrued interest which has not been satisfied; provided that the terms of such securities are not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Issuer, and provided that a certification to such effect of two authorised signatories of the Issuer shall have been delivered to the Trustee prior to the substitution or variation taking effect);
- b) are (i) listed on the Official List and admitted to trading on the Market or (ii) listed on such other stock exchange as is a Recognised Stock Exchange at that time as selected by the Issuer; and
- c) if the Notes had a published rating from a Rating Agency immediately prior to their substitution or variation, each such Rating Agency has ascribed, or announced its

intention to ascribe, an equal or higher published rating to the Notes or the substituted securities;

“Rating Agency” means Fitch Ratings Limited or Moody’s Investors Service Ltd. or Standard & Poor’s Credit Market Services Europe Limited or their respective successors;

“Recognised Stock Exchange” means a recognised stock exchange as defined in section 1005 of the Income Tax Act 2007, as the same may be amended from time to time, and any provision, statute or statutory instrument replacing the same from time to time; and

A **“Tax Event”** shall be deemed to have occurred if the Issuer satisfies the Trustee immediately prior to the giving of such notice that:

- (i) it has or will or would, but for redemption, become obliged to pay additional amounts, as provided or referred to in Condition 13 in respect of the Notes;
- (ii) the payment of interest in respect of the Notes would be a “distribution” for United Kingdom tax purposes; or
- (iii) in respect of the payment of interest in respect of the Notes, the Issuer would not to any material extent be entitled to have any attributable loss or non-trading deficit set against the profits of companies with which it is grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at 19 March 2012 or any similar system or systems having like effect as may from time to time exist),

in each such case, as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 19 March 2012, and

the effect of which cannot be avoided by the Issuer taking reasonable steps available to it.

5. The words “amended and restated Deed Poll executed on 18th June 2007 by Royal Bank” in the twelfth paragraph of Condition 1 are deleted and replaced with the words “Deed Poll executed on 14 March 2012 by Royal Bank”.
6. Condition 26 is deleted and replaced with a new Condition 26 as follows:

Governing Law and Submission to Jurisdiction

The Trust Deed, the Agency Agreement, the Deed Poll, the Notes, the Receipts and the Coupons, and any non-contractual obligations arising out of or in connection with them, shall be governed by, and construed in accordance with, English law, except that the provisions of Conditions 2(b) and 2(c) (and related provisions of the Trust Deed) relating to subordination of the Dated Subordinated Notes and the Undated Tier 2 Notes, respectively, are governed by, and shall be construed in accordance with, Scots law. The Agency and Registry Agreement is governed by, and shall be construed in accordance with, the laws in force in New South Wales, Australia.

The Issuer has submitted to the jurisdiction of the English courts in the Trust Deed and Royal Bank has submitted to the jurisdiction of the English courts in the Deed Poll provided that if Royal Bank (whether in or outside Australia) suspends payment or becomes unable to meet its obligations within the meaning of Section 11F of the Banking Act 1959 of Australia, an action against Royal Bank to enforce the Deed Poll may only be brought in Scotland. Royal Bank has submitted to the non-exclusive jurisdiction of the courts of New South Wales, Australia and courts of appeal from them in the Agency and Registry Agreement.

DISTRIBUTION

44	(i) If syndicated, names and addresses of Managers and underwriting commitments:	Not Applicable
	(ii) Date of Syndication Agreement:	Not Applicable
	(iii) Stabilising Manager(s) (if any):	Not Applicable
45	If non-syndicated, name and address of Dealer:	Not Applicable
46	Total commission and concession:	Not Applicable
47	Additional selling restrictions:	Not Applicable
48	Whether TEFRA D/TEFRA C rules applicable or TEFRA rules not applicable:	TEFRA rules not applicable
49	Non exempt Offer:	Not Applicable

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the Regulated Market of the London Stock Exchange and for listing on the Official List of the UK Listing Authority of the Notes described herein pursuant to the £90,000,000,000 Euro Medium Term Note Programme of The Royal Bank of Scotland Group plc and The Royal Bank of Scotland plc.

RESPONSIBILITY

The Royal Bank of Scotland plc as Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of The Royal Bank of Scotland plc (as Issuer):

By:
Duly authorised

PART B – OTHER INFORMATION

1 LISTING

- (i) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market with effect from 19 March 2012
- (ii) Estimate of total expenses relating to admission to trading: £3,650

2 RATINGS

- Ratings: The Notes to be issued have been rated:
- Standard & Poor's Credit Market Services Europe Limited: BBB-
- Fitch Ratings Limited: BBB-
- Fitch Ratings Limited and Standard & Poor's Credit Market Services Europe Limited are each established in the European Union and each is registered under Regulation (EC) No. 1060/2009 (as amended).

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: Capital Management
- (ii) Estimated net proceeds: Not Applicable
- (iii) Estimated total expenses: £3,650

5 YIELD

- Indication of yield: For the period from (and including) the Issue Date to (but excluding) the Reset Date, 13.255 per cent.
- As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6 OPERATIONAL INFORMATION

- (i) ISIN: AU3CB0191294
- (ii) Common Code: 075580495
- (iii) CMU Instrument Number: Not Applicable
- (iv) Clearing System: Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*

- (v) Any clearing system(s) other than Austraclear System
Euroclear Bank S.A./N.V. and
Clearstream Banking, *société
anonyme* and the relevant
identification number(s):
- (vi) Delivery: Delivery Free of Payment (other than
Euroclear Bank S.A./N.V. and Clearstream
Banking, *société anonyme* where delivery
shall be against delivery of the existing
notes pursuant to the exchange offer
announced by the Issuer on 28 February
2012).
- (vii) (Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: No

PART 2 – CANADIAN DOLLAR NOTES FINAL TERMS

Final Terms dated 13 March 2012

The Royal Bank of Scotland plc

Issue of CAD420,199,000 Subordinated Fixed to Fixed Rate Notes due 2022 Callable 2017
(the “Notes”)

under the £90,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 24 February 2012, which will be incorporated by reference into the drawdown prospectus dated 14 March 2012 (the “**Drawdown Prospectus**”). The Drawdown Prospectus will constitute a prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document must be read in conjunction with such Drawdown Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Drawdown Prospectus. References in the Drawdown Prospectus to “**Final Terms**” shall be deemed to refer to the final terms set out below. The Drawdown Prospectus will be available for viewing at: <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

1	Issuer:	The Royal Bank of Scotland plc
2	(a) Series Number:	3453
	(b) Tranche Number:	1
3	Specified Currency or Currencies:	Canadian Dollar (“ CAD ”)
4	Aggregate Nominal Amount:	CAD420,199,000
5	Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
6	(i) Specified Denominations:	CAD1,000
		The Notes will not be issued to a subscriber of the Notes unless the aggregate consideration paid by the relevant subscriber for such Notes is at least CAD100,000.
	(ii) Calculation Amount:	CAD1,000
7	(i) Issue Date:	16 March 2012
	(ii) Interest Commencement Date:	Issue Date
8	Maturity Date:	16 March 2022, subject to any early redemption of the Notes in accordance with items 12, 25 and 43 below
9	Interest Basis:	Fixed Rate (single reset) (further particulars specified below)
10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest or Redemption/Payment Basis:	See item 15 below

- | | | |
|-----------|---|---|
| 12 | Put/Call Options: | Issuer Call
(further particulars specified below) |
| 13 | (i) Status of the Notes: | Dated Subordinated Notes |
| | (ii) Date of Board approval for issuance of Notes obtained: | 25 January 2012 |
| 14 | Method of distribution: | Non-syndicated (initial delivery only to holders of existing securities issued by the Issuer) |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-----------|----------------------------|---|
| 15 | Fixed Rate Note Provisions | Applicable |
| | (i) Rate(s) of Interest: | <p>In respect of each Interest Period commencing prior to 16 March 2017 (the “Reset Date”), 10.500 per cent. per annum Fixed Rate, payable semi-annually in arrear.</p> <p>In respect of each Interest Period commencing on or following the Reset Date, a fixed rate of interest per annum determined on the date falling two Business Days prior to the Reset Date as the 5-year Mid Swap Rate plus the Initial Margin, payable semi-annually in arrear,</p> <p>where:</p> <p>“5 Year Mid-Swap Rate” means the mid-market arithmetic mean, expressed as a percentage and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards) of the 5 Year Canadian Dollar Swap Rates, as determined by the Calculation Agent at 11.00 a.m. (Toronto time) on the date falling two Business Days prior to the Reset Date. If the 5 Year Canadian Dollar Swap Rates are not available, then the 5 Year Mid-Swap Rate shall instead be determined by the Calculation Agent on the basis of (i) quotations provided by the principal office of each of four major banks in the Canadian Dollar swap market of the rates at which swaps in Canadian Dollars are offered by them at approximately 11.00 a.m. (Toronto time) on the date falling two Business Days prior to the Reset Date to participants in the Canadian Dollar swap market for a five year period and (ii) the arithmetic mean expressed as a percentage and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards) of such quotations;</p> <p>“5 Year Canadian Dollar Swap Rates” means the bid and offered swap rates for Canadian dollar swap transactions with a maturity of 5 years displayed on Bloomberg page “ICAC1 “ (or such other page as may replace that page on Bloomberg, or such other service as may be nominated by the person providing or sponsoring the information appearing there for the</p> |

		purposes of displaying comparable rates) at 11.00 a.m. (Toronto time) on the date falling two Business Days prior to the Reset Date;
		“ Business Day ” has the meaning given to it in Condition 3(b)(i);
		“ Calculation Agent ” means BNY Trust Company of Canada;
		“ Initial Margin ” means 8.75 per cent.; and
		“ Interest Period ” has the meaning given to it in Condition 3(b)(i)
	(ii) Interest Payment Date(s):	16 March and 16 September in each year commencing 16 September 2012, up to and including the Maturity Date
	(iii) Fixed Coupon Amount(s):	In respect of Interest Periods commencing prior to the Reset Date, CAD52.50 per Calculation Amount. The Fixed Coupon Amount for Interest Periods commencing on or following the Reset Date will be notified by the Calculation Agent once calculated on the date falling two Business Days prior to the Reset Date in accordance with Conditions 3(b)(vii) and 19.
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction:	Actual/Actual (ICMA)
	(vi) Determination Dates:	16 March and 16 September in each year
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16	Floating Rate Note Provisions:	Not Applicable
17	Zero Coupon Note Provisions:	Not Applicable
18	Index Linked Interest Note Provisions:	Not Applicable
19	Equity Linked Interest Note Provisions:	Not Applicable
20	Commodity Linked Interest Note Provisions:	Not Applicable
21	Currency Linked Interest Note Provisions:	Not Applicable
22	Government Bond Linked Interest Note Provisions:	Not Applicable
23	Inflation Index Linked Interest Note Provisions:	Not Applicable
24	Dual Currency Interest Note Provisions:	Not Applicable
PROVISIONS RELATING TO REDEMPTION		
25	Issuer Call:	Applicable
	(i) Optional Redemption Date(s):	The Reset Date
	(ii) Optional Redemption Amount(s) and method, if any, of calculation	CAD1,000 per Calculation Amount

	of such amount(s):	
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	Not Applicable
	(b) Maximum Redemption Amount:	Not Applicable
	(iv) Notice period (if other than as set out in the Conditions):	Not Applicable
26	Investor Put:	Not Applicable
27	Final Redemption Amount:	CAD1,000 per Calculation Amount
28	Index Linked Redemption Notes:	Not Applicable
29	Equity Linked Redemption Notes:	Not Applicable
30	Currency Linked Redemption Notes:	Not Applicable
31	Commodity Linked Redemption Notes:	Not Applicable
32	Government Bond Linked Redemption Notes:	Not Applicable
33	Inflation Index Linked Redemption Notes:	Not Applicable
34	Additional Disruption Events:	Not Applicable
35	Early Redemption Amount	
	Early Redemption Amount(s) payable on redemption for taxation reasons, or following the occurrence of a Capital Disqualification Event or an event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	CAD1,010 per Calculation Amount in relation to redemption under Condition 5(c); otherwise CAD1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

36	Form of Notes:	
	(a) Form:	Bearer Notes:
		Permanent Global Note exchangeable for Definitive Notes in the limited circumstances set out in the Permanent Global Note.
		For the purposes of the Permanent Global Note, the definition of "Exchange Event" referred to in the section of the Prospectus dated 24 February 2012 headed "Form of the Notes" shall be "that (i) CDS Clearing and Depository Services Inc. (" CDS ") ceases to be in the business of acting as a depository and a successor depository is not appointed by the Issuer within 90 working days after the Issuer becoming aware that CDS is no longer in the business of acting as a depository or (ii) CDS ceases to be a recognised clearing agency under the Securities Act (Ontario) or a

self-regulatory organisation under the Securities Act (Québec) or other applicable Canadian or provincial securities legislation and no successor clearing system satisfactory to the Trustee is available within 90 working days after the Issuer becoming aware that CDS is no longer so recognised”.

	(b) New Global Note:	No
	(c) CMU Notes:	No
37	Special provisions relating to Payment Dates:	Not Applicable
38	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
39	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
40	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
41	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
42	Consolidation provisions:	Not Applicable
43	Other final terms or special conditions:	For the purposes of the Notes described in these Final Terms only, the following shall apply: <ol style="list-style-type: none"> 1. a new Condition 5A shall be included as set out below: <p style="margin-left: 20px;"><i>5(A) Substitution or Variation</i></p> <p style="margin-left: 20px;">Subject to the Issuer having notified the FSA at least one month before (or such other period as the FSA may then require or accept) and no objection thereto having been raised by the FSA or (if required) the FSA having provided its consent thereto, if a Capital Event or Tax Event has occurred and is continuing, the Issuer may without any requirement for the consent or approval of the Noteholders or the Trustee elect to substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that (in the case of a Capital Event) or provided that (in the case of a Tax Event) they become or, as appropriate, remain Qualifying Tier 2 Securities by giving not less than 30 days nor more than 60 days’ notice to the Trustee, the</p>

Agent and, in accordance with Condition 19, the Noteholders (which notice shall be irrevocable). Upon the expiry of the notice required by this Condition 5A, the Issuer shall either vary the terms of, or substitute, the Notes in accordance with this Condition 5A, as the case may be, and, subject as set out below, the Trustee shall agree to such substitution or variation.

Any substitution or variation in accordance with this Condition 5A does not give the Issuer an option to redeem the Notes under the Conditions.

Prior to the publication of any notice of substitution or variation pursuant to this Condition 5A, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer stating that the Capital Event or Tax Event giving rise to the right to substitute or vary has occurred and is continuing as at the date of the certificate and the Trustee shall accept such certificate without any further inquiry as sufficient evidence of the occurrence of a Capital Event or, as the case may be, Tax Event in which event it shall be conclusive and binding on the Trustee and the Noteholders.

The Trustee shall use its reasonable endeavours to participate in, or assist the Issuer with, the substitution of the Notes for, or the variation of the terms of the Notes so that they become, Qualifying Tier 2 Securities, provided that the Trustee shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed alternative Qualifying Tier 2 Securities or the participation in, or assistance with, such substitution or variation would impose, in the Trustee's opinion, more onerous obligations upon it or require the Trustee to incur any liability for which it is not indemnified and/or secured and/or pre-funded to its satisfaction.

The Trustee may rely without liability to Noteholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation

or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

2. Condition 5(b) "Redemption for Tax Reasons" shall apply provided that, upon CRD IV taking effect in the United Kingdom, it shall only apply if, when and to the extent not prohibited by CRD IV and (in any such case) if, in the Issuer's opinion, the circumstance that entitles it to exercise such right of redemption was not reasonably foreseeable to it at the Issue Date.
3. Condition 5(c) "Redemption due to Capital Disqualification Event" shall apply provided that, upon CRD IV taking effect in the United Kingdom, it shall only apply if, when and to the extent not prohibited by CRD IV and (in any such case) if, in the Issuer's opinion, the circumstance that entitles it to exercise such right of redemption was not reasonably foreseeable to it at the Issue Date, and provided further that the last two paragraphs of Condition 5(c) shall be deleted and replaced by the following:

A "**Capital Disqualification Event**" shall be deemed to have occurred if, as a result of any amendment to, or change in, the Capital Regulations which are in effect at the Issue Date, the Notes are fully excluded from Lower Tier Two Capital (as defined in the Capital Regulations), or, on or after CRD IV taking effect in the United Kingdom, are fully excluded from Tier 2 Capital (as defined in the Capital Regulations), as the case may be, of the Issuer and/or the Group.

4. Condition 5(i) "Purchases" shall apply provided that, upon CRD IV taking effect in the United Kingdom, purchases are only permitted if, when and to the extent not prohibited by CRD IV

As used in this item 43:

"**Capital Event**" shall be deemed to have occurred if, as a result of an amendment to, or change in, the Capital Regulations, the Notes (or any part thereof) may not, or may no longer, be included in full in the Tier 2 Capital (as defined in the Capital Regulations) of the Issuer and/or the Group by reason of their non-compliance with CRD IV;

"**Capital Regulations**" means, at any time, the regulations, requirements, guidelines and policies relating to capital adequacy of the FSA then in effect;

"**CRD IV**" means, taken together, (i) the CRD IV Directive, (ii) the CRD IV Regulation and (iii) the

Future Capital Instruments Regulations;

“CRD IV Directive” means a directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms amending Directive 2002/87/EC, a draft of which was published on 20 July 2011, and any successor directive;

“CRD IV Regulation” means a regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, a draft of which was published on 20 July 2011, and any successor regulation;

“Future Capital Instruments Regulations” means regulatory capital rules which may in the future be introduced by the FSA and which are applicable to the Issuer (on a solo or consolidated basis) as applied and construed by the FSA, which lay down the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer (on a solo or consolidated basis) as required by (i) the CRD IV Regulation or (ii) the CRD IV Directive;

“Group” means The Royal Bank of Scotland Group plc and its subsidiaries and subsidiary undertakings from time to time;

“Qualifying Tier 2 Securities” means securities issued directly or indirectly by the Issuer that:

- a) shall (i) contain terms such that they comply with the then current requirements of the FSA in relation to Tier 2 Capital; (ii) include terms which provide for the same maturity date as the Notes and at least the same interest rate from time to time applying to the Notes; (iii) rank at least pari passu with the Notes; and (iv) preserve any existing rights under these Terms and Conditions to any accrued interest which has not been satisfied; provided that the terms of such securities are not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Issuer, and provided that a certification to such effect of two authorised signatories of the Issuer shall have been delivered to the Trustee prior to the substitution or variation taking effect);
- b) are (i) listed on the Official List and admitted to trading on the Market or (ii) listed on such other stock exchange as is a Recognised Stock Exchange at that time as selected by

the Issuer; and

- c) if the Notes had a published rating from a Rating Agency immediately prior to their substitution or variation, each such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the Notes or the substituted securities;

“Rating Agency” means Fitch Ratings Limited or Moody’s Investors Service Ltd. or Standard & Poor’s Credit Market Services Europe Limited or their respective successors;

“Recognised Stock Exchange” means a recognised stock exchange as defined in section 1005 of the Income Tax Act 2007, as the same may be amended from time to time, and any provision, statute or statutory instrument replacing the same from time to time; and

A **“Tax Event”** shall be deemed to have occurred if the Issuer satisfies the Trustee immediately prior to the giving of such notice that:

- (i) it has or will or would, but for redemption, become obliged to pay additional amounts, as provided or referred to in Condition 13 in respect of the Notes;
- (ii) the payment of interest in respect of the Notes would be a “distribution” for United Kingdom tax purposes; or
- (iii) in respect of the payment of interest in respect of the Notes, the Issuer would not to any material extent be entitled to have any attributable loss or non-trading deficit set against the profits of companies with which it is grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at 16 March 2012 or any similar system or systems having like effect as may from time to time exist),

in each such case, as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 16 March 2012, and the effect of which cannot be avoided by the Issuer taking reasonable steps available to it.

DISTRIBUTION

44	(i) If syndicated, names and addresses of Managers and underwriting commitments:	Not Applicable
	(ii) Date of Syndication Agreement:	Not Applicable
	(iii) Stabilising Manager(s) (if any):	Not Applicable
45	If non-syndicated, name and address of Dealer:	Not Applicable
46	Total commission and concession:	Not Applicable
47	Additional selling restrictions:	Not Applicable
48	Whether TEFRA D/TEFRA C rules applicable or TEFRA rules not applicable:	TEFRA rules not applicable
49	Non exempt Offer:	Not Applicable

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the Regulated Market of the London Stock Exchange and for listing on the Official List of the UK Listing Authority of the Notes described herein pursuant to the £90,000,000,000 Euro Medium Term Note Programme of The Royal Bank of Scotland Group plc and The Royal Bank of Scotland plc.

RESPONSIBILITY

The Royal Bank of Scotland plc as Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of The Royal Bank of Scotland plc (as Issuer):

By:
Duly authorised

PART B – OTHER INFORMATION

1 LISTING

- (i) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market with effect from 16 March 2012
- (ii) Estimate of total expenses relating to admission to trading: £3,650

2 RATINGS

- Ratings: The Notes to be issued have been rated:
Standard & Poor's Credit Market Services Europe Limited: BBB-
Fitch Ratings Limited: BBB-
Fitch Ratings Limited and Standard & Poor's Credit Market Services Europe Limited are each established in the European Union and each is registered under Regulation (EC) No. 1060/2009 (as amended).

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: Capital management
- (ii) Estimated net proceeds: Not Applicable
- (iii) Estimated total expenses: £3,650

5 YIELD

- Indication of yield: For the period from (and including) the Issue Date to (but excluding) the Reset Date, 10.500 per cent.
As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6 OPERATIONAL INFORMATION

- (i) ISIN: CA78010XAL51
- (ii) Common Code: 075739257
- (iii) CMU Instrument Number: Not Applicable
- (iv) Clearing System: Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*
- (v) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): CDS Clearing and Depository Services Inc. CUSIP: 78010XAL51
- (vi) Delivery: Delivery against delivery of existing securities pursuant

to the exchange offer announced by the Issuer on 28 February 2012

- | | |
|--|---|
| (vii) Names and addresses of additional Paying Agent(s) (if any): | BNY Trust Company of Canada
320 Bay Street, 11 th Floor
Toronto, Ontario M5H 4A6
Canada |
| (viii) Intended to be held in a manner which would allow Eurosystem eligibility: | No |

PART 3 – EURO NOTES FINAL TERMS

Final Terms dated 13 March 2012

The Royal Bank of Scotland plc

Issue of €563,801,000 Subordinated Fixed to Fixed Rate Notes due 2022 Callable 2017 (the “Notes”)

under the £90,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 24 February 2012, which will be incorporated by reference into the drawdown prospectus dated 14 March 2012 (the “**Drawdown Prospectus**”). The Drawdown Prospectus will constitute a prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document must be read in conjunction with such Drawdown Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Drawdown Prospectus. References in the Drawdown Prospectus to “**Final Terms**” shall be deemed to refer to the final terms set out below. The Drawdown Prospectus will be available for viewing at: <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

1	Issuer:	The Royal Bank of Scotland plc
2	(a) Series Number:	3455
	(b) Tranche Number:	1
3	Specified Currency or Currencies:	Euro (“€”)
4	Aggregate Nominal Amount:	€563,801,000
5	Issue Price:	99.865 per cent. of the Aggregate Nominal Amount
6	(i) Specified Denominations:	€1,000
		The Notes will not be issued to a subscriber of the Notes unless the aggregate consideration paid by the relevant subscriber for such Notes is at least €50,000.
	(ii) Calculation Amount:	€1,000
7	(i) Issue Date:	16 March 2012
	(ii) Interest Commencement Date:	Issue Date
8	Maturity Date:	16 March 2022, subject to any early redemption of the Notes in accordance with items 12, 25 and 43 below
9	Interest Basis:	Fixed Rate (single reset) (further particulars specified below)
10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest or Redemption/Payment Basis:	See item 15 below

- | | | |
|----|---|---|
| 12 | Put/Call Options: | Issuer Call
(further particulars specified below) |
| 13 | (i) Status of the Notes: | Dated Subordinated Notes |
| | (ii) Date of Board approval for issuance of Notes obtained: | 25 January 2012 |
| 14 | Method of distribution: | Non-syndicated (initial delivery only to holders of existing securities issued by the Issuer) |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|----|----------------------------|--|
| 15 | Fixed Rate Note Provisions | Applicable |
| | (i) Rate(s) of Interest: | <p>In respect of each Interest Period commencing prior to 16 March 2017 (the “Reset Date”), 10.50 per cent. per annum Fixed Rate, payable annually in arrear.</p> <p>In respect of each Interest Period commencing on or following the Reset Date, a fixed rate of interest per annum determined on the date falling two Business Days prior to the Reset Date as the 5 Year Mid-Swap Rate plus the Initial Margin (the sum of which will be annualised), payable annually in arrear,</p> <p>where:</p> <p>“5 Year Mid-Swap Rate” means the mid-market arithmetic mean, expressed as a percentage and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards) of the 5 Year Euro Swap Rates, as determined by the Calculation Agent at 11.00 a.m. (Central European time) on the date falling two Business Days prior to the Reset Date. If the 5 Year Euro Swap Rates are not available, then the 5 Year Mid-Swap Rate shall instead be determined by the Calculation Agent on the basis of (i) quotations provided by the principal office of each of four major banks in the euro swap market of the rates at which swaps in euro are offered by them at approximately 11.00 a.m. (Central European time) on the date falling two Business Days prior to the Reset Date to participants in the euro swap market for a five year period and (ii) the arithmetic mean expressed as a percentage and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards) of such quotations;</p> <p>“5 Year Euro Swap Rates” means the bid and offered swap rates for euro swap</p> |

transactions with a maturity of 5 years displayed on Bloomberg page "ICAE1" (or such other page as may replace that page on Bloomberg, or such other service as may be nominated by the person providing or sponsoring the information appearing there for the purposes of displaying comparable rates) at 11.00 a.m. (Central European time) on the date falling two Business Days prior to the Reset Date;

"**Business Day**" has the meaning given to it in Condition 3(b)(i);

"**Calculation Agent**" means The Bank of New York Mellon;

"**Initial Margin**" means 9.00 per cent.; and

"**Interest Period**" has the meaning given to it in Condition 3(b)(i)

(ii) Interest Payment Date(s):	16 March in each year commencing 16 March 2013, up to and including the Maturity Date
(iii) Fixed Coupon Amount(s):	In respect of Interest Periods commencing prior to the Reset Date, €105.00 per Calculation Amount The Fixed Coupon Amount for Interest Periods commencing on or following the Reset Date will be notified by the Calculation Agent once calculated on the date falling two Business Days prior to the Reset Date in accordance with Conditions 3(b)(vii) and 19
(iv) Broken Amount(s):	Not Applicable
(v) Day Count Fraction:	Actual/Actual (ICMA)
(vi) Determination Dates:	16 March in each year
(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16 Floating Rate Note Provisions:	Not Applicable
17 Zero Coupon Note Provisions:	Not Applicable
18 Index Linked Interest Note Provisions:	Not Applicable
19 Equity Linked Interest Note Provisions:	Not Applicable
20 Commodity Linked Interest Note Provisions:	Not Applicable
21 Currency Linked Interest Note Provisions:	Not Applicable
22 Government Bond Linked Interest Note Provisions:	Not Applicable
23 Inflation Index Linked Interest Note Provisions:	Not Applicable
24 Dual Currency Interest Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

25	Issuer Call:	Applicable
	(i) Optional Redemption Date(s):	The Reset Date
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	€1,000 per Calculation Amount
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	Not Applicable
	(b) Maximum Redemption Amount:	Not Applicable
	(iv) Notice period (if other than as set out in the Conditions):	Not Applicable
26	Investor Put:	Not Applicable
27	Final Redemption Amount:	€1,000 per Calculation Amount
28	Index Linked Redemption Notes:	Not Applicable
29	Equity Linked Redemption Notes:	Not Applicable
30	Currency Linked Redemption Notes:	Not Applicable
31	Commodity Linked Redemption Notes:	Not Applicable
32	Government Bond Linked Redemption Notes:	Not Applicable
33	Inflation Index Linked Redemption Notes:	Not Applicable
34	Additional Disruption Events:	Not Applicable
35	Early Redemption Amount	
	Early Redemption Amount(s) payable on redemption for taxation reasons or following the occurrence of a Capital Disqualification Event or an event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	€1,010 per Calculation Amount in relation to redemption under Condition 5(c); otherwise €1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

36	Form of Notes:	
	(a) Form:	Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event
	(b) New Global Note:	No
	(c) CMU Notes:	No
37	Special provisions relating to Payment Dates:	Not Applicable
38	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
39	Details relating to Partly Paid Notes: amount of	Not Applicable

each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:

- | | | |
|-----------|--|--|
| 40 | Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: | Not Applicable |
| 41 | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |
| 42 | Consolidation provisions: | Not Applicable |
| 43 | Other final terms or special conditions: | <p>For the purposes of the Notes described in these Final Terms only, the following shall apply:</p> <ol style="list-style-type: none">1. a new Condition 5A shall be included as set out below:
<i>5(A) Substitution or Variation</i>
Subject to the Issuer having notified the FSA at least one month before (or such other period as the FSA may then require or accept) and no objection thereto having been raised by the FSA or (if required) the FSA having provided its consent thereto, if a Capital Event or Tax Event has occurred and is continuing, the Issuer may without any requirement for the consent or approval of the Noteholders or the Trustee elect to substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that (in the case of a Capital Event) or provided that (in the case of a Tax Event) they become or, as appropriate, remain Qualifying Tier 2 Securities by giving not less than 30 days nor more than 60 days' notice to the Trustee, the Agent and, in accordance with Condition 19, the Noteholders (which notice shall be irrevocable). Upon the expiry of the notice required by this Condition 5A, the Issuer shall either vary the terms of, or substitute, the Notes in accordance with this Condition 5A, as the case may be, and, subject as set out below, the Trustee shall agree to such substitution or variation.

Any substitution or variation in accordance with this Condition 5A does not give the Issuer an option to redeem |

the Notes under the Conditions.

Prior to the publication of any notice of substitution or variation pursuant to this Condition 5A, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer stating that the Capital Event or Tax Event giving rise to the right to substitute or vary has occurred and is continuing as at the date of the certificate and the Trustee shall accept such certificate without any further inquiry as sufficient evidence of the occurrence of a Capital Event or, as the case may be, Tax Event in which event it shall be conclusive and binding on the Trustee and the Noteholders.

The Trustee shall use its reasonable endeavours to participate in, or assist the Issuer with, the substitution of the Notes for, or the variation of the terms of the Notes so that they become, Qualifying Tier 2 Securities, provided that the Trustee shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed alternative Qualifying Tier 2 Securities or the participation in, or assistance with, such substitution or variation would impose, in the Trustee's opinion, more onerous obligations upon it or require the Trustee to incur any liability for which it is not indemnified and/or secured and/or pre-funded to its satisfaction.

The Trustee may rely without liability to Noteholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report,

confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

2. Condition 5(b) "Redemption for Tax Reasons" shall apply provided that, upon CRD IV taking effect in the United Kingdom, it shall only apply if, when and to the extent not prohibited by CRD IV and (in any such case) if, in the Issuer's opinion, the circumstance that entitles it to exercise such right of redemption was not reasonably foreseeable to it at the Issue Date.

3. Condition 5(c) "Redemption due to Capital Disqualification Event" shall apply provided that, upon CRD IV taking effect in the United Kingdom, it shall only apply if, when and to the extent not prohibited by CRD IV and (in any such case) if, in the Issuer's opinion, the circumstance that entitles it to exercise such right of redemption was not reasonably foreseeable to it at the Issue Date, and provided further that the last two paragraphs of Condition 5(c) shall be deleted and replaced by the following:

A "**Capital Disqualification Event**" shall be deemed to have occurred if, as a result of any amendment to, or change in, the Capital Regulations which are in effect at the Issue Date, the Notes are fully excluded from Lower Tier Two Capital (as defined in the Capital Regulations), or, on or after CRD IV taking effect in the United Kingdom, are fully excluded from Tier 2 Capital (as defined in the Capital Regulations), as the case may be, of the Issuer and/or the Group.

4. Condition 5(i) "Purchases" shall apply provided that, upon CRD IV taking effect in the United Kingdom, purchases are only permitted if, when and to the extent not prohibited by CRD IV

As used in this item 43:

"**Capital Event**" shall be deemed to have occurred if, as a result of an amendment to, or change in, the Capital Regulations, the Notes (or any part thereof) may not,

or may no longer, be included in full in the Tier 2 Capital (as defined in the Capital Regulations) of the Issuer and/or the Group by reason of their non-compliance with CRD IV;

“Capital Regulations” means, at any time, the regulations, requirements, guidelines and policies relating to capital adequacy of the FSA then in effect;

“CRD IV” means, taken together, (i) the CRD IV Directive, (ii) the CRD IV Regulation and (iii) the Future Capital Instruments Regulations;

“CRD IV Directive” means a directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms amending Directive 2002/87/EC, a draft of which was published on 20 July 2011, and any successor directive;

“CRD IV Regulation” means a regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, a draft of which was published on 20 July 2011, and any successor regulation;

“Future Capital Instruments Regulations” means regulatory capital rules which may in the future be introduced by the FSA and which are applicable to the Issuer (on a solo or consolidated basis) as applied and construed by the FSA, which lay down the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer (on a solo or consolidated basis) as required by (i) the CRD IV Regulation or (ii) the CRD IV Directive;

“Group” means The Royal Bank of Scotland Group plc and its subsidiaries and subsidiary undertakings from time to time;

“Qualifying Tier 2 Securities” means securities issued directly or indirectly by the Issuer that:

- a) shall (i) contain terms such that they comply with the then current requirements of the FSA in relation

to Tier 2 Capital; (ii) include terms which provide for the same maturity date as the Notes and at least the same interest rate from time to time applying to the Notes; (iii) rank at least pari passu with the Notes; and (iv) preserve any existing rights under these Terms and Conditions to any accrued interest which has not been satisfied; provided that the terms of such securities are not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Issuer, and provided that a certification to such effect of two authorised signatories of the Issuer shall have been delivered to the Trustee prior to the substitution or variation taking effect);

- b) are (i) listed on the Official List and admitted to trading on the Market or (ii) listed on such other stock exchange as is a Recognised Stock Exchange at that time as selected by the Issuer; and
- c) if the Notes had a published rating from a Rating Agency immediately prior to their substitution or variation, each such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the Notes or the substituted securities;

“Rating Agency” means Fitch Ratings Limited or Moody’s Investors Service Ltd. or Standard & Poor’s Credit Market Services Europe Limited or their respective successors;

“Recognised Stock Exchange” means a recognised stock exchange as defined in section 1005 of the Income Tax Act 2007, as the same may be amended from time to time, and any provision, statute or statutory instrument replacing the same from time to time; and

A **“Tax Event”** shall be deemed to have occurred if the Issuer satisfies the Trustee immediately prior to the giving of such notice that:

- (i) it has or will or would, but for redemption, become obliged to pay additional amounts, as provided or referred to in Condition 13 in respect of the Notes;
- (ii) the payment of interest in respect of the Notes would be a “distribution” for United Kingdom tax purposes; or
- (iii) in respect of the payment of interest in respect of the Notes, the Issuer would not to any material extent be entitled to have any attributable loss or non-trading deficit set against the profits of companies with which it is grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at 16 March 2012 or any similar system or systems having like effect as may from time to time exist),

in each such case, as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 16 March 2012, and the effect of which cannot be avoided by the Issuer taking reasonable steps available to it.

DISTRIBUTION

44	(i) If syndicated, names and addresses of Managers and underwriting commitments:	Not Applicable
	(ii) Date of Syndication Agreement:	Not Applicable
	(iii) Stabilising Manager(s) (if any):	Not Applicable
45	If non-syndicated, name and address of Dealer:	Not Applicable
46	Total commission and concession:	Not Applicable
47	Additional selling restrictions:	Not Applicable
48	Whether TEFRA D/TEFRA C rules applicable or TEFRA rules not applicable:	TEFRA D
49	Non exempt Offer:	Not Applicable

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the Regulated Market of the London Stock Exchange and for listing on the Official List of the UK Listing Authority of the Notes described herein pursuant to the £90,000,000,000 Euro Medium Term Note Programme of The Royal Bank of Scotland Group plc and The Royal Bank of Scotland plc.

RESPONSIBILITY

The Royal Bank of Scotland plc as Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of The Royal Bank of Scotland plc (as Issuer):

By:
Duly authorised

PART B – OTHER INFORMATION

1 LISTING

- (i) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market with effect from 16 March 2012
- (ii) Estimate of total expenses relating to admission to trading: £3,650

2 RATINGS

- Ratings: The Notes to be issued have been rated:
Standard & Poor's Credit Market Services Europe Limited: BBB-
Fitch Ratings Limited: BBB-
Fitch Ratings Limited and Standard & Poor's Credit Market Services Europe Limited are each established in the European Union and each is registered under Regulation (EC) No. 1060/2009 (as amended).

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: Capital management
- (ii) Estimated net proceeds: Not Applicable
- (iii) Estimated total expenses: £3,650

5 YIELD

- Indication of yield: For the period from (and including) the Issue Date to (but excluding) the Reset Date, 10.536 per cent.
As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6 OPERATIONAL INFORMATION

- (i) ISIN: XS0753308807
- (ii) Common Code: 075330880
- (iii) CMU Instrument Number: Not Applicable
- (iv) Clearing System: Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*
- (v) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant: Not Applicable

identification number(s):

- | | |
|--|---|
| (vi) Delivery: | Delivery against delivery of existing securities pursuant to the exchange offer announced by the Issuer on 28 February 2012 |
| (vii) Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (viii) Intended to be held in a manner which would allow Eurosystem eligibility: | No |

PART 4 – U.S. DOLLAR NOTES FINAL TERMS

Final Terms dated 13 March 2012

The Royal Bank of Scotland plc

Issue of U.S.\$2,132,059,000 Subordinated Fixed to Fixed Rate Notes due 2022 Callable 2017
(the “Notes”)

under the £90,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 24 February 2012, which will be incorporated by reference into the drawdown prospectus dated 14 March 2012 (the “**Drawdown Prospectus**”). The Drawdown Prospectus will constitute a prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document must be read in conjunction with such Drawdown Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Drawdown Prospectus. References in the Drawdown Prospectus to “**Final Terms**” shall be deemed to refer to the final terms set out below. The Drawdown Prospectus will be available for viewing at: <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

1	Issuer:	The Royal Bank of Scotland plc
2	(a) Series Number:	3456
	(b) Tranche Number:	1
3	Specified Currency or Currencies:	U.S. Dollar (“ U.S.\$ ”)
4	Aggregate Nominal Amount:	U.S.\$2,132,059,000
5	Issue Price:	99.571 per cent. of the Aggregate Nominal Amount
6	(i) Specified Denominations:	U.S.\$1,000 The Notes will not be issued to a subscriber of the Notes unless the aggregate consideration paid by the relevant subscriber for such Notes is at least U.S.\$75,000.
	(ii) Calculation Amount:	U.S.\$1,000
7	(i) Issue Date:	16 March 2012
	(ii) Interest Commencement Date:	Issue Date
8	Maturity Date:	16 March 2022, subject to any early redemption of the Notes in accordance with items 12, 25 and 43 below
9	Interest Basis:	Fixed Rate (single reset) (further particulars specified below)
10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest or Redemption/Payment Basis:	See item 15 below

- | | | |
|----|---|---|
| 12 | Put/Call Options: | Issuer Call
(further particulars specified below) |
| 13 | (i) Status of the Notes: | Dated Subordinated Notes |
| | (ii) Date of Board approval for issuance of Notes obtained: | 25 January 2012 |
| 14 | Method of distribution: | Non-syndicated (initial delivery only to holders of existing securities issued by the Issuer) |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|----|----------------------------|---|
| 15 | Fixed Rate Note Provisions | Applicable |
| | (i) Rate(s) of Interest: | <p>In respect of each Interest Period commencing prior to 16 March 2017 (the “Reset Date”), 9.500 per cent. per annum Fixed Rate, payable semi-annually in arrear.</p> <p>In respect of each Interest Period commencing on or following the Reset Date, a fixed rate of interest per annum determined on the date falling two Business Days prior to the Reset Date as the 5 Year Mid-Swap Rate plus the Initial Margin, payable semi-annually in arrear,</p> <p>where:</p> <p>“5 Year Mid-Swap Rate” means the mid-market arithmetic mean, expressed as a percentage and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards) of the 5 Year U.S. Dollar Swap Rates, as determined by the Calculation Agent at 11.00 a.m. (New York time) on the date falling two Business Days prior to the Reset Date. If the 5 Year U.S. Dollar Swap Rates are not available, then the 5 Year Mid Swap Rate shall instead be determined by the Calculation Agent on the basis of (i) quotations provided by the principal office of each of four major banks in the U.S. Dollar swap market of the rates at which swaps in U.S. Dollars are offered by them at approximately 11.00 a.m. (New York time) on the date falling two Business Days prior to the Reset Date to participants in the U.S. Dollar swap market for a five year period and (ii) the arithmetic mean expressed as a percentage and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards) of such quotations;</p> <p>“5 Year U.S. Dollar Swap Rates” means the bid and offered swap rates for U.S. Dollar swap transactions with a maturity of 5 years displayed on Bloomberg page “ICAU1” (or such other page as may replace that page on Bloomberg, or such other service as may be nominated by the person</p> |

		providing or sponsoring the information appearing there for the purposes of displaying comparable rates) at 11.00 a.m. (New York time) on the date falling two Business Days prior to the Reset Date;
		“ Business Day ” has the meaning given to it in Condition 3(b)(i);
		“ Calculation Agent ” means The Bank of New York Mellon;
		“ Initial Margin ” means 8.50 per cent.; and
		“ Interest Period ” has the meaning given to it in Condition 3(b)(i).
(ii)	Interest Payment Date(s):	16 March and 16 September in each year commencing 16 September 2012, up to and including the Maturity Date
(iii)	Fixed Coupon Amount(s):	In respect of Interest Periods commencing prior to the Reset Date, U.S.\$47.50 per Calculation Amount The Fixed Coupon Amount for Interest Periods commencing on or following the Reset Date will be notified by the Calculation Agent once calculated on the date falling two Business Days prior to the Reset Date in accordance with Conditions 3(b)(vii) and 19
(iv)	Broken Amount(s):	Not Applicable
(v)	Day Count Fraction:	30/360
(vi)	Determination Dates:	Not Applicable
(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16	Floating Rate Note Provisions:	Not Applicable
17	Zero Coupon Note Provisions:	Not Applicable
18	Index Linked Interest Note Provisions:	Not Applicable
19	Equity Linked Interest Note Provisions:	Not Applicable
20	Commodity Linked Interest Note Provisions:	Not Applicable
21	Currency Linked Interest Note Provisions:	Not Applicable
22	Government Bond Linked Interest Note Provisions:	Not Applicable
23	Inflation Index Linked Interest Note Provisions:	Not Applicable
24	Dual Currency Interest Note Provisions:	Not Applicable
PROVISIONS RELATING TO REDEMPTION		
25	Issuer Call:	Applicable
(i)	Optional Redemption Date(s):	The Reset Date

(ii)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	U.S.\$1,000 per Calculation Amount
(iii)	If redeemable in part:	
(a)	Minimum Redemption Amount:	Not Applicable
(b)	Maximum Redemption Amount:	Not Applicable
(iv)	Notice period (if other than as set out in the Conditions):	Not Applicable
26	Investor Put:	Not Applicable
27	Final Redemption Amount:	U.S.\$1,000 per Calculation Amount
28	Index Linked Redemption Notes:	Not Applicable
29	Equity Linked Redemption Notes:	Not Applicable
30	Currency Linked Redemption Notes:	Not Applicable
31	Commodity Linked Redemption Notes:	Not Applicable
32	Government Bond Linked Redemption Notes:	Not Applicable
33	Inflation Index Linked Redemption Notes:	Not Applicable
34	Additional Disruption Events:	Not Applicable
35	Early Redemption Amount	
	Early Redemption Amount(s) payable on redemption for taxation reasons, or following the occurrence of a Capital Disqualification Event or an event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	U.S.\$1,010 per Calculation Amount in relation to redemption under Condition 5(c); otherwise U.S.\$1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

36	Form of Notes:	
(a)	Form:	Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event
(b)	New Global Note:	No
(c)	CMU Notes:	No
37	Special provisions relating to Payment Dates:	Not Applicable
38	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No

39	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
40	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
41	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
42	Consolidation provisions:	Not Applicable
43	Other final terms or special conditions:	<p>For the purposes of the Notes described in these Final Terms only, the following shall apply:</p> <ol style="list-style-type: none"> 1. a new Condition 5A shall be included as set out below: <ul style="list-style-type: none"> <i>5(A) Substitution or Variation</i> Subject to the Issuer having notified the FSA at least one month before (or such other period as the FSA may then require or accept) and no objection thereto having been raised by the FSA or (if required) the FSA having provided its consent thereto, if a Capital Event or Tax Event has occurred and is continuing, the Issuer may without any requirement for the consent or approval of the Noteholders or the Trustee elect to substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that (in the case of a Capital Event) or provided that (in the case of a Tax Event) they become or, as appropriate, remain Qualifying Tier 2 Securities by giving not less than 30 days nor more than 60 days' notice to the Trustee, the Agent and, in accordance with Condition 19, the Noteholders (which notice shall be irrevocable). Upon the expiry of the notice required by this Condition 5A, the Issuer shall either vary the terms of, or substitute, the Notes in accordance with this Condition 5A, as the case may be, and, subject as set out below, the Trustee shall agree to such substitution or variation. Any substitution or variation in accordance with this Condition 5A does not give the Issuer an option to redeem the Notes under the Conditions. Prior to the publication of any notice of

substitution or variation pursuant to this Condition 5A, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer stating that the Capital Event or Tax Event giving rise to the right to substitute or vary has occurred and is continuing as at the date of the certificate and the Trustee shall accept such certificate without any further inquiry as sufficient evidence of the occurrence of a Capital Event or, as the case may be, Tax Event in which event it shall be conclusive and binding on the Trustee and the Noteholders.

The Trustee shall use its reasonable endeavours to participate in, or assist the Issuer with, the substitution of the Notes for, or the variation of the terms of the Notes so that they become, Qualifying Tier 2 Securities, provided that the Trustee shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed alternative Qualifying Tier 2 Securities or the participation in, or assistance with, such substitution or variation would impose, in the Trustee's opinion, more onerous obligations upon it or require the Trustee to incur any liability for which it is not indemnified and/or secured and/or pre-funded to its satisfaction.

The Trustee may rely without liability to Noteholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

2. Condition 5(b) "Redemption for Tax Reasons" shall apply provided that, upon CRD IV taking effect in the United Kingdom, it shall only apply if, when and to the extent not prohibited by CRD IV and (in any such case) if, in the

Issuer's opinion, the circumstance that entitles it to exercise such right of redemption was not reasonably foreseeable to it at the Issue Date.

3. Condition 5(c) "Redemption due to Capital Disqualification Event" shall apply provided that, upon CRD IV taking effect in the United Kingdom, it shall only apply if, when and to the extent not prohibited by CRD IV and (in any such case) if, in the Issuer's opinion, the circumstance that entitles it to exercise such right of redemption was not reasonably foreseeable to it at the Issue Date, and provided further that the last two paragraphs of Condition 5(c) shall be deleted and replaced by the following:

A "**Capital Disqualification Event**" shall be deemed to have occurred if, as a result of any amendment to, or change in, the Capital Regulations which are in effect at the Issue Date, the Notes are fully excluded from Lower Tier Two Capital (as defined in the Capital Regulations), or, on or after CRD IV taking effect in the United Kingdom, are fully excluded from Tier 2 Capital (as defined in the Capital Regulations), as the case may be, of the Issuer and/or the Group.

4. Condition 5(i) "Purchases" shall apply provided that, upon CRD IV taking effect in the United Kingdom, purchases are only permitted if, when and to the extent not prohibited by CRD IV

As used in this item 43:

"**Capital Event**" shall be deemed to have occurred if, as a result of an amendment to, or change in, the Capital Regulations, the Notes (or any part thereof) may not, or may no longer, be included in full in the Tier 2 Capital (as defined in the Capital Regulations) of the Issuer and/or the Group by reason of their non-compliance with CRD IV;

"**Capital Regulations**" means, at any time, the regulations, requirements, guidelines and policies relating to capital adequacy of the FSA then in effect;

"**CRD IV**" means, taken together, (i) the CRD IV Directive, (ii) the CRD IV Regulation and (iii) the Future Capital Instruments Regulations;

"**CRD IV Directive**" means a directive of the

European Parliament and of the Council on prudential requirements for credit institutions and investment firms amending Directive 2002/87/EC, a draft of which was published on 20 July 2011, and any successor directive;

“CRD IV Regulation” means a regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, a draft of which was published on 20 July 2011, and any successor regulation;

“Future Capital Instruments Regulations” means regulatory capital rules which may in the future be introduced by the FSA and which are applicable to the Issuer (on a solo or consolidated basis) as applied and construed by the FSA, which lay down the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer (on a solo or consolidated basis) as required by (i) the CRD IV Regulation or (ii) the CRD IV Directive;

“Group” means The Royal Bank of Scotland Group plc and its subsidiaries and subsidiary undertakings from time to time;

“Qualifying Tier 2 Securities” means securities issued directly or indirectly by the Issuer that:

- a) shall (i) contain terms such that they comply with the then current requirements of the FSA in relation to Tier 2 Capital; (ii) include terms which provide for the same maturity date as the Notes and at least the same interest rate from time to time applying to the Notes; (iii) rank at least pari passu with the Notes; and (iv) preserve any existing rights under these Terms and Conditions to any accrued interest which has not been satisfied; provided that the terms of such securities are not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Issuer, and provided that a certification to such effect of two authorised signatories of the Issuer shall have been delivered to the Trustee prior to the substitution or variation taking effect);
- b) are (i) listed on the Official List and

admitted to trading on the Market or (ii) listed on such other stock exchange as is a Recognised Stock Exchange at that time as selected by the Issuer; and

- c) if the Notes had a published rating from a Rating Agency immediately prior to their substitution or variation, each such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the Notes or the substituted securities;

“Rating Agency” means Fitch Ratings Limited or Moody's Investors Service Ltd. or Standard & Poor's Credit Market Services Europe Limited or their respective successors;

“Recognised Stock Exchange” means a recognised stock exchange as defined in section 1005 of the Income Tax Act 2007, as the same may be amended from time to time, and any provision, statute or statutory instrument replacing the same from time to time; and

A **“Tax Event”** shall be deemed to have occurred if the Issuer satisfies the Trustee immediately prior to the giving of such notice that:

- (i) it has or will or would, but for redemption, become obliged to pay additional amounts, as provided or referred to in Condition 13 in respect of the Notes;
- (ii) the payment of interest in respect of the Notes would be a “distribution” for United Kingdom tax purposes; or
- (iii) in respect of the payment of interest in respect of the Notes, the Issuer would not to any material extent be entitled to have any attributable loss or non-trading deficit set against the profits of companies with which it is grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at 16 March 2012 or any similar system or systems having like effect as may from time to time exist),

in each such case, as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application

or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 16 March 2012, and the effect of which cannot be avoided by the Issuer taking reasonable steps available to it.

DISTRIBUTION

- | | | |
|-----------|--|----------------|
| 44 | (i) If syndicated, names and addresses of Managers and underwriting commitments: | Not Applicable |
| | (ii) Date of Syndication Agreement: | Not Applicable |
| | (iii) Stabilising Manager(s) (if any): | Not Applicable |
| 45 | If non-syndicated, name and address of Dealer: | Not Applicable |
| 46 | Total commission and concession: | Not Applicable |
| 47 | Additional selling restrictions: | Not Applicable |
| 48 | Whether TEFRA D/TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA D |
| 49 | Non exempt Offer: | Not Applicable |

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the Regulated Market of the London Stock Exchange and for listing on the Official List of the UK Listing Authority of the Notes described herein pursuant to the £90,000,000,000 Euro Medium Term Note Programme of The Royal Bank of Scotland Group plc and The Royal Bank of Scotland plc.

RESPONSIBILITY

The Royal Bank of Scotland plc as Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of The Royal Bank of Scotland plc (as Issuer):

By:
Duly authorised

PART B – OTHER INFORMATION

1 LISTING

- | | |
|---|---|
| (i) Admission to trading: | Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market with effect from 16 March 2012 |
| (ii) Estimate of total expenses relating to admission to trading: | £3,650 |

2 RATINGS

- | | |
|----------|---|
| Ratings: | The Notes to be issued have been rated:
Standard & Poor's Credit Market Services Europe Limited: BBB-
Fitch Ratings Limited: BBB-
Fitch Ratings Limited, and Standard & Poor's Credit Market Services Europe Limited are each established in the European Union and each is registered under Regulation (EC) No. 1060/2009 (as amended). |
|----------|---|

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- | | |
|---------------------------------|--------------------|
| (i) Reasons for the offer: | Capital management |
| (ii) Estimated net proceeds: | Not Applicable |
| (iii) Estimated total expenses: | £3,650 |

5 YIELD

- | | |
|----------------------|--|
| Indication of yield: | For the period from (and including) the Issue Date to (but excluding) the Reset Date, 9.610 per cent.
As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. |
|----------------------|--|

6 OPERATIONAL INFORMATION

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|---|--|
| (i) ISIN: | XS0753308559 |
| (ii) Common Code: | 075330855 |
| (iii) CMU Instrument Number: | Not Applicable |
| (iv) Clearing System: | Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> |
| (v) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> and the relevant | Not Applicable |

identification number(s):

- | | |
|--|---|
| (vi) Delivery: | Delivery against delivery of existing securities pursuant to the exchange offer announced by the Issuer on 28 February 2012 |
| (vii) Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (viii) Intended to be held in a manner which would allow Eurosystem eligibility: | No |

GENERAL INFORMATION

- 1 The listing of the Notes on the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the Market will be admitted separately as and when issued, subject only to the issue of Notes of that Tranche. The listing of the Programme was granted on 29 February 2012.
- 2 The establishment and/or updates of the Programme and/or the issue of Notes under the Programme have been duly authorised by resolutions of the Board of Directors of the Issuer dated 27 October 1993, 25 January 1995, 24 January 1996, 22 January 1997, 28 January 1998, 27 January 1999, 26 January 2000, 31 January 2001, 20 February 2002, 30 March 2005, 29 March 2006, 28 March 2007, 23 April 2008, 29 April 2009 and 15 December 2009 and by resolutions of an authorised committee of the Board of Directors of the Issuer dated 22 February 1994, 14 February 1995, 12 February 1996, 11 February 1997, 13 February 1998, 11 February 1999, 15 April 1999, 28 July 1999, 22 December 1999, 10 February 2000, 21 February 2000, 28 March 2001, 28 March 2002, 26 March 2003, 19 April 2004, 29 April 2005, 9 August 2005, 28 June 2006, 22 May 2007, 12 June 2008 and 15 June 2009. On 15 December 2009, the Board of Directors of the Issuer approved the appointment of a committee to approve the establishment of, and/or updates to, and/or issuance of, notes under of certain debt issuance programmes of the Issuer. On 8 February 2010, that committee established a sub-committee in relation to the Programme which authorised the update of the Programme and the issue of Notes thereunder on 8 June 2010, 6 June 2011 and 22 February 2012. The issue of the Notes was approved by a committee of the Board of Directors on 24 February 2012.
- 3 There has been no significant change in the financial or trading position of the RBS Group taken as a whole since 30 June 2011 (the end of the last financial period for which interim financial information has been published).

Save in relation to (i) matters referred to on page 405 of the 2011 Annual Report and Accounts of RBSG, relating to Payment Protection Insurance, in respect of which the RBS Group has made provisions for therein; and (ii) the effect on revenues of Global Banking and Markets of the current subdued operating environment (see pages 78 to 79 of the 2011 Annual Report and Accounts of RBSG) there has been no material adverse change in the prospects of RBS or the RBS Group taken as a whole since 31 December 2010 (the last date to which the latest audited published financial information of the RBS Group was prepared).

- 4 Save as set out in the sections entitled “Litigation” and “Investigations, reviews and proceedings” on pages 35 – 45 of the Registration Document (excluding the sub heading “Summary of other disputes, legal proceedings and litigation”), neither RBS nor any member of the RBS Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus, which may have or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the RBS Group taken as a whole.
- 5 The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which, in the case of the Euro Notes and the U.S. Dollar Notes, are the entities in charge of keeping the records). The Australian Dollar Notes have been accepted for clearance through the settlement and clearing system operated by Austraclear Ltd (the “**Austraclear System**” and “**Austraclear**” respectively) (which, in the case of the Australian Dollar Notes, is the entity in charge of keeping the records). The Canadian Dollar Notes have been accepted for clearance through the settlement and clearing system operated by CDS Clearing and Depository Services Inc. (“**CDS**”) (which, in the case of the Canadian Dollar Notes, is the entity in charge of keeping the records). The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L- 1855 Luxembourg, the address of Austraclear is Austraclear

Services Limited, 20 Bridge Street, Sydney NSW 2000, Australia and the address of CDS is 85 Richmond Street West, Toronto, Ontario, M5H 2C9, Canada.

- 6 For the 12 months following the date of this Prospectus, copies of the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the office of The Royal Bank of Scotland plc at 36 St Andrew Square, Edinburgh EH2 2YB and at the specified office of the Australian Agent and Registrar:
- 6.1 the Trust Deed and the amended and restated Agency Agreement;
 - 6.2 the supplemental agency agreement relating to the Canadian Dollar Notes;
 - 6.3 the amended and restated Programme Agreement;
 - 6.4 the Deed Poll in respect of Australian Dollar Notes;
 - 6.5 the Agency and Registry Agreement and the side letter to the Agency and Registry Agreement in respect of Australian Dollar Notes;
 - 6.6 the constitutional documents of the Issuer;
 - 6.7 all future consolidated financial statements of the Issuer;
 - 6.8 the Registration Document and the documents incorporated by reference therein;
 - 6.9 each Final Terms; and
 - 6.10 a copy of the Base Prospectus and this Prospectus together with any supplemental prospectus relating to the Programme or further prospectus relating to the Programme and each of the documents incorporated by reference into any such document.

The Issuer does not intend to provide post-issuance information in connection with the issue of the Notes.

This Prospectus will be published on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

- 7 Copies of the latest audited consolidated Annual Report and Accounts of RBS and copies of the Trust Deed will be available for inspection at the specified offices of each of the Paying Agents and the Australian Agent and Registrar during normal business hours, so long as any of the Notes is outstanding.
- 8 Deloitte LLP, Chartered Accountants (authorised and regulated by the Financial Services Authority for designated investment business), whose address is 2 New Street Square, London EC4A 3BZ, have audited, and rendered unqualified audit reports on, the annual consolidated published accounts of the Issuer for the two financial years ended 31 December 2009 and 31 December 2010. Deloitte LLP are affiliated to the Institute of Chartered Accountants of England and Wales (the "ICAEW") and all partners of Deloitte LLP have a practising certificate with the ICAEW. The financial information contained in this Prospectus in relation to the Issuer does not constitute the Issuer's statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the years ended 31 December 2010 and 31 December 2009 to which the financial information in this Prospectus relates have been delivered to the Registrar of Companies in Scotland. Deloitte LLP has reported on such statutory accounts and such reports were unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006. RBS does not produce unconsolidated financial statements.
- 9 No redemption of the Notes and no purchase and cancellation of the Notes in accordance with the Conditions of the Notes will be made by the Issuer without such prior consent of, or notification to (and no objection being raised by), the FSA as may for the time being be required therefor.

REGISTERED OFFICE OF THE ISSUER**The Royal Bank of Scotland plc**

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Tel: +44 (0) 131 626 0000

TRUSTEE**The Law Debenture Trust Corporation p.l.c.**

Fifth Floor
100 Wood Street
London EC2V 7EX
United Kingdom

PAYING AGENTS

**Australian Agent and
Registrar
in relation to Australian Dollar
Notes**

**BTA Institutional Services
Australia Limited**
Level 2
35 Clarence Street
Sydney NSW 2000
Australia

**Paying Agent
in relation to Canadian Dollar
Notes**

**BNY Trust Company of
Canada**
320 Bay Street
Toronto
Ontario, M5H 4A6
Canada

**Paying Agent
in relation to Euro and U.S.
Dollar Notes**

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United Kingdom

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United Kingdom

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