

SUPPLEMENTARY OFFERING MEMORANDUM DATED APRIL 27, 2011



The Royal Bank of Scotland Group plc

(Incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980, registered number SC045551)

The Royal Bank of Scotland plc

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

U.S.\$35,000,000,000

Medium-Term Note Program

Due Six Months or More From Date of Issue

This Supplement (the “**Supplement**”) to the Offering Memorandum (the “**Offering Memorandum**”) dated June 10, 2010, which comprises, except as set out therein under the heading “*Documents Incorporated by Reference*” on pages 3 to 5 of the Offering Memorandum and except for the purposes of the issuance of HM Treasury Guaranteed Notes (as defined in the Offering Memorandum), a base prospectus, constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the “**FSMA**”). This Supplement is prepared in connection with the U.S.\$35,000,000,000 Medium-Term Note Program established by The Royal Bank of Scotland Group plc (“**RBSG**” and, in its capacity as guarantor, the “**Guarantor**”) and The Royal Bank of Scotland plc (“**RBS**”) (each, an “**Issuer**” and together, the “**Issuers**”). Terms defined in the Offering Memorandum have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Memorandum, the supplementary Offering Memorandum dated August 18, 2010, the supplementary Offering Memorandum dated September 24, 2010, the supplementary Offering Memorandum dated December 31, 2010, the supplementary Offering Memorandum dated March 8, 2011 and the supplementary Offering Memorandum dated April 7, 2011 (together, the “**Previous Supplements**”) and the documents incorporated by reference therein.

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each of the Issuers and the Guarantor (each having taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Purpose of this Supplement

The purpose of this Supplement is to:

- (a) disincorporate (i) the 2010 Annual Results of RBS and (ii) the 2008 Financial Statements of RBS (each as defined below) from being incorporated by reference into the Offering Memorandum;
- (b) incorporate by reference into the Offering Memorandum (i) the 2010 Annual Report and Accounts of RBS (as defined below) and (ii) the Press Release in relation to the Proposed Transfers (each as defined below);
- (c) for the purposes of being incorporated by reference into the Offering Memorandum, insert additional disclosure relating to the Press Release into (i) the registration document of RBSG

dated February 25, 2011 (which was published via the Regulatory News Service of the London Stock Exchange plc (the “**RNS**”) on February 25, 2011 and which is incorporated by reference into the Prospectus pursuant to the supplementary prospectus dated February 25, 2011) (the “**RBSG Registration Document**”) and (ii) the RBS Registration Document and the registration document of RBS dated February 25, 2011 (which was published via the RNS on February 25, 2011 and which is incorporated by reference into the Offering Memorandum pursuant to the supplementary Offering Memorandum dated February 25, 2011) (the “**RBS Registration Document**”);

- (d) for the purposes of being incorporated by reference into the Offering Memorandum, amend the statement of no material adverse change contained in the RBS Registration Document; and
- (e) amend a term which is defined in the Offering Memorandum in order to reflect changes to the information incorporated by reference into the Offering Memorandum as a result of this Supplement.

Disincorporation of Information Incorporated by Reference into the Offering Memorandum

The following documents shall, by virtue of this Supplement, no longer be incorporated into the Offering Memorandum:

- (a) the unaudited annual results of RBS for the year ended December 31, 2010 which were published via the RNS on March 31, 2011 (the “**2010 Annual Results of RBS**”) and incorporated by reference into the Offering Memorandum by virtue of the supplementary Offering Memorandum dated April 7, 2011; and
- (b) the audited consolidated annual financial statements of RBS for the year ended December 31, 2008 (the “**2008 Financial Statements of RBS**”) which are incorporated by reference into the Offering Memorandum by virtue of paragraph (c) on page 4 of the Offering Memorandum.

Incorporation of Information by Reference into the Offering Memorandum

The following documents, each of which have been (1) previously published and (2) approved by the Financial Services Authority (“**FSA**”) or filed with it, shall be deemed to be incorporated in, and form part of, the Offering Memorandum (other than for the purposes of the issuance of HM Treasury Guaranteed Notes):

- (a) the annual report and accounts of RBS for the year ended 31 December 2010 (excluding the sections headed “Financial Review — Risk Factors” on page 5 and “Additional Information — Risk Factors” on pages 238 to 254) (the “**2010 Annual Report and Accounts of RBS**”) which was published via the RNS on April 15, 2011; and
- (b) the press release entitled “Proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc” (excluding the Appendix thereof) (the “**Press Release**”) which was published by RBSG via the RNS on April 19, 2011.

No Material Adverse Change: The Royal Bank of Scotland plc

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

“There has been no material adverse change in the prospects of the Issuer Group taken as a whole since 31 December 2009 (the last date to which the latest audited published financial information of the Issuer Group was prepared).”

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

“There has been no material adverse change in the prospects of the Issuer Group taken as a whole since 31 December 2010 (the last date to which the latest audited published financial information of the Issuer Group was prepared).”

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

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

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

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

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

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

Defined Term Used in the Offering Memorandum

Page 5 of the Offering Memorandum contains a definition of “*Disclosure relating to the Issuers and the Guarantor.*” By virtue of this Supplement:

- (a) all the information no longer incorporated into the Offering Memorandum, as set out under the heading “*Disincorporation of Information Incorporated by Reference into the Offering Memorandum*” in this Supplement shall be deemed to be removed from the definition of “*Disclosure relating to the Issuers and the Guarantor*” in the Offering Memorandum; and
- (b) the information contained in this Supplement and incorporated by reference into the Offering Memorandum pursuant to this Supplement, as set out under the heading “*Incorporation of Information by Reference into the Offering Memorandum*” in this Supplement, shall be deemed

to be included within the definition of “*Disclosure relating to the Issuers and the Guarantor*” in the Offering Memorandum.

If the document which is incorporated by reference in the Offering Memorandum by virtue of this Supplement itself incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Offering Memorandum for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference in, or attached to, the Offering Memorandum by virtue of this Supplement.

To the extent that there is any inconsistency between any statement in or incorporated by reference in the Offering Memorandum by virtue of this Supplement and any other statement in or incorporated by reference in the Offering Memorandum, the statements in or incorporated by reference in the Offering Memorandum by virtue of this Supplement will prevail.

Save as disclosed in the Previous Supplements or this Supplement or in any document incorporated by reference in the Offering Memorandum by virtue of the Previous Supplements or this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Offering Memorandum has arisen or been noted, as the case may be, since the publication of the Offering Memorandum.

Investors should be aware of their rights under Section 87Q(4) of the FSMA.