

**SUPPLEMENTARY OFFERING MEMORANDUM DATED APRIL 6, 2010**



**The Royal Bank of Scotland Group plc**

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

**as Issuer and Guarantor**

**The Royal Bank of Scotland plc**

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

**as Issuer**

**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 16, 2009, which comprises, except as set out therein in relation to 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**”) and is prepared in connection with the U.S.\$35,000,000,000 Medium-Term Note Program (the “**Program**”) established by The Royal Bank of Scotland Group plc (“**RBSG**” or 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 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) 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.

*Disincorporation of Information by Reference into the Offering Memorandum*

All information incorporated by reference in the Offering Memorandum pursuant to the supplements to the Offering Memorandum dated August 14, 2009, August 28, 2009, September 8, 2009, September 15, 2009, November 19, 2009, December 1, 2009 and December 16, 2009 shall, by virtue of this Supplement, no longer be incorporated.

The documents incorporated by reference in the Offering Memorandum pursuant to paragraphs (c) to (i) in the section headed “Documents Incorporated by Reference” on pages 3 and 4 of the Offering Memorandum shall, by virtue of this Supplement, no longer be incorporated.

*Incorporation of Information by Reference into the Offering Memorandum*

The documents set out in the Schedule to this Supplement, 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 Offering Memorandum.

## *Directors and Corporate Governance*

By virtue of this Supplement, the following paragraph shall be deemed to be inserted at the end of page 50 of the RBSG Registration Document and the RBS Registration Document, each of which is incorporated by reference into the Offering Memorandum:

*“Brendan Nelson has been appointed as a Non-executive Director of RBSG and RBS with effect from 1 April 2010. Brendan will succeed Archie Hunter as Chairman of the Group Audit Committee with effect from the conclusion of the Group's Annual General Meeting on 28 April 2010.”*

### *Registration Document of The Royal Bank of Scotland Group: Introduction*

The fourth paragraph under the heading “Introduction” on page 1 of the RBSG Registration Document (as defined in the Schedule), which, by virtue of this Supplement, is incorporated by reference into the Offering Memorandum, shall be amended by deleting the words:

*“and both undated tier 2 and tier 1 notes issued by RBSG “CC” (based on an issuance with coupon deferability)”*

and replacing them with the words:

*“; undated tier 2 notes issued by RBSG “CC”; and tier 1 notes issued by RBSG “C” (based on an issuance with coupon deferability).”*

The fifth paragraph under the heading “Introduction” on page 1 of the RBSG Registration Document, which is incorporated by reference into the Offering Memorandum, shall be amended by inserting the following sentence before the final sentence in that paragraph:

*“A “C” rating means that the obligation is regarded as having significant speculative characteristics and while such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.”*

### *Definition of “Disclosure relating to the Issuers and the Guarantor” on page 5 of the Offering Memorandum*

Page 5 of the Offering Memorandum contains a definition of “Disclosure relating to the Issuers and the Guarantor”. As set out therein, the Disclosure relating to the Issuers and the Guarantor is not incorporated by reference into the Offering Memorandum for the purposes of issues of HM Treasury Guaranteed Notes. By virtue of this Supplement, all the information incorporated by reference into the Offering Memorandum by virtue of this Supplement shall be deemed to be included within the definition of “Disclosure relating to the Issuers and the Guarantor”.

### *No Significant Change and No Material Adverse Change: The Royal Bank of Scotland Group plc*

There has been no significant change in the trading or financial position of the Group taken as a whole since December 31, 2009.

Save as disclosed under the headings:

- (i) “2009 results summary”, “Net interest income”, “Non-interest income”, “Efficiency”, “Impairments” and “Balance sheet” within the section headed “Highlights” on pages 7 and 8;
- (ii) “Business and strategic update — Capital and balance sheet” on page 9;
- (iii) “Business and strategic update — Strategic plan” and “Business and strategic update — balance sheet management” on page 10;

- (iv) "Business and strategic update — EU restructuring remedies" on page 13;
- (v) "Divisional performance — Operating profit/(loss) by division" on page 32;
- (vi) "Division performance — Non-Core — Capital and balance sheet" on page 59; and
- (vii) the fourth bullet in "Division performance — Non-Core — Key points — 2009 compared with 2008" on page 63,

of the 2009 Annual Results 6-K (as defined in the Schedule), each of which is incorporated by reference herein, there has been no material adverse change in the prospects of the Group taken as a whole since December 31, 2008.

*No Significant Change and No Material Adverse Change: The Royal Bank of Scotland plc*

There has been no significant change in the trading or financial position of the Issuer Group taken as a whole since December 31, 2009.

Save as disclosed under the headings:

- (i) "2009 results summary", "Net interest income", "Non-interest income", "Efficiency", "Impairments" and "Balance sheet" within the section headed "Highlights" on pages 7 and 8;
- (ii) "Business and strategic update — Capital and balance sheet" on page 9;
- (iii) "Business and strategic update — Strategic plan" and "Business and strategic update — balance sheet management" on page 10;
- (iv) "Business and strategic update — EU restructuring remedies" on page 13;
- (v) "Divisional performance — Operating profit/(loss) by division" on page 32;
- (vi) "Division performance — Non-Core — Capital and balance sheet" on page 59; and
- (vii) the fourth bullet in "Division performance — Non-Core — Key points — 2009 compared with 2008" on page 63,

of the 2009 Annual Results 6-K (as defined in the Schedule), each of which is incorporated by reference herein, there has been no material adverse change in the prospects of the Issuer Group taken as a whole since December 31, 2008.

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

If the documents which are incorporated by reference in the Offering Memorandum 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 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 this Supplement or in any document incorporated by reference in the Offering Memorandum by virtue of 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.

## SCHEDULE

### Incorporation of Information by Reference in the Offering Memorandum

- (a) the registration document dated March 10, 2010 of RBSG (the “**RBSG Registration Document**”), which was published via the Regulatory News Service of the London Stock Exchange plc (the “**RNS**”) on March 10, 2010 excluding the paragraphs under the heading “No Significant Change and No Material Adverse Change” on page 60 and save for the amendments set out under the heading “Registration Document of The Royal Bank of Scotland Group: Introduction” above;
- (b) the registration document dated March 10, 2010 of RBS (the “**RBS Registration Document**”), which was published via the RNS on March 10, 2010 excluding the paragraphs under the heading “No Significant Change and No Material Adverse Change” on pages 60 and 61;
- (c) the interim report on Form 6-K filed with the United States Securities and Exchange Commission (the “**Commission**”) on March 5, 2010 pursuant to the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) which includes the annual results of RBSG for the year ended December 31, 2009 (the “**2009 Annual Results 6-K**”);
- (d) the interim report on Form 6-K filed with the Commission on September 30, 2009 pursuant to the Exchange Act, which includes the amended and restated annual report on Form 20-F of RBSG for the year ended December 31, 2008 (including the financial statements and related notes included therein but excluding the section headed “Risk Factors” in the Business Review on pages 12 to 20);
- (e) the interim report on Form 6-K filed with the Commission on September 30, 2009 pursuant to the Exchange Act which includes the interim results of RBS for the half year ended June 30, 2009;
- (f) the unaudited annual results of RBS for the year ended December 31, 2009, which were published via the RNS on March 31, 2010;
- (g) the following sections of the prospectus published on March 16, 2009 in connection with RBSG’s placing and open offer of 16,909,716,385 ordinary shares, which comprises a prospectus prepared in accordance with the Prospectus Rules of the UK Listing Authority made under section 73A of the FSMA:
  - (i) “Important Information” on pages 28 to 31;
  - (ii) Part I (Letter From the Chairman of RBS) on pages 35 to 39 excluding the paragraphs under the heading “Trading and outlook” on pages 38 and 39;
  - (iii) Appendix to the Letter From the Chairman of RBS on pages 40 to 50 excluding Part A paragraph 10 (Overseas Shareholders) on page 46, Part A paragraph 11 (UK and US Taxation) on page 46 and Part A paragraph 12 (Action to be taken in respect of the Open Offer) on pages 46 to 48;
  - (iv) the following paragraphs of Part IX (Additional Information) on pages 106 to 151:
    - 8 (Remuneration details, Directors’ service contracts and letters of appointment) on pages 122 to 126;
    - 9 (Board practices) on pages 126 to 128; and
    - 13 (RBS Employee Share Plans) on pages 130 to 138; and

- (v) Part XI (Definitions) on pages 154 to 162;
- (h) the following sections of the Shareholder Circular published by RBSG on November 27, 2009:
  - (i) "Financial Information" on page 5;
  - (ii) "Part I – Letter From the Chairman of RBS" on pages 10 to 20 (excluding "4 Financial effects of the Transaction" on page 16, "5.1 Current trading" on pages 16 and 17, "5.2 Efficiency" on page 17, "5.3 Impairments" on page 17 and "5.4 Capital" on page 17);
  - (iii) "Appendix 2 to the Letter From the Chairman of RBS – Principal Terms and Conditions of the APS" on pages 46 to 75;
  - (iv) "Appendix 3 to the Letter From the Chairman of RBS – Principal Terms of Issue of the B Shares and the Dividend Access Share" on pages 76 to 84;
  - (v) "Appendix 4 to the Letter From the Chairman of RBS – Key Terms of the State Aid Restructuring Plan" on pages 85 to 86;
  - (vi) "Part II – Capital Resources and Liquidity Management" on pages 89 to 94 (excluding the first full paragraph on page 90, the fourth full paragraph on page 90, the table on page 92, the second paragraph on page 92, the fourth paragraph on page 92, the first paragraph on page 93, the table on page 93, the second paragraph on page 93 and the third paragraph on page 93);
  - (vii) "Part IV – Additional Information – 9 Material contracts" on pages 111 to 118;
  - (viii) "Part VI – Definitions" on pages 121 to 133;
  - (ix) "Annex 1 – Terms of Issue of the B Shares and the Dividend Access Share" on pages 134 to 170; and
  - (x) "Annex 3 – Scheme Principles" on pages 177 to 181;
- (i) the announcement headed "The Royal Bank of Scotland Group plc, The Royal Bank of Scotland plc and National Westminster Bank plc – Clarification of Contractual Position Relating to Payments Under Preference Shares and Subordinated Securities" published via the RNS on October 20, 2009;
- (j) the announcement headed "The Royal Bank of Scotland Group plc (RBSG) - Convertible Preference Share, Employee Deferral Plan and Liability Management" published via the RNS on March 25, 2010;
- (k) the announcement headed "The Royal Bank of Scotland Group plc and National Westminster Bank Public Limited Company Announce a Proposed Liability Management Exercise" published via the RNS on March 25, 2010; and
- (l) the announcement headed "The Royal Bank of Scotland Group plc and National Westminster Bank Public Limited Company Launch a Cash Tender Offer for Certain Outstanding Securities; Further Details of EC Dividend/Coupon Deferral Announced" published via the RNS on April 6, 2010.