**SUPPLEMENTARY PROSPECTUS DATED 11 MAY 2010**

**The Royal Bank of Scotland Group plc**
*(Incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980, registered number SC045551)*

**The Royal Bank of Scotland plc**
*(Incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980, registered number SC090312)*

**£90,000,000,000**
**Euro Medium Term Note Programme**

This Supplement (the "**Supplement**") to the Prospectus (the "**Prospectus**") dated 16 June 2009, which comprises, except as set out therein in relation to Guaranteed Notes (as defined in the Prospectus), a base prospectus, constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the "**FSMA**") and is prepared in connection with the £90,000,000,000 Euro Medium Term Note Programme (the "**Programme**") established by The Royal Bank of Scotland Group plc ("**RBSG**") and The Royal Bank of Scotland plc ("**RBS**") (each, an "**Issuer**" and together, the "**Issuers**"). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and the documents incorporated by reference therein. This Supplement should also be read and construed in conjunction with the supplementary prospectuses dated 10 March 2010, 24 March 2010, 26 March 2010, 1 April 2010 and 16 April 2010 which have been previously published and have been approved by the Financial Services Authority (the "**FSA**") and filed with it and which form part of the Prospectus.

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

The documents set out below, which have been (1) previously published and (2) approved by the Financial Services Authority or filed with it, shall be deemed to be incorporated in, and form part of, the Prospectus (other than for the purposes of the Guaranteed Notes).

(a) The press release of RBSG headed "The Royal Bank of Scotland Group plc Announces Results of Upper Tier 2 Exchange Offers and Aggregate Liquidation Preference/Principal Amount of Tier 1 Securities Validly Tendered as Part of the Tender Offers" published via the Regulatory News Service of the London Stock Exchange plc ( "**RNS**") on 28 April 2010.

(b) The press release of RBSG headed "The Royal Bank of Scotland Group plc Announces Pricing of Upper Tier 2 Exchange Offers, Results of Meetings and Acceptances of Exchange and Tender Offers" published via RNS on 29 April 2010.

(c) The press release of RBSG headed "The Royal Bank of Scotland Group plc and National Westminster Bank Public Limited Company Announce Preliminary Results of their Tender Offer" published via RNS on 4 May 2010.

(d) The press release of RBSG headed "The Royal Bank of Scotland Group plc and National Westminster Bank Public Limited Company Announce Final Results of their Tender Offer" published via RNS on 6 May 2010.

(e) The RBSG Interim Management Statement Q1 2010 published via RNS on 7 May 2010.

(f) The press release of RBSG headed "Royal Bank of Scotland Group PLC - Final Settlement Reached With US Dept of Justice" published via RNS on 11 May 2010.

*Risk Factors*

The risk factor headed "*The Group's businesses, earnings and financial condition have been and will continue to be affected by the global economy and instability in the global financial markets*" on: (i) pages 8 and 9 of the registration document of RBSG dated 10 March 2010 which is incorporated by reference into the Prospectus pursuant to the supplementary prospectus dated 10 March, 2010 (the "**RBSG Registration Document**") and (ii) pages 9 and 10 of the registration document of RBS dated 10 March 2010 which is incorporated by reference into the Prospectus pursuant to the supplementary prospectus dated 10 March, 2010 (the "**RBS Registration Document**"), shall, by virtue of this Supplement, be deleted and replaced with the following risk factor:

**"The Group's businesses, earnings and financial condition have been and will continue to be affected by the global economy and instability in the global financial markets**

The performance of the Group has been and will continue to be influenced by the economic conditions of the countries in which it operates, particularly the United Kingdom, the United States and other countries throughout Europe, the Middle East and Asia. The outlook for the global economy over the near to medium term remains challenging, particularly in the United Kingdom, the United States and other European economies. In addition, the global financial system has yet to fully overcome the difficulties which first manifested themselves in August 2007 and financial markets conditions have not yet fully normalised. These conditions led to severe dislocation of financial markets around the world and unprecedented levels of illiquidity in 2008 and 2009, resulting in the development of significant problems at a number of the world's largest corporate institutions operating across a wide range of industry sectors, many of whom are the Group's customers and counterparties in the ordinary course of its business. In response to this economic instability and illiquidity in the market, a number of governments, including the United Kingdom Government, the governments of the other EU member states and the United States Government, have intervened in order to inject liquidity and capital into the financial system, and, in some cases, to prevent the failure of these institutions.

Despite such measures, the volatility and disruption of the capital and credit markets have continued, with many forecasts predicting only modest levels of GDP growth over the course of 2010. Similar conditions are likely to exist in a number of the Group's key markets, including those in the United States and Europe, particularly Ireland. These conditions have exerted, and may continue to exert, downward pressure on asset prices and on availability and cost of credit for financial institutions, including RBSG, and will continue to impact the credit quality of the Group's customers and counterparties. Such conditions, alone or in combination with regulatory changes or actions of other market participants, may cause the Group to incur losses or to experience further reductions in business activity, increased funding costs and funding pressures, lower share prices, decreased asset values, additional write-downs and impairment charges and lower profitability.

The performance of the Group may be affected by economic conditions impacting euro-zone member states. For example, the financial problems experienced by the government of Greece may lead to Greece issuing significant volumes of debt, which may in turn reduce demand for debt issued by financial institutions and corporate borrowers. This could adversely affect the Group's access to the debt capital markets and may increase the Group's funding costs, having a negative impact on the Group's earnings and financial condition. In addition, euro-zone countries in which the Group operates will be required to provide financial assistance to Greece, which may in turn have a negative impact on the financial condition of those EU member states. Should the economic conditions facing Greece be replicated in other euro-zone member states, the risks above would be exacerbated.

In addition, the Group will continue to be exposed to the risk of loss if major corporate borrowers or counterparty financial institutions fail or are otherwise unable to meet their obligations. The Group currently experiences certain business sector and country concentration risk, primarily focused in the United States, the United Kingdom and the rest of Europe and relating to personal and banking and financial institution exposures. The Group's performance may also be affected by future recovery rates on assets and the historical assumptions underlying asset recovery rates, which (as has already occurred in certain instances) may no longer be accurate given the unprecedented market disruption and general economic instability. The precise nature of all the risks and uncertainties the Group faces as a result of current economic conditions cannot be predicted and many of these risks are outside the control of the Group."

*Description of The Royal Bank of Scotland Group plc*

The second and third paragraphs under the heading (i) "Description of The Royal Bank of Scotland Group plc - The Group" on page 38 of the RBSG Registration Document and (ii) "Description of The Royal Bank of Scotland Group plc – RBS and the Group" on page 38 of the RBS Registration Document, shall, by virtue of this Supplement, be deleted and replaced with the following paragraphs:

"The United Kingdom Government currently holds 68.39 per cent of the issued ordinary share capital of RBSG. This was reduced from 70.3 per cent following completion of a conversion of a series of preference shares into ordinary shares on 31 March 2010. On 22 December 2009, RBSG issued £25.5 billion of B Shares to HM Treasury. The B Shares are convertible, at the option of the holder at any time, into Ordinary Shares. HM Treasury has agreed that it shall not exercise rights of conversion in respect of the B Shares if and to the extent that following any such conversion it would hold more than 75 per cent. of the total issued shares in RBSG. Furthermore, HM Treasury has agreed that it shall not be entitled to vote in respect of the B Shares or the Dividend Access Share held by it to the extent that votes cast on such shares, together with any other votes which HM Treasury is entitled to cast in respect of any other shares held by or on behalf of HM Treasury, would exceed 75 per cent. of the total votes eligible to be cast on a resolution proposed at a general meeting of RBSG.

The issue of the £25.5 billion of B Shares to HM Treasury on 22 December 2009 increased HM Treasury's economic interest in RBSG to 84.4 per cent but this was reduced to 83.18 per cent following completion of a conversion of a series of preference shares into ordinary shares on 31 March 2010. If the £8 billion Contingent B Shares were issued to HM Treasury (which is subject to certain conditions being met), assuming no other dilutive issuances, HM Treasury's economic interest in RBSG would increase further to 85.3 per cent. In addition, HM Treasury's economic interest in RBSG would also increase if RBSG elects to issue B Shares to HM Treasury as a means of paying the annual fee due under the APS or the Contingent Subscription (both of which would require the consent of HM Treasury) or to fund dividend payments under the terms of the Dividend Access Share or the B Shares."

*Other investigations*

The fourth paragraph under the heading "Other investigations" on: (i) page 47 of the RBSG Registration Document and (ii) page 47 of the RBS Registration Document, shall, by virtue of this Supplement, be deleted and replaced with the following paragraph:

"In January 2010, the FSA informed the Group that it intended to commence an investigation into certain aspects of the handling of customer complaints. On 25 March 2010, the FSA formally notified the Group of the appointment of investigators in respect of aspects of complaint handling relating to RBS and NatWest retail bank products and services. RBSG and its subsidiaries intend to co-operate fully with this investigation."

*"Summary of the Programme — Issuers"*

The first and second paragraph under the heading "Summary of the Programme — Issuers" in the supplementary prospectus dated 10 March 2010 shall, by virtue of this Supplement, no longer apply and shall be replaced by the following paragraphs:

"The United Kingdom Government currently holds 68.39 per cent of the issued ordinary share capital of RBSG. This was reduced from 70.3 per cent following completion of a conversion of a series of preference shares into ordinary shares on 31 March 2010. On 22 December 2009, RBSG issued £25.5 billion of B Shares to HM Treasury. The B Shares are convertible, at the option of the holder at any time, into Ordinary Shares. HM Treasury has agreed that it shall not exercise rights of conversion in respect of the B Shares if and to the extent that following any such conversion it would hold more than 75 per cent. of the total issued shares in RBSG. Furthermore, HM Treasury has agreed that it shall not be entitled to vote in respect of the B Shares or the Dividend Access Share held by it to the extent that votes cast on such shares, together with any other votes which HM Treasury is entitled to cast in respect of any other shares held by or on behalf of HM Treasury, would exceed 75 per cent. of the total votes eligible to be cast on a resolution proposed at a general meeting of RBSG.

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*Form of the Notes*

The final paragraph in the section headed "Form of the Notes – Bearer Notes" on page 34 of the Prospectus shall, by virtue of this Supplement, be deleted and replaced with the following paragraph:

"Save where TEFRA is stated to be "Not Applicable" in the relevant Final Terms, the following legend will appear on all global Notes and definitive bearer Notes which have an original maturity of more than 365 days and on all Receipts, Coupons and Talons relating to such Notes:– "

The definition of "Exchange Event" in paragraph (b) under the heading "Form of the Notes" in the supplementary prospectus dated 26 March 2010 shall, by virtue of this Prospectus, be amended by deleting the words "or have announced an intention permanently to cease business or have in fact done so".*Definitive CDS Notes*

The second paragraph under the heading "*Definitive CDS Notes"* in the Schedule to the supplementary prospectus dated 26 March 2010 shall, by virtue of this Prospectus, be deleted and replaced with the following paragraph:

"If the CDS Notes represented by the CDS Permanent Global Note are held by or on behalf of CDS and (i) 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, the relevant Issuer will issue, or cause to be issued, definitive CDS Notes in exchange for the CDS Permanent Global Note."

*Definition of "Disclosure relating to the Issuers" on page 8 of the Prospectus*

Page 8 of the Prospectus contains a definition of "Disclosure relating to the Issuers". As set out therein, the Disclosure relating to the Issuers is not incorporated by reference into the Prospectus for the purposes of issues of Guaranteed Notes. By virtue of this Supplement, all the information contained in this Supplement and incorporated by reference into the Prospectus by virtue of this Supplement shall be deemed to be included within the definition of "Disclosure relating to the Issuers", save for the sections above entitled "Form of the Notes" and "Definitive CDS Notes", which shall be incorporated into the Prospectus for the purposes of issues of Guaranteed Notes.

A copy of any or all of the information which is incorporated by reference in the Prospectus can be obtained from the website of RBSG at www.rbs.com and from the London Stock Exchange plc's website at www.londonstockexchange.com/en-gb/pricesnews/marketnews/.

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

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

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

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