

ROYAL BANK OF SCOTLAND PLC

Form 424B2

October 11, 2011

PROSPECTUS SUPPLEMENT

(TO PROSPECTUS DATED MAY 18, 2010)

The Royal Bank of Scotland plc

RETAIL CORPORATE NOTES

fully and unconditionally guaranteed by The Royal Bank of Scotland Group plc

We, The Royal Bank of Scotland plc, may offer to sell our Retail Corporate Notes, from time to time. We will determine the specific terms of our Retail Corporate Notes prior to the time of sale and will describe the terms in a separate pricing supplement. You should read this prospectus supplement, the accompanying prospectus and the applicable pricing supplement carefully before you invest.

We may offer the Retail Corporate Notes to or through agents for resale. The applicable pricing supplement will specify the purchase price, selling commission and net proceeds for any particular offering of Retail Corporate Notes. The agents are not required to sell any specific amount of Retail Corporate Notes but will use their reasonable best efforts to sell the Retail Corporate Notes. We also may offer the Retail Corporate Notes directly. We have not set a date for termination of our offering.

The agents have advised us that from time to time they may purchase and sell Retail Corporate Notes in the secondary market, but they are not obligated to make a market in the Retail Corporate Notes and may suspend or completely stop that activity at any time. Unless otherwise indicated in the applicable pricing supplement, the Retail Corporate Notes will not be listed on any stock exchange.

The Retail Corporate Notes are our unsecured and unsubordinated obligations and are fully and unconditionally guaranteed by our parent company, The Royal Bank of Scotland Group plc. All payments due on the Retail Corporate Notes are subject to the creditworthiness of The Royal Bank of Scotland plc, as the issuer, and The Royal Bank of Scotland Group plc, as guarantor.

Investing in the Retail Corporate Notes involves risks. See "Risk Factors" beginning on page S-4.

These securities are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other federal agency. The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

RBS Securities Inc.

October 11, 2011

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ABOUT THIS PROSPECTUS SUPPLEMENT

We may offer from time to time the Retail Corporate Notes described in this prospectus supplement. We refer to the Retail Corporate Notes and related guarantee offered under this prospectus supplement as the “notes”.

As used in this prospectus supplement, “we”, “us”, “our” and “RBS” refer to The Royal Bank of Scotland plc, the term “RBSG” refers to The Royal Bank of Scotland Group plc and the term “Group” refers to The Royal Bank of Scotland Group plc and its subsidiaries consolidated in accordance with International Financial Reporting Standards. References in this prospectus supplement to “\$” or “dollar” or “U.S. dollars” are to the currency of the United States of America.

This prospectus supplement sets forth certain terms of the notes that we may offer and supplements the prospectus that is attached to this prospectus supplement. Each time we offer notes, we will attach a pricing supplement to this prospectus supplement. The pricing supplement will contain the specific description of the notes we are offering and the terms of the offering and it may modify or replace information contained in this prospectus supplement or the accompanying prospectus. It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus and pricing supplement in making your investment decision. You should also read and consider the information contained in the documents identified in “Where You Can Find More Information” in the accompanying prospectus.

We have not authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus supplement and any pricing supplement. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are offering to sell these notes and seeking offers to buy these notes only in jurisdictions where offers and sales are permitted.

The information set forth in this prospectus supplement is directed to prospective purchasers who are United States residents. We disclaim any responsibility to advise prospective purchasers who are residents of countries other than the United States of any matters arising under foreign law that may affect the purchase of or holding of, or receipt of payments on, the notes. These persons should consult their own legal and financial advisers concerning these matters.

Affiliates of The Royal Bank of Scotland plc, including RBS Securities Inc., may use this prospectus supplement in connection with offers and sales in the secondary market of notes. These affiliates may act as principal or agent in those transactions. Secondary market sales made by them will be made at prices related to market prices at the time of sale.

INCORPORATION OF INFORMATION BY REFERENCE

RBSG is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and in accordance therewith, RBSG files reports and other information with the SEC. You may read and copy these documents at the SEC’s Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. Copies of this material can also be obtained from the Public Reference Room of the SEC at 100 F Street, NE, Washington, D.C. 20549 at prescribed rates. Please call the SEC at 1-800-SEC-0330 for further information about the Public Reference Room. The SEC also maintains an Internet website that contains reports and other information regarding RBSG that are filed through the SEC’s Electronic Data Gathering, Analysis and Retrieval (EDGAR) System. This website can be accessed at www.sec.gov. You can find information RBSG has filed with the SEC by reference to file number 1-10306.

The SEC allows us to incorporate by reference much of the information RBSG files with it, which means that we and RBSG can disclose important information to you by referring you to those publicly available documents. The information that we and RBSG incorporate by reference in this prospectus supplement is considered to be part of this prospectus supplement. Because we and RBSG are incorporating by reference future filings with the SEC, this prospectus supplement is continually updated and those future filings may modify or supersede some of the information included or incorporated in this prospectus supplement. This means that you must look at all of the SEC filings that we and RBSG incorporate by reference to determine if any of the statements in this prospectus supplement or in any document previously incorporated by reference have been modified or superseded. This prospectus supplement incorporates by reference the documents listed below, all subsequent Annual Reports filed on Form 20-F and any future filings we or RBSG make with the SEC (including any Form 6-Ks RBSG subsequently files with the SEC and specifically incorporates by reference into the Registration Statement of which this prospectus supplement is a part) under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act that are identified in such filing as being specifically incorporated by reference into the Registration Statement of which this prospectus supplement is a part until we and RBSG complete our offering of the notes to be issued under the registration statement or, if later, the date on which any of our affiliates cease offering and selling these notes:

- Annual report on Form 20-F of RBSG for the year ended December 31, 2010, filed on March 31, 2011; and
- Reports on Form 6-K of RBSG filed on March 31, 2011, April 11, 2011, April 19, 2011 (announcing proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc and incorporated by reference into the Registration Statement of which this prospectus supplement is a part), May 9, 2011, May 16, 2011, June 14, 2011, August 12, 2011 (three reports), August 30, 2011, September 6, 2011, September 14, 2011 (two reports), September 28, 2011 and October 7, 2011.

You may request, at no cost to you, a copy of these documents (other than exhibits not specifically incorporated by reference) by writing or telephoning us at:

The Royal Bank of Scotland plc
42 St. Andrew Square
P.O. Box 31
EH2 2YE Edinburgh, Scotland
+44-131-556-8555

SUMMARY

This section summarizes the legal and financial terms of the notes that are described in more detail in the section entitled “Description of Notes” beginning on page S-8. Final terms of any particular notes will be determined at the time of sale and will be contained in the pricing supplement relating to those notes. The terms in that pricing supplement may vary from and supersede the terms contained in this prospectus supplement and the accompanying prospectus. Before you decide to purchase any notes, you should read the more detailed information appearing elsewhere in this prospectus supplement, the accompanying prospectus and the applicable pricing supplement.

Issuer	The Royal Bank of Scotland plc
Purchasing Agent, Lead Manager and Lead Agent	RBS Securities Inc.
Agents	From time to time, we may sell the notes to or through additional agents.
Title of Notes	The Royal Bank of Scotland plc Retail Corporate Notes
Amount	We may issue notes from time to time in various offerings up to the aggregate principal amount authorized by our board of directors. There are no limitations on our ability to issue additional indebtedness in the form of Retail Corporate Notes or otherwise.
Denominations	The notes will be issued and sold in denominations of \$1,000 and multiples of \$1,000 or in any other denomination provided in the applicable pricing supplement.
Status	The notes will be our direct, unsecured and unsubordinated obligations. The notes will rank equally with our other unsecured and unsubordinated obligations. All payments on the notes are subject to our credit risk, and the credit risk of our parent company, as the guarantor. The notes are not savings accounts or deposits in The Royal Bank of Scotland plc and are not insured or guaranteed by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other federal agency.
Guarantee	The Royal Bank of Scotland Group plc will fully and unconditionally guarantee payment in full to the holders of the notes. The guarantee is set forth in, and forms part of, the indenture under which the notes will be issued. If, for any reason, we do not make any required payment in respect of the notes when due, the guarantor will cause the payment to be made to or to the order of the paying agent on behalf of the trustee. All such payments are subject to the credit risk of our parent company, as the guarantor.
Maturities	Each note will mature nine months or more from its issue date.
Interest	Each note will bear interest from its issue date at a fixed rate or a floating rate or a combination of fixed and floating rates. Interest on each note will be payable either monthly, quarterly, semi-annually or annually on each interest payment date and on the maturity date, as specified in the applicable pricing supplement. If a note is redeemed or repaid prior to maturity, accrued interest also will be paid on the redemption or repayment date.

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Principal	The principal amount of each note will be payable on its maturity date at the corporate trust office of the paying agent or at any other place we may designate. If, however, a note is redeemed or repaid prior to maturity, the principal amount of the note will be paid on the redemption or repayment date.
Redemption and Repayment	<p>The notes will be redeemable at our option in certain circumstances, including as a result of a change in or amendment to the laws or regulations of a U.K. taxing jurisdiction. Additional details relating to this redemption option are described in the section entitled “Description of Notes – Redemption and Repayment” beginning on page S-17.</p> <p>Unless we provide otherwise in the applicable pricing supplement, the notes will not be redeemable at our option or repayable at the option of the holder prior to the maturity date. The notes will be unsecured and will not be subject to any sinking fund.</p>
Survivor’s Option	Specific notes may contain a provision that requires us, upon request by the authorized representative of the beneficial owner of the notes, to repay those notes prior to maturity following the death of the beneficial owner of the notes, so long as the notes were acquired by the deceased beneficial owner at least six months prior to the date of death. This feature is referred to as the Survivor’s Option. Your notes may not be repaid in this manner unless the pricing supplement for your notes provides for the Survivor’s Option. The right to exercise the Survivor’s Option will be subject to limits set by us on (1) the dollar amount of total exercises of the Survivor’s Option by all holders of notes in any calendar year and (2) the dollar amount of exercises on behalf of any deceased individual holder of any notes in any calendar year. Additional details relating to this right are described in the section entitled “Description of Notes — Survivor’s Option” beginning on page S-19.
Sale and Clearance	We will sell notes in the United States only. Notes will be issued in book-entry only form and clear through the facilities of The Depository Trust Company. We do not intend to issue notes in certificated form.
Trustee and Paying Agent	The notes will be issued pursuant to an amended and restated indenture dated as of August 13, 2010 (the “original indenture”), among us, as issuer, RBSG, as guarantor, and The Bank of New York Mellon, acting through its London Branch, as original trustee, as supplemented by a second supplemental indenture dated as of September 20, 2010 (the “second supplemental indenture”) among us, as issuer, RBSG, as guarantor, The Bank of New York Mellon, acting through its London Branch, as original trustee, Wilmington Trust Company, as trustee, and Citibank, N.A, as securities administrator, and a third supplemental indenture dated as of September 27, 2011 (the “third supplemental indenture”) among us, as issuer, RBSG, as guarantor, and Wilmington Trust Company, as trustee. Pursuant to the second supplemental indenture, RBS, as issuer, and RBSG, as guarantor, appointed Wilmington Trust Company to act as trustee for the notes. In this prospectus supplement, we refer to the original indenture, as supplemented by the second supplemental indenture and the third supplemental indenture, as the “Indenture” and Wilmington Trust Company as the “trustee.” Pursuant to an administration agreement dated as of September 20, 2010, the trustee appointed Citibank, N.A to act as securities administrator for the notes. The securities administrator also will serve as authenticating agent, registrar, paying agent and transfer agent, unless we appoint a different entity for

those roles.

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Conflicts of Interest	The Royal Bank of Scotland plc and The Royal Bank of Scotland Group plc are affiliates of RBS Securities Inc., the purchasing agent, lead manager and lead agent. RBS Securities Inc. has entered into a Distribution Agreement with us and RBSG in connection with the distribution of the notes. Additional details of this relationship are disclosed in the section entitled “Plan of Distribution (Conflicts of Interest)” beginning on page S-37.
Selling Group	The agents and dealers comprising the selling group are broker-dealers. Members of the selling group will either be parties to the Distribution Agreement referred to above, or have executed a Master Selected Dealer Agreement with the purchasing agent.

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RISK FACTORS

Your investment in the notes will involve a number of risks. This prospectus supplement and the accompanying prospectus do not describe all of those risks. You should consider carefully the following risks and the risks, if any, set forth in the applicable pricing supplement, before you decide that an investment in the notes is suitable for you. You should consult your own financial, tax and legal advisers regarding the risks and suitability of an investment in the notes.

Investors in the notes assume the credit risk of RBS and RBSG in the event that RBS defaults on its obligations under the notes.

The notes are issued by RBS and guaranteed by RBSG, RBS's parent company. As a result, investors in the notes assume the credit risk of RBS and RBSG in the event that RBS defaults on its obligations under the notes. This means that if RBS and RBSG fail, become insolvent, or are otherwise unable to pay their obligations under the notes, you could lose some or all of your initial principal investment. Any actual or anticipated decline in RBS's or RBSG's credit ratings or increase in their credit spreads prior to maturity would adversely affect the market value of the notes in the secondary market, if any. Any notes sold, offered, or recommended are not deposits of RBS and are not endorsed or guaranteed by any bank or thrift, nor are they insured by the FDIC or any governmental agency.

Although we are a bank, the notes are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other government agency.

The notes are our obligations but are not bank deposits. In the event of our insolvency the notes will rank equally with our other unsecured, unsubordinated obligations and will not have the benefit of any insurance or guarantee of the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other governmental agency.

We cannot assure you that a trading market for your notes will ever develop or be maintained or that a trade can be executed at any indicative price shown on any website or Bloomberg page.

Unless otherwise indicated in the applicable pricing supplement, we will not list the notes on any securities exchange. We cannot predict how the notes will trade in any secondary market or whether that market will be liquid or illiquid. We cannot assure you that a trading market for your notes will ever develop or be maintained. There may be a limited number of buyers when you decide to sell your notes, which may affect the price you receive for your notes or your ability to sell your notes at all.

In connection with any secondary market activity in our notes, our affiliates may post indicative prices for the notes on a designated website or via Bloomberg. However, our affiliates are not required to post such indicative prices and may stop doing so at any time. Investors are advised that any prices shown on any website or Bloomberg page are indicative prices only and, as such, there can be no assurance that any trade could be executed at such prices. Investors should contact their brokerage firm for further information.

If you attempt to sell your notes prior to maturity, the market value of the notes, if any, may be less than the principal amount of the notes.

Unlike savings accounts, certificates of deposit and other similar investment products, your right to require us to repay the notes prior to maturity may be limited to a valid exercise of the Survivor's Option. If you wish to liquidate your investment in the notes prior to maturity, selling your notes may be your only option. At that time, there may be a very illiquid market for the notes or no market at all. Even if you were able to sell your notes, there are many factors outside of our control that may affect the market value of the notes, some of these factors, but not all, are stated below.

Some of these factors are interrelated in complex ways. As a result, the effect of any one factor may be offset or magnified by the effect of another factor. Those factors include, without limitation:

- the method of calculating the principal, premium, if any, interest or other amounts payable, if any, on the notes;

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- the time remaining to the maturity of the notes;
- the aggregate outstanding amount of the notes;
- the redemption or repayment features of the notes, if any;
- the interest rate on the notes and whether market rates of interest are higher than interest rates on the notes;
- the level, direction and volatility of interest rates generally;
- markets for similar securities; and
- our financial condition, future prospects, and general economic conditions.

There may be no buyer or only a limited number of buyers when you decide to sell your notes. This may affect the price you receive for your notes or your ability to sell your notes at all.

If the notes you purchase are floating-rate notes or fixed-to-floating-rate notes, you may receive a lesser amount of interest in the future.

Because the interest rate on floating-rate notes and fixed to-floating-rate notes will be indexed to an external interest rate or index that may vary from time to time, there will be significant risks on these notes not associated with a conventional fixed-rate debt security. These risks include fluctuation of the applicable interest rate and the possibility that, in the future, the interest rate on your note will decrease and may be zero, subject to any minimum interest rate specified in the applicable pricing supplement. We have no control over a number of matters that may affect interest rates, including economic, financial and political events that are important in determining the existence, magnitude and longevity of these risks and their results.

If your notes are redeemable at our option, we may choose to redeem notes when prevailing interest rates are relatively low.

The applicable pricing supplement may provide that the notes are redeemable at our option. If your notes are redeemable at our option, we may choose to redeem your notes from time to time. We are generally more likely to choose to redeem the notes during periods when the prevailing interest rates at the time are lower than the rate of interest payable on your notes. If we redeem your notes prior to the maturity date, you may not be able to reinvest your proceeds from the redemption in an investment with a return that is as high as the return on the notes would have been if they had not been redeemed. Our redemption right also may adversely impact your ability to sell your notes as the applicable redemption date approaches.

The inclusion of selling commissions in the issue price of the notes is likely to adversely affect their secondary market prices.

Assuming no change in market conditions or any other relevant factors, the price, if any, at which the agents are willing to purchase notes in secondary market transactions will likely be lower than the issue price, since the issue price included, and secondary market prices are likely to exclude, selling commissions paid with respect to the notes. In addition, any such prices may differ from values determined by pricing models used by the agents, as a result of dealer concessions, mark-ups or other transaction costs.

Any Survivor's Option may be limited in amount.

We will have the discretionary right to limit the aggregate principal amount of notes subject to any Survivor's Option that may be exercised in any calendar year to an amount equal to the greater of \$2,000,000 or 2% of the principal amount of all notes outstanding as of the end of the most recent calendar year. We also have the discretionary right to limit to \$250,000 in any calendar year the aggregate principal amount of notes subject to the Survivor's Option that may be exercised in such calendar year on behalf of any individual deceased beneficial owner of the notes. Accordingly, no assurance can be given that the Survivor's Option for a desired amount will be permitted in any single calendar year.

The amount of interest we may pay on the notes may be limited by state law.

New York law governs the notes. New York usury laws limit the amount of interest that can be charged and paid on loans, including debt securities like the notes. Under current New York law, the maximum permissible rate of interest is 25% per year on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested. While we believe that a state or federal court sitting outside of New York may give effect to New York law, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We do not intend to claim the benefits of any laws concerning usurious rates of interest.

Our business activities may create conflicts of interest with you.

From time to time during the term of the notes and in connection with the determination of the yield on the notes, we or our affiliates may enter into hedging transactions or adjust or close out existing hedging transactions. We or our affiliates also may enter into hedging transactions relating to other notes that we issue, some of which may have returns calculated in a manner related to that of the notes. Our affiliates will price these hedging transactions with the intention of realizing a profit, in consideration for assuming the risks inherent in these hedging activities, whether the value of the notes increases or decreases. These trading activities may present a conflict of interest between your interest in your notes and the interests we and our affiliates may have in our proprietary accounts, in facilitating transactions, including block trades, for our other customers, and in accounts under our management.

Changes in our credit ratings are expected to affect the value of the notes.

Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the market value of the notes. However, because your return on floating-rate notes or fixed-to-floating-rate notes depends upon factors in addition to our ability to pay our obligations, an improvement in our credit ratings will not reduce the other investment risks related to the notes. Credit ratings do not reflect interest rate risk, which is the risk, (x) in the case of floating-rate notes or fixed-to-floating-rate notes, that the interest rate on the notes may fall, or (y) in the case of fixed-rate notes, that market interest rates may rise above the rate on the notes. Credit ratings also do not address the price, if any, at which the notes may be resold prior to maturity (which may be substantially less than the issue price of the notes), and they are not recommendations to buy, sell or hold the notes. Further, any credit ratings that are assigned to the notes may not reflect the potential impact of all risks on their market value.

USE OF PROCEEDS

Unless we describe a different use in the applicable pricing supplement, we will use the net proceeds from the sale of the notes for general corporate purposes. General corporate purposes include:

- our working capital needs;
- investments in, or extensions of credit to, our banking and nonbanking affiliates;
- the possible acquisitions of other financial institutions or their assets;
- the possible acquisitions of, or investments in, other businesses of a type we are permitted to acquire under applicable law; and
- the possible reduction of our outstanding indebtedness.

Until we designate the use of these net proceeds, we will invest them temporarily. From time to time, we may engage in additional financings as we determine appropriate based on our needs and prevailing market conditions. These additional financings may include the sale of other notes and securities.

DESCRIPTION OF NOTES

The notes will be issued pursuant to an amended and restated indenture dated as of August 13, 2010 (the “original indenture”), among us, as issuer, RBSG, as guarantor, and The Bank of New York Mellon, acting through its London Branch, as original trustee, as supplemented by a second supplemental indenture dated as of September 20, 2010 (“second supplemental indenture”) among us, RBSG, as guarantor, The Bank of New York Mellon, acting through its London Branch, as original trustee, Wilmington Trust Company, as trustee, and Citibank, N.A., as securities administrator, and a third supplemental indenture dated as of September 27, 2011 (the “third supplemental indenture”) among us, as issuer, RBSG, as guarantor, and Wilmington Trust Company, as trustee.

Pursuant to the second supplemental indenture, RBS, as issuer, and RBSG, as guarantor, appointed Wilmington Trust Company to act as trustee for the notes. In this prospectus supplement, we refer to the original indenture, as supplemented by the second supplemental indenture and the third supplemental indenture, as the “Indenture” and Wilmington Trust Company as the “trustee.” Pursuant to an administration agreement dated as of September 20, 2010, we, RBSG and the trustee appointed Citibank, N.A. to act as securities administrator for the notes. The securities administrator will serve as authenticating agent, registrar, paying agent and transfer agent, unless we appoint a different entity for those roles. The Indenture is subject to, and governed by, the Trust Indenture Act of 1939, as amended. The statements in this prospectus supplement and the related pricing supplements concerning the notes, the guarantee and the Indenture are not complete and are subject to, and qualified in their entirety by, all of the provisions of the Indenture. If you would like more information concerning these provisions, you should review the Indenture, which is on file with the SEC. You also may review the Indenture at the offices of Citibank, N.A., located at 111 Wall Street, 15th Floor, New York, NY 10043, Attention: Corporate Trust Services. Whenever we refer to particular provisions of the Indenture or the defined terms contained in the Indenture, those provisions and defined terms are incorporated by reference in this prospectus supplement and any applicable pricing supplement.

The Indenture does not limit the amount of additional indebtedness that we may incur. Accordingly, without the consent of the holders of the notes, we may issue indebtedness under the Indenture in addition to the notes offered by this prospectus supplement.

We may issue notes that bear interest at a fixed rate described in the applicable pricing supplement. We refer to these notes as “fixed-rate notes.” We may issue notes that bear interest at a floating rate of interest determined by reference to one or more interest rate bases, or by reference to one or more interest rate formulae, described in the applicable pricing supplement. We refer to these notes as “floating-rate notes.” We may issue notes with elements of each of the fixed-rate and floating-rate notes described above. We refer to these notes as “fixed-to-floating-rate notes.” For example, we may issue a note that bears interest at a fixed rate for some periods and at a floating rate for others. The rate for the floating-rate period(s) for a fixed-to-floating-rate note will be set, calculated and paid in the same manner as for floating-rate notes, as described below. Any references to or discussion of floating-rate notes in this prospectus supplement also applies to the floating-rate period(s) of fixed-to-floating-rate notes. We will describe the determination of interest rates for any of these notes in the applicable pricing supplement.

In some cases, the interest rate of a floating-rate note also may be adjusted by adding or subtracting a spread or by multiplying the interest rate by a spread multiplier. A floating-rate note also may be subject to a maximum interest rate limit, or ceiling, and/or a minimum interest rate limit, or floor, on the interest that may accrue during any interest period.

We will identify the calculation agent for any floating-rate notes in the applicable pricing supplement. The calculation agent will be responsible for calculating the interest rate, reference rates, principal, premium, if any, interest or other amounts payable, if any, applicable to the floating-rate notes, and for certain other related matters. The calculation agent, at the request of the holder of any floating-rate note, will provide the interest rate then in effect and, if already determined, the interest rate that is to take effect on the next interest reset date, as described below, for the

floating-rate note. We may replace

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any calculation agent or elect to act as the calculation agent for some or all of the notes, and the calculation agent also may resign. RBS Securities Inc. will be the initial calculation agent for the notes.

Notes issued in accordance with this prospectus supplement and a related pricing supplement will have the following general characteristics:

- The notes will be our direct unsecured and unsubordinated obligations and rank equally with all of our other unsecured and unsubordinated obligations, save for those preferred by mandatory provision of law. RBSG will fully and unconditionally guarantee payment in full to the holders of our notes.
- The notes may be offered from time to time by us through the purchasing agent and each note will mature on a day that is nine months or more from its issue date.
- The notes will bear interest from their respective issue dates at a fixed or a floating rate, or a combination of both.
 - The notes will not be subject to any sinking fund.
- The notes will be issued in a minimum denomination of \$1,000, and in multiples of \$1,000 unless another denomination is stated in the pricing supplement.

In addition, the pricing supplement relating to each offering of notes will describe specific terms of the notes, including:

- the principal amount of the note offered;
- the price, which may be expressed as a percentage of the aggregate initial public offering price of the note, at which the note will be issued to the public;
 - the purchasing agent's selling commission;
 - the net proceeds to us;
- the date on which the note will be issued to the public;
- the stated maturity date of the note;
- whether the note is a fixed-rate note, or a floating-rate note, or a fixed-to-floating-rate note;
- the method of determining and paying interest, including any applicable interest rate basis or bases, any initial interest rate, any interest reset dates, any interest payment dates, any index maturity, and any maximum or minimum interest rate;
 - any spread or spread multiplier applicable to a floating-rate note;
- the method for the calculation and payment of principal, premium, if any, interest or other amounts payable, if any;
 - the interest payment frequency;
- whether the "Survivor's Option" described on page S-19 will be applicable;

- if the note may be redeemed at our option or repaid at the option of the holder prior to its maturity date and the provisions relating to such repayment;

- any special U.S. federal income tax consequences of the purchase, ownership and

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disposition of the note; and

- any other material terms of the note not inconsistent with the provisions of the Indenture.