

ROYAL BANK OF SCOTLAND PLC

Form 424B5

December 10, 2012

PRICING SUPPLEMENT†

Registration Statement Nos. 333-184147 and
333-184147-01

(TO PROSPECTUS DATED SEPTEMBER 28,
2012) Rule 424(b)(5)

The Royal Bank of Scotland plc

RBS NotesSM

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

4,000,000 ETNs*

RBS Gold TrendpilotTM Exchange Traded Notes

General

- The RBS Gold TrendpilotTM Exchange Traded Notes (the “ETNs”) (NYSE Arca: “TBAR”) are designed for investors who seek exposure to the RBS Gold TrendpilotTM Index (USD), an index that utilizes a systematic trend-following strategy to provide exposure to either the Price of Gold Bullion (determined as described below) or the yield on a hypothetical notional investment in 3-month U.S. Treasury bills as of the most recent weekly auction, depending on the relative performance of the Price of Gold Bullion on a simple historical moving average basis. The ETNs do not pay interest, and investors should be willing to lose up to 100% of their investment if the RBS Gold TrendpilotTM Index (USD) declines or does not increase in an amount sufficient to offset the investor fee.

¶The ETNs are unsecured and unsubordinated obligations of The Royal Bank of Scotland plc, maturing February 15, 2041, and are fully and unconditionally guaranteed by The Royal Bank of Scotland Group plc. Any payment on the ETNs is subject to the ability of The Royal Bank of Scotland plc, as the issuer of the ETNs, and The Royal Bank of Scotland Group plc, as the guarantor of the issuer’s obligations under the ETNs, to pay their respective obligations as they become due.

¶The denomination and stated face amount of each ETN is \$25.00. Any ETNs issued in the future may be issued at a price that is higher or lower than the stated face amount, based on the indicative value of the ETNs at that time.

¶The initial offering of ETNs issued by The Royal Bank of Scotland N.V. (“RBS N.V.”) priced on February 17, 2011 (the “inception date”) and settled on February 23, 2011 (the “initial settlement date”). RBS N.V. issued, offered, and sold the ETNs from the initial settlement date to December 7, 2012, after which date The Royal Bank of Scotland plc assumed the obligations of RBS N.V. under the ETNs and became the issuer of the ETNs (See “Specific Terms of the ETNs” below).

- Delivery of the ETNs in book-entry form only will be made through The Depository Trust Company (“DTC”).

Key Terms

Issuer: The Royal Bank of Scotland plc (“RBS plc”)

Guarantor: The Royal Bank of Scotland Group plc (“RBSG”)

Inception Date: February 17, 2011

Initial Settlement
Date: February 23, 2011

Maturity Date: February 15, 2041, subject to postponement if such day is not a business day or if the final valuation date is postponed.

Final Valuation
Date: February 12, 2041, subject to postponement as described below.

Index: The return on the ETNs will be based on the performance of the RBS Gold TrendpilotTM Index (USD) (the “Index”) during the term of the ETNs. The Index was created by The Royal Bank of Scotland plc (the “Index Sponsor”), and is calculated by S&P Opco, LLC, a subsidiary of S&P Dow Jones Indices LLC (referred to herein as “S&P Dow Jones Indices” or the “Index

calculation agent”). The level of the Index is reported on Bloomberg under the ticker symbol “TPGLDUT <Index>.” The Index provides exposure to either the Price of Gold Bullion or the yield on a hypothetical notional investment in 3-month U.S. Treasury bills as of the most recent weekly auction (the “Cash Rate”), depending on the relative performance of the Price of Gold Bullion on a simple historical moving average basis. If the Price of Gold Bullion is at or above its historical 200-Index business day simple moving average for five consecutive Index business days (which we refer to in this pricing supplement as a “positive trend”), the Index will track the return on the Price of Gold Bullion and will have no exposure to the Cash Rate until two Index business days after a negative trend occurs. Conversely, if the Price of Gold Bullion is below its historical 200-Index business day simple moving average for five consecutive Index business days (which we refer to in this pricing supplement as a “negative trend”), then the Index will track the Cash Rate and will have no exposure to the Price of Gold Bullion until two Index business days after the next positive trend occurs. As of the date of this pricing supplement, the Index tracks the Cash Rate. For more information, see “The Index” in this pricing supplement.

Price of Gold Bullion:	The Price of Gold Bullion on any given day means the spot price of physical gold, as measured by the afternoon gold fixing price (also known as the “London Gold P.M. Fixing Price”) per troy ounce of gold for delivery in London through a member of the London Bullion Market Association (“LBMA”) authorized to effect such delivery, stated in U.S. dollars, as calculated by the London Gold Market Fixing Ltd. and published by the LBMA, on such day. The Price of Gold Bullion is also published on Bloomberg page “GOLDLNPM Index.”
Payment at Maturity:	If your ETNs have not previously been repurchased or redeemed by the issuer, at maturity you will receive a cash payment equal to the daily redemption value of your ETNs on the final valuation date (subject to postponement if the final valuation date is not a trading day or a market disruption event exists on the final valuation date).
Daily Redemption Value:	The daily redemption value as of the inception date is equal to the stated face amount of \$25.00 per ETN. For any valuation date thereafter, the daily redemption value per ETN is equal to (a) the daily redemption value on the immediately preceding valuation date, multiplied by (b) the index factor on such valuation date, multiplied by (c) the fee factor on such valuation date. RBS Securities Inc. (the “calculation agent”) will determine the daily redemption value on each valuation date. The calculation agent will publish the daily redemption value of the ETNs for each valuation date via NYSE Arca under the symbol “TBAR.NV.”
Index Factor:	The index factor on any valuation date, including the final valuation date, will be equal to the Index closing level on such valuation date, divided by the Index closing level on the immediately preceding valuation date.
Fee Factor/Investor Fee:	The fee factor on any valuation date, including the final valuation date, will be equal to one minus the investor fee, which is the product of (a) the annual investor fee and (b) the day-count fraction.
Annual Investor Fee:	The annual investor fee will be equal to (a) 1.00% per annum when the Index is tracking the Price of Gold Bullion and (b) 0.50% per annum when the Index is not tracking the Price of Gold Bullion, and instead, is tracking the Cash Rate.

The daily redemption value payable at maturity or upon early repurchase or redemption of your ETNs will be reduced by the aggregate investor fee applicable to your ETNs. As a result, the level of the Index must increase by an amount sufficient to offset such reduction in order for you to receive at least your initial investment at maturity or upon early repurchase or redemption. If the level of the Index decreases or does not increase sufficiently, you will receive less, and possibly significantly less, than your initial investment at maturity or upon

early repurchase or redemption.

(key terms continued on next page)

† This pricing supplement amends, restates and supersedes the pricing supplements dated February 17, 2011, April 28, 2011 and March 23, 2012 in their entirety. We refer to this amended and restated pricing supplement as the “pricing supplement.”

The ETNs involve risks not associated with an investment in conventional debt securities. See “Risk Factors” beginning on PS-18 of this pricing supplement.

The ETNs 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 Securities and Exchange Commission and state securities regulators have not approved or disapproved the ETNs, or determined if this pricing supplement or the prospectus are truthful or complete. Any representation to the contrary is a criminal offense.

* The agent for this offering, RBS Securities Inc. (“RBSSI”), is our affiliate. \$4,000,000 in face amount of the ETNs (equivalent to 160,000 ETNs) was issued by the issuer on the initial settlement date to be sold through RBSSI. These ETNs and additional ETNs may be offered and sold from time to time by or through RBSSI and one or more dealers at a price that is higher or lower than the \$25.00 stated face amount, based on the indicative value of the ETNs at that time. RBS N.V. received proceeds equal to 100% of the offering price of the ETNs issued and sold from the inception date to but not including the date of this pricing supplement. RBS plc will receive proceeds equal to 100% of the offering price of the ETNs issued and sold from and after the date of this pricing supplement. As of December 5, 2012, a total of \$43,875,000 in face amount of the ETNs (equivalent to 1,755,000 ETNs) has been issued. We have entered into an agreement with Pacer Financial, Inc. (“Pacer”) under which Pacer will receive a portion of the investor fee in consideration for its role in marketing the ETNs. The actual amount received by Pacer in a given year will depend on, among other things, the daily redemption value of ETNs then outstanding and the number and value of any other then-outstanding securities issued by the issuer or its affiliates and marketed by Pacer.

In exchange for providing certain services relating to the distribution of the ETNs, RBSSI, a member of the Financial Industry Regulatory Authority (“FINRA”), may receive all or a portion of the investor fee. See “Plan of Distribution (Conflicts of Interest)” in this pricing supplement for more information.
RBS Securities Inc.

December 10, 2012

(key terms continued from previous page)

- Intraday “Indicative Value”:** The “indicative value” of the ETNs, which refers to the value of the ETNs at any given time, equals (a) the daily redemption value on the immediately preceding valuation date, multiplied by (b) the index factor at such time, multiplied by (c) the fee factor for the day on which such time occurs. The Index calculation agent will publish the intraday “indicative value” of the ETNs every 15 seconds via NYSE Arca under the symbol “TBAR.IV.”
- Day-Count Fraction:** On each valuation date, the day-count fraction is equal to the number of days from, but excluding, the immediately preceding valuation date to, and including, the applicable valuation date, divided by 365.
- Index Closing Level:** The Index closing level on any valuation date will be the official closing level of the Index with respect to such valuation date reported on Bloomberg page “TPGLDUT <Index>” or any successor page on Bloomberg or any successor service, as applicable, or if the official closing level of the Index is not reported on such page, the official closing level of the Index with respect to such valuation date as published or otherwise made publicly available by the Index Sponsor or the Index calculation agent, in each case as determined by the calculation agent. In certain circumstances, the Index closing level will be based on the alternative calculation of the Index as described under “Specific Terms of the ETNs—Discontinuation or Modification of the Index.”
- Repurchase of the ETNs at Your Option:** Subject to the requirements described below, on any business day from, and including, the initial settlement date to, and including, February 7, 2041, you may offer the applicable minimum repurchase amount or more of your ETNs to RBS plc for repurchase. The minimum repurchase amount will be equal to 20,000 ETNs for any single repurchase; provided that RBS plc may, in its sole discretion, from time to time, reduce the minimum repurchase amount. Any such reduction will be applied on a consistent basis for all holders of the ETNs from the time the reduction becomes effective. The trading day immediately following the date you offer your ETNs for repurchase will be the valuation date applicable to such repurchase. If you elect to offer your ETNs for repurchase, and the requirements for acceptance by RBS plc are met, you will receive a cash payment on the applicable repurchase date in an amount equal to the daily redemption value on the relevant valuation date, calculated in the manner described herein.
- Redemption of the ETNs at Our Option:** We will have the right to redeem, in our sole discretion, the ETNs in whole, but not in part, on any business day from, and including, the initial settlement date to, and including, February 13, 2041. The trading day immediately following the date on which we deliver the irrevocable redemption notice will be the valuation date applicable to such redemption. Upon any such redemption, you will receive a cash payment on the applicable redemption date in an amount equal to the daily redemption value on the relevant valuation date. If we exercise our right to redeem the ETNs, we will deliver an irrevocable redemption notice to DTC (the holder of the global note) not less than five business days prior to the applicable redemption date. The last day on which we can deliver a redemption notice is February 6, 2041.
- Repurchase Mechanics:** To offer your ETNs for repurchase, you and your broker must deliver an irrevocable offer for repurchase and confirmation of repurchase to RBS plc and follow the procedures set forth under “Specific Terms of the ETNs—Repurchase at Your Option.” If

your offer for repurchase is received by e-mail after 4:00 p.m. or if your signed confirmation of repurchase is received by fax after 5:00 p.m., New York City time, on a business day, you will be deemed to have made your offer for repurchase on the following business day. If you otherwise fail to comply with these procedures, your offer will be deemed ineffective and RBS plc will not be obligated to repurchase your ETNs. Unless the scheduled repurchase date is postponed as described herein, the final day on which RBS plc will repurchase your ETNs will be February 13, 2041. You must offer your ETNs for repurchase no later than February 7, 2041 in order to have your ETNs repurchased on February 13, 2041.

Valuation Date:	Each business day from and including the inception date to and including the final valuation date. If any valuation date is not a trading day or if a market disruption event exists on any valuation date, the valuation date (including the final valuation date) will be postponed for up to five business days as provided in this pricing supplement.
Repurchase Date:	The repurchase date for any ETNs will be the third business day immediately following the applicable valuation date. Unless the scheduled repurchase date is postponed as described in this pricing supplement, the final day on which RBS plc will repurchase your ETNs will be February 13, 2041. As such, you must offer your ETNs for repurchase no later than February 7, 2041.
Redemption Date:	The redemption date will be specified in the redemption notice and will not be less than five business days or more than ten business days after the date of the redemption notice.
Listing / Secondary Market:	The ETNs are listed on NYSE Arca, Inc. (“NYSE Arca”) under the ticker symbol “TBAR.” If an active secondary market in the ETNs develops, we expect that investors will purchase and sell the ETNs primarily in this secondary market. We have no obligation to maintain any listing on NYSE Arca or any other exchange.
Trading Day:	A trading day is a day on which (a) trading is generally conducted on NYSE Arca and the relevant exchange, and (b) the level of the Index is calculated and published, in each case as determined by the calculation agent.
Relevant Exchange:	The relevant exchange means (a) when the Index is tracking the Price of Gold Bullion, the exchange or trading market or association that serves as the primary source of prices for gold or the primary exchange where options or futures contracts on gold are traded, as determined by the calculation agent, and (b) when the Index is tracking the Cash Rate, the exchange or trading market that serves as the primary source of prices for 3-month U.S. Treasury bills or the primary exchange where options or futures contracts on 3-month U.S. Treasury bills are traded, as determined by the calculation agent.
Business Day:	A business day is any day that is not a Saturday or Sunday or a day on which banking institutions in The City of New York are authorized or required by law, executive order or governmental decree to be closed.
Index Calculation Agent:	S&P Opco, LLC, a subsidiary of S&P Dow Jones Indices LLC
Calculation Agent:	RBS Securities Inc.
Trustee:	Wilmington Trust Company
Securities Administrator:	Citibank, N.A.
CUSIP/ISIN:	78009L407 / US78009L4077

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ABOUT THIS PRICING SUPPLEMENT

As used in this pricing supplement, “RBS plc,” “we,” “us,” “our” and the “Bank” refer to The Royal Bank of Scotland plc, “RBS” refers to The Royal Bank of Scotland Group plc, “Group” means The Royal Bank of Scotland Group plc together with its subsidiaries consolidated in accordance with International Financial Reporting Standards, “RBSSI” refers to RBS Securities Inc., and references to “dollars” and “\$” are to United States dollars.

The initial offering of ETNs issued by The Royal Bank of Scotland N.V. (“RBS N.V.”) and guaranteed by RBS Holdings N.V. (“RBS Holdings”) priced on February 17, 2011 and settled on February 23, 2011. RBS N.V. issued, offered, and sold the ETNs under Registration Nos. 333-179685 and 333-179685-01 from the initial settlement date to but not including December 10, 2012, on which date we assumed the obligations of RBS N.V. under the ETNs and became the issuer of the ETNs. The ETNs are our unsecured and unsubordinated obligations issued as part of our RBS NotesSM program and are guaranteed by RBSG. RBS NotesSM is a service mark of RBS N.V., one of our affiliates.

This pricing supplement amends, restates and supersedes in their entirety the pricing supplements dated February 17, 2011, April 28, 2011 and March 23, 2012 filed by RBS N.V. and RBS Holdings. We refer to this amended and restated pricing supplement as the “pricing supplement.” This pricing supplement sets forth certain terms of the ETNs and supplements the prospectus dated September 28, 2012 relating to our securities of which the ETNs are part. This pricing supplement is a “prospectus supplement” referred to in the prospectus. You may access the prospectus on the Securities and Exchange Commission (“SEC”) website at www.sec.gov as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC website):

- Prospectus dated September 28, 2012:

http://www.sec.gov/Archives/edgar/data/729153/000095010312005038/dp33197_424b2.htm

Our Central Index Key, or CIK, on the SEC website is 729153.

This pricing supplement, together with the prospectus described above, contains the terms of the ETNs and supersedes all other prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, fact sheets, correspondence, trade ideas, structures for implementation, sample structures, brochures or other educational materials of ours or our affiliates. You should carefully consider, among other things, the matters set forth in “Risk Factors” in this pricing supplement, as the ETNs involve risks not associated with conventional debt securities. You should consult your investment, legal, tax, accounting and other advisers before deciding to invest in the ETNs.

It is important for you to read and consider all information contained in this pricing supplement and the accompanying prospectus 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 information other than that which is contained in this pricing supplement and the accompanying prospectus with respect to the ETNs. We take no responsibility for, and can provide no assurance as to the reliability of, any information that others may give you. This document may only be used where it is legal to sell these ETNs. We are offering to sell these ETNs and seeking offers to buy these ETNs only in jurisdictions where offers and sales are permitted.

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The information set forth in this pricing 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 ETNs. These persons should consult their own legal and financial advisers concerning these matters.

PS-1

WHERE YOU CAN FIND ADDITIONAL INFORMATION

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, 100 F Street, N.E., Washington, D.C. 20549. You can call the SEC at 1-800-SEC-0330 for further information about the Public Reference Room. The SEC’s website, at <http://www.sec.gov>, contains reports and other information in electronic form that RBSG has filed. You may also request a copy of any filings referred to below (other than exhibits not specifically incorporated by reference) at no cost, by contacting us at The Royal Bank of Scotland plc, RBS Gogarburn, P.O. Box 1000, Edinburgh EH12 1HQ, Scotland, telephone +44 131 626 0000.

The SEC allows us to incorporate by reference much of the information RBSG files with it. This means:

- incorporated documents are considered part of this pricing supplement;
- we can disclose important information to you by referring you to those incorporated documents; and
- information that RBSG files with the SEC will automatically update and modify or supersede some of the information included or incorporated by reference into this pricing supplement

This means that you must look at all of the SEC filings that we incorporate by reference to determine if any of the statements in this pricing supplement or in any document previously incorporated by reference have been modified or superseded. The accompanying prospectus lists documents that are incorporated by reference into this pricing supplement. Reports on Form 6-K we may furnish to the SEC after the date of this pricing supplement (or portions thereof) are incorporated by reference in this pricing supplement only to the extent that the report expressly states that it (or such portions) is incorporated by reference into the registration statement of which this pricing supplement is a part.

SUMMARY

The following summary answers some questions that you might have regarding the ETNs in general terms only. It does not contain all the information that may be important to you. You should read the summary together with the more detailed information that is contained in the rest of this pricing supplement and in the accompanying prospectus. References to the “prospectus” mean the accompanying prospectus dated September 28, 2012. You should carefully consider, among other things, the matters set forth in “Risk Factors” in this pricing supplement. In addition, we urge you to consult with your investment, legal, accounting, tax and other advisers with respect to any investment in the ETNs.

We may, without providing you notice or obtaining your consent, create and issue ETNs in addition to those offered by this pricing supplement having the same terms and conditions as the ETNs. We may consolidate the additional ETNs to form a single class with the outstanding ETNs. However, we are under no obligation to issue or sell additional ETNs at any time, and if we do sell additional ETNs, we may limit or restrict such sales, and we may stop selling additional ETNs at any time. If we stop selling additional ETNs, the price and liquidity of the ETNs in the secondary market could be materially and adversely affected. See “Risk Factors—We are under no obligation to issue or sell additional ETNs at any time, and if we do sell additional ETNs, we may limit or restrict such sales, and we may stop selling additional ETNs at any time.”

What are the ETNs and how do they work?

The ETNs are unsecured and unsubordinated obligations of The Royal Bank of Scotland plc (“RBS plc”), and are fully and unconditionally guaranteed by The Royal Bank of Scotland Group plc (“RBSG”). The return on the ETNs is linked to the performance of the RBS Gold Trendpilot™ Index (USD) (the “Index”).

We will not pay you interest during the term of the ETNs. The ETNs do not have a minimum redemption or repurchase value and are fully exposed to any decline in the Index. Depreciation of the Index will reduce your payment at maturity or upon early repurchase or redemption of your ETNs, and you could lose your entire investment.

In addition, the daily redemption value, which is payable at maturity or upon early repurchase or redemption of your ETNs, will be reduced by the aggregate investor fee applicable to your ETNs. As a result, the level of the Index must increase by an amount sufficient to offset such reduction in order for you to receive at least your initial investment at maturity or upon early repurchase or redemption. If the level of the Index decreases or does not increase sufficiently, you will receive less, and possibly significantly less, than the amount of your initial investment at maturity or upon early repurchase or redemption.

For a description of how the payment at maturity and upon early repurchase or redemption, respectively, is calculated, please refer to “Specific Terms of the ETNs—Payment at Maturity” and “Specific Terms of the ETNs—Payment upon Repurchase or Redemption” in this pricing supplement.

The denomination and stated face amount of each ETN is \$25.00. Any ETNs issued in the future may be issued at a price higher or lower than the stated face amount, based on the indicative value of the ETNs at that time (which is determined in the manner described in “Valuation of the ETNs” below). You will not have the right to receive physical certificates evidencing your ownership, except under limited circumstances. Instead, we will issue the ETNs in the form of a global certificate, which will be held by The Depository Trust Company (“DTC”) or its nominee. Direct and indirect participants in DTC will record beneficial ownership of the ETNs by individual investors. Accountholders in the Euroclear or Clearstream Banking clearance systems may hold beneficial interests in the ETNs through the accounts those systems maintain with DTC. You should refer to the section “Specific Terms of the ETNs—Forms of the ETNs” below and the sections “Description of Debt Securities—Form of Debt Securities: Book-Entry System” in the

accompanying prospectus.

In addition, unlike ordinary debt securities, the ETNs are not principal protected and do not pay interest. Any payment on the ETNs is subject to the creditworthiness (i.e., the ability to pay) of RBS plc, as the issuer of the ETNs, and RBSG, as the guarantor of the issuer's obligations under the ETNs.

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What is the Index and who publishes the level of the Index?

The Index was created by The Royal Bank of Scotland plc, as index sponsor (the “Index Sponsor”). The Index was established on January 24, 2011 with an Index closing level equal to 3,508.10. The Index was developed with a base value of 144.75 (the “Index Base Value”) on October 20, 1975 (the “Index Base Date”). The Index utilizes a systematic trend-following strategy that provides exposure to either the Price of Gold Bullion (as defined below), or the yield on a hypothetical notional investment in 3-month U.S. Treasury bills as of the most recent weekly auction (the “Cash Rate” and, together with the Price of Gold Bullion, the “Index Components”), depending on the relative performance of the Price of Gold Bullion on a simple historical moving average basis. The “Price of Gold Bullion” on any given day means the spot price of physical gold, as measured by the afternoon gold fixing price (also known as the “London Gold P.M. Fixing Price”) per troy ounce of gold for delivery in London through a member of the London Bullion Market Association (“LBMA”) authorized to effect such delivery, stated in U.S. dollars, as calculated by the London Gold Market Fixing Ltd. and published by the LBMA, on such day. The Price of Gold Bullion is also published on Bloomberg page “GOLDLNPM Index.”

If the Price of Gold Bullion is at or above its historical 200-Index business day simple moving average for five consecutive Index business days (which we refer to in this pricing supplement as a “positive trend”), the Index will track the return on the Price of Gold Bullion and will have no exposure to the Cash Rate until two Index business days after a negative trend occurs. Conversely, if the Price of Gold Bullion is below its historical 200-Index business day simple moving average for five consecutive Index business days (which we refer to in this pricing supplement as a “negative trend”), then the Index will track the Cash Rate and will have no exposure to the Price of Gold Bullion until two Index business days after the next positive trend occurs. As of the date of this pricing supplement, the Index tracks the Cash Rate.

The trend of the Price of Gold Bullion on any Index business day (the “Price of Gold Bullion Trend”) is determined by comparing (a) the Price of Gold Bullion on such Index business day to (b) the simple moving average of the Price of Gold Bullion for the 200-Index business day period ending on, and including, such Index business day (the “Price of Gold Simple Moving Average”). For any Index business day, the Price of Gold Bullion Trend will be “positive” if the Price of Gold Bullion is equal to or greater than the Price of Gold Simple Moving Average for each of the five consecutive Index business days ending on, and including, such Index business day. Conversely, the Price of Gold Bullion Trend will be “negative” for any Index business day if the Price of Gold Bullion is less than the Price of Gold Simple Moving Average for each of the five consecutive Index business days ending on, and including, such Index business day. If neither of those conditions is satisfied, then the Price of Gold Bullion Trend will be the same as the Price of Gold Bullion Trend on the immediately preceding Index business day.

Thus, the Price of Gold Bullion Trend will switch only if there have been five consecutive Index business days where the Prices of Gold Bullion have been uniformly (a) below the Price of Gold Simple Moving Average, in the case of the Price of Gold Bullion Trend switching from positive to negative, or (b) at or above the Price of Gold Simple Moving Average, in the case of the Price of Gold Bullion Trend switching from negative to positive. The Index will implement the change in the reference exposure at the open of trading on the second Index business day immediately following the Index business day on which the Price of Gold Bullion Trend switches from positive to negative or from negative to positive, as the case may be.

An “Index business day” means any day on which (a) afternoon gold price fixings are held and the Price of Gold Bullion is published by the Exchange for gold, and (b) the Exchange for 3-month U.S. Treasury bills is scheduled to open for its regular trading session for at least three hours in accordance with its holidays and hours schedule.

“Exchange” means (a) in respect of gold, the primary exchange, trading market or association where gold is traded, which shall initially be the LBMA, and (b) in respect of 3-month U.S. Treasury bills, the exchange, trading market or

quotation system, or any substitute exchange, trading market or quotation system, in which trading of 3-month U.S. Treasury bills or derivatives that reference 3-month U.S. Treasury bills principally occurs, in each case as determined by the Index Sponsor.

For the avoidance of doubt, each of the U.S. holidays of Columbus Day and Veteran's Day will be an Index business day, provided that the afternoon gold price fixings are held and the Price of Gold Bullion is published by the Exchange on such days.

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S&P Opco, LLC, or another party designated by the Index Sponsor, will act as the calculation agent for the Index (the “Index calculation agent”) and will be responsible for determining the Price of Gold Bullion Trend, and for calculating and publishing the level of the Index on each Index business day, unless there is a disrupted day as described under “The Index—Index Disruption Events” below. The Index closing level will generally be displayed on Bloomberg page “TPGLDUT <Index>” (or on any successor page) by no later than 8:00 p.m. (New York City time) on each Index business day.

RBS plc is the Index Sponsor and an affiliate of RBSG and RBSSI.

For more information, please refer to “The Index” and “The Index—Background on the Index Components—Price of Gold Bullion” in this pricing supplement.

Will I receive interest on my ETNs?

No. We will not make any periodic payments of interest or any other payments on the ETNs during the term of the ETNs. Unless you elect to have your ETNs repurchased by us or we elect to redeem your ETNs, you will not receive any payments on the ETNs prior to maturity of the ETNs.

What will I receive at maturity of the ETNs and how is that amount calculated?

Unless your ETNs have been previously repurchased or redeemed by the issuer, the ETNs will mature on February 15, 2041, subject to postponement if such day is not a business day or if the final valuation date is postponed as described below.

If your ETNs have not been previously repurchased or redeemed by the issuer, at maturity you will receive a cash payment in an amount equal to the daily redemption value of your ETNs on February 12, 2041 (the “final valuation date”). RBSSI, acting as calculation agent, will determine such daily redemption value in the manner described under “—How is the daily redemption value for my ETNs calculated?” below and “Specific Terms of the ETNs—Daily Redemption Value” in this pricing supplement.

If the final valuation date is not a trading day or if a market disruption event exists on the final valuation date, then the calculation agent will postpone the determination of the daily redemption value for the final valuation date by up to five business days, in which case the maturity date will be postponed to the third business day immediately following the final valuation date, as postponed, and the calculation agent will determine the daily redemption value as described under “Specific Terms of the ETNs—Postponement of a Valuation Date” in this pricing supplement. In the event that payment at maturity is deferred beyond the stated maturity date as provided herein, no interest or other amount will accrue or be payable with respect to that deferred payment.

For more information on market disruption events and their effect on the calculation of the payment you will receive at maturity, see “Specific Terms of the ETNs—Payment at Maturity” and “Specific Terms of the ETNs—Postponement of a Valuation Date” in this pricing supplement.

Any payment at maturity is subject to the ability of RBS plc, as the issuer of the ETNs, and RBSG, as the guarantor of the issuer’s obligations under the ETNs, to pay their respective obligations as they become due.

Will I get all of my investment back at maturity?

The ETNs are not principal protected. If your ETNs have not been previously repurchased or redeemed by the issuer, at maturity you will receive a cash payment equal to the daily redemption value of your ETNs, determined as

described in this pricing supplement. Such daily redemption value may be more or less than the stated face amount of your ETNs or the price that you paid for them. You may not get the face amount at maturity, and you may lose some or all of your investment.

Any payment you will be entitled to receive on the ETNs at maturity is subject to the ability of RBS plc, as the issuer of the ETNs, and RBSG, as the guarantor of the issuer's obligations under the ETNs, to pay their respective obligations as they become due.

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When can my ETNs be repurchased or redeemed and how is the amount payable upon repurchase or redemption calculated?

Subject to certain restrictions, on any business day from, and including, the initial issuance of the ETNs on the initial settlement date to, and including, February 7, 2041, you may offer your ETNs to us for repurchase. If you choose to offer your ETNs for repurchase, you must offer at least the applicable minimum repurchase amount to us for repurchase on any repurchase date in accordance with the procedures described under “—How do I offer my ETNs for repurchase by RBS plc?” below. The minimum repurchase amount will be equal to 20,000 ETNs for any single repurchase; provided that RBS plc may, in its sole discretion, from time to time, reduce the minimum repurchase amount. Any such reduction will be applied on a consistent basis for all holders of the ETNs from the time the reduction becomes effective. Subject to any reduction in the minimum repurchase amount, if you offer at least 20,000 ETNs to us for repurchase and fulfill the repurchase procedures described under “—How do I offer my ETNs for repurchase by RBS plc?” below, we will be obligated to repurchase your ETNs on the applicable repurchase date.

In addition, we may, in our sole discretion, redeem the ETNs, in whole but not in part, at any time during the period from, and including, the initial settlement date to, and including, February 13, 2041. If we exercise our right to redeem the ETNs, we will deliver an irrevocable redemption notice to DTC (the holder of the global note) not less than five business days prior to the applicable redemption date. The last day on which we can deliver a redemption notice is February 6, 2041.

If your ETNs are repurchased or redeemed, on the corresponding repurchase date or redemption date, as the case may be, you will receive a cash payment on such date in an amount per ETN equal to the daily redemption value of the ETNs on the applicable valuation date. The calculation agent will determine the daily redemption value in the manner described under “—How is the daily redemption value for my ETNs calculated?” below and “Specific Terms of the ETNs—Daily Redemption Value” in this pricing supplement.

The repurchase date applicable to any repurchase will be the third business day immediately following the valuation date for such repurchase. The redemption date will be specified in the redemption notice and will not be less than five business days or more than ten business days after the date of the redemption notice. The applicable valuation date will be:

- in the case of a repurchase of ETNs at your option, the trading day immediately following the business day on which you make, or are deemed to have made, your offer and confirmation to us to repurchase your ETNs; and
- in the case of a redemption, the trading day immediately following the business day on which we deliver the relevant redemption notice to DTC (the holder of the global note).

If a valuation date for any repurchase or redemption is not a trading day or if a market disruption event exists on such valuation date, then the calculation agent will postpone the valuation date as described under “Specific Terms of the ETNs—Postponement of a Valuation Date” by up to five business days. If any valuation date is postponed, the repurchase date or redemption date, as the case may be, will be postponed to the third business day immediately following such valuation date, as postponed, and the calculation agent will determine the daily redemption value as described under “Specific Terms of the ETNs—Postponement of a Valuation Date” in this pricing supplement. In the event that payment upon repurchase or redemption by RBS plc is deferred beyond the original repurchase date or redemption date, as the case may be, as provided herein, no interest or other amount will accrue or be payable with respect to that deferred payment. For more information on market disruption events and their effect on the calculation of the payment you will receive at maturity, see “Specific Terms of the ETNs—Payment upon Repurchase or Redemption” and “Specific Terms of the ETNs—Postponement of a Valuation Date” in this pricing supplement.

Any payment upon repurchase of the ETNs is subject to the ability of RBS plc, as the issuer of the ETNs, and RBSG, as the guarantor of the issuer's obligations under the ETNs, to pay their respective obligations as they become due.

How do I offer my ETNs for repurchase by RBS plc?

If you wish to offer your ETNs to us for repurchase, you and your broker must follow the following procedures:

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- Your broker must deliver an irrevocable offer for repurchase, a form of which is attached as Annex A to this pricing supplement, to us by e-mail at ETNUSCorpActions@rbs.com. If your offer for repurchase is received by us after 4:00 p.m., New York City time, on a business day, you will be deemed to have delivered your offer for repurchase on the following business day.
- In addition to the offer for repurchase, your broker must deliver a completed and signed irrevocable confirmation of repurchase, a form of which is attached as Annex B, to us by facsimile by 5:00 p.m., New York City time, on the same day. If your irrevocable confirmation of repurchase is received after 5:00 p.m., New York City time, you will be deemed to have delivered your confirmation of repurchase on the following business day. One portion of the confirmation of repurchase must be completed by you as beneficial owner of the ETNs, and the other portion must be completed by your broker. You must offer at least 20,000 ETNs for any single repurchase by us on any repurchase date; provided that RBS plc may, in its sole discretion, from time to time, reduce the minimum repurchase amount. We must acknowledge receipt from your broker in order for your offer to be effective.
- Your broker must book a delivery versus payment trade with respect to your ETNs on the applicable valuation date at a price equal to the applicable daily redemption value, facing us.
- Your broker must cause your DTC custodian to deliver the trade as booked for settlement via DTC at or prior to 10:00 a.m., New York City time, on the applicable repurchase date (which is the third business day following the relevant valuation date).

Different brokers and DTC participants may have different deadlines for accepting instructions from their customers. Accordingly, you should consult the brokerage firm or other DTC participant through which you own your interest in the ETNs in respect of such deadlines. Any repurchase instructions that we receive in accordance with the procedures described above will be irrevocable.

What are the differences among the trading price or market price, the indicative value and the daily redemption value of the ETNs?

Term	Ticker (NYSE Arca)	What does it mean?	Frequency of dissemination	How determined?
Trading price or market price	TBAR	The price at which buyers and sellers execute transactions in the ETNs in the secondary market.	The “best bid” and “best offer” are disseminated continuously during regular exchange hours on NYSE Arca	<p>Trades are generally effected on the NYSE Arca at a price between the current “best bid” and “best offer.”</p> <p>The “best bid” is the highest price at which an investor is willing to buy ETNs at any given point. (Our obligation to repurchase ETNs at the daily redemption value is intended to induce arbitrageurs to counteract any trading of the ETNs at a price lower than their indicative value, but there can be no assurance that arbitrageurs will do so.)</p> <p>The “best offer” is the lowest price at which an investor is willing to sell ETNs at any given point. (To the extent we stand ready to issue and sell additional ETNs at their indicative value or daily redemption value, we expect arbitrageurs will be induced to counteract any trading of the ETNs at a price higher than their indicative value, but there can be no assurance that arbitrageurs will do so. If we were to suspend the issuance of additional ETNs, the ETNs might trade at a premium to their indicative value.)</p>
Intraday “indicative value”	TBAR.IV	Meant to approximate the intrinsic economic value of the ETNs at any given time. The indicative value will generally not be the same as the daily redemption value, because the indicative value fluctuates with the level of the Index and is not calculated at the same time as the daily redemption value (except at the close on the	During regular exchange hours on NYSE Arca (and disseminated every 15 seconds)	<p>The “indicative value” of the ETNs at any given time equals:</p> <ul style="list-style-type: none"> · the daily redemption value on the immediately preceding valuation date, multiplied by · the index factor at such time, multiplied by · the fee factor for the day on which it is calculated.

applicable valuation date).

Daily redemption value

TBAR.NV

The price we will pay holders at maturity upon early repurchase or upon redemption of the ETNs.

Daily on www.rbs.com/etnus

The daily redemption value is determined using the same formula as the indicative value, but it is calculated as of the close on the applicable valuation date. The applicable valuation date occurs at least one day after you confirm your offer to us to repurchase or we deliver a notice to redeem.

See “—What will I receive if I sell my ETNs in the secondary market?” below and “Risk Factors—The intraday indicative value and the daily redemption value are not the same as the trading price or market price of the ETNs in the secondary market.”

How is the daily redemption value for my ETNs calculated?

RBS Securities Inc. (“RBSSI”), as the calculation agent for the ETNs, will calculate the amount payable at maturity or upon early repurchase or redemption by us of your ETNs, which will be equal to the daily redemption value of your ETNs on the applicable valuation date.

The daily redemption value as of February 17, 2011, the inception date of the ETNs, was equal to the stated face amount of \$25.00 per ETN. For any valuation date thereafter, the daily redemption value per ETN will be equal to:

- the daily redemption value on the immediately preceding valuation date, multiplied by
- the index factor (as defined below) on such valuation date, multiplied by
- the fee factor (as defined below) on such valuation date.

The “index factor” on any valuation date, including the final valuation date, will be equal to the Index closing level on such valuation date, divided by the Index closing level on the immediately preceding valuation date.

The “fee factor” on any valuation date, including the final valuation date, will be equal to one minus the investor fee, which is equal to the product of (a) the annual investor fee and (b) the day-count fraction.

The “annual investor fee” will be equal to (a) 1.00% per annum when the Index is tracking the Price of Gold Bullion and (b) 0.50% per annum when the Index is not tracking the Price of Gold Bullion, and instead, is tracking the Cash Rate.

On each valuation date, the “day-count fraction” is equal to the number of days from, but excluding, the immediately preceding valuation date to, and including, the applicable valuation date, divided by 365.

See “Specific Terms of the ETNs—Daily Redemption Value” in this pricing supplement for further information on calculation of the daily redemption value.

The daily redemption value payable at maturity or upon early repurchase or redemption of your ETNs is reduced by the aggregate investor fee applicable to your ETNs. As a result, the level of the Index must increase by an amount sufficient to offset such reduction in order for you to receive at least the initial amount of your investment at maturity or upon early repurchase or redemption. If the level of the Index decreases or does not increase sufficiently, you will receive less, and possibly significantly less, than the initial amount of your investment at maturity or upon early repurchase or redemption.

Can I sell my ETNs in the secondary market?

The ETNs are listed on NYSE Arca, Inc. (“NYSE Arca”) under the ticker symbol “TBAR.” If an active secondary market in the ETNs develops, we expect that investors will purchase and sell the ETNs primarily in this secondary market. However, there is no guarantee that an active secondary market in the ETNs will develop. On the initial settlement date, RBS N.V. issued \$4,000,000 in face amount of the ETNs (equivalent to 160,000 ETNs) to be sold through RBSSI. In addition, we are not required to maintain any listing of the ETNs on NYSE Arca or any other exchange. We have the ability to delist the ETNs. Accordingly, there may be little or no secondary market for the ETNs.

What will I receive if I sell my ETNs in the secondary market?

If you sell ETNs in the secondary market, if any, you will receive the market price of the ETNs, which may be more or less than the stated face amount, the indicative value or the daily redemption value of your ETNs, and which may be more or less than what you paid for them.

If we limit or suspend the issuance of additional ETNs, the ETNs may trade at a premium over their intraday indicative value due to the resulting decrease or halt in the supply causing an imbalance of supply and demand in the market for the ETNs. See “Risk Factors—We are under no obligation to issue or sell additional ETNs at any time, and if we do sell additional ETNs, we may limit or restrict such sales, and we may stop selling additional ETNs at any time.”

We may redeem all the ETNs at our option even if the ETNs are trading in the secondary market at a premium over their indicative value or daily redemption value. See “Risk Factors—We may redeem your ETNs at our option.”

Paying a premium price over the indicative value of the ETNs could lead to significant losses in the event you sell such ETNs at a time when that premium is no longer present in the marketplace, or in the event the ETNs are redeemed at our option (in which case you will receive a cash payment in an amount equal to the daily redemption value, which does not include any premium, on the applicable valuation date). Any premium may be reduced or eliminated at any time.

Who will determine the daily redemption value and the payment at maturity or upon early repurchase or redemption of my ETNs?

We have appointed our affiliate, RBSSI, to act as calculation agent for the ETNs. As calculation agent, RBSSI will determine the daily redemption value and the payment at maturity or upon early repurchase or redemption of your ETNs. Under some circumstances, RBSSI's duties as calculation agent could result in a conflict of interest between its status as our affiliate and its responsibilities as calculation agent. For example, the

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calculation agent may be required, due to events beyond our control, to adjust any of these calculations, which we describe under “Specific Terms of the ETNs—Postponement of a Valuation Date” and “Specific Terms of the ETNs—Discontinuation or Modification of the Index.”

What is the relationship among RBS plc, RBSG and RBSSI?

RBSSI is an affiliate of RBS plc and RBSG. RBSSI will act as calculation agent for the ETNs, and is acting as agent for this offering. On the initial settlement date, RBS N.V. issued \$4,000,000 in face amount of the ETNs (equivalent to 160,000 ETNs) to be sold through RBSSI. As of the date of this pricing supplement, RBS plc assumed the obligations of RBS N.V. and became the issuer of the ETNs. RBSSI will conduct any offering of ETNs in compliance with the requirements of Rule 5121 of the Financial Industry Regulatory Authority, which is commonly referred to as FINRA, regarding a FINRA member firm’s distribution of the securities of an affiliate. See “Risk Factors—Risks Relating to the ETNs—Hedging and trading activities by us or our affiliates could affect prices of ETNs,” “Risk Factors—Risks Relating to the ETNs—Potential conflicts of interest between holders of the ETNs and the calculation agent” and “Plan of Distribution (Conflicts of Interest)” in this pricing supplement.

What are some of the risks of investing in the ETNs?

Investing in the ETNs involves a number of risks. We have described some of the risks relating to the ETNs under the heading “Risk Factors” in this pricing supplement, which you should read before making an investment in the ETNs.

Some selected risk considerations include:

- **Credit risk of the issuer.** Because you are purchasing a security issued by us, you are assuming the risk that we may be unable to pay our obligations to you as they become due and payable. In addition, because the ETNs are fully and unconditionally guaranteed by RBSG, you are also assuming the risk that RBSG will be unable to pay amounts due to you under the ETNs in the event we fail to make any payment required by the terms of the ETNs.
- **Market risk.** The return on the ETNs will depend on the performance of the Index (which, in turn, will depend on the performance of the Price of Gold Bullion and the Cash Rate) and other market conditions (general economic conditions, interest rates, our and RBSG’s creditworthiness, trading volatility, etc.). As with various exchange traded securities (including stocks), the market price of the ETNs may be influenced by various factors. In particular, an investment in the ETNs carries the risks associated with the Index’s systematic trend-following strategy, which generally seeks to capitalize on positive trends, if any, in the Price of Gold Bullion. That strategy may perform poorly in non-trending markets characterized by short term volatility as discussed under “Risk Factors—Risks Relating to the Index—The Index is expected to perform poorly in volatile markets, especially over short-term periods” in this pricing supplement. In addition, during periods when the Index is tracking the Price of Gold Bullion, the Index will reflect any decreases in the Price of Gold Bullion; any such decrease may be significant and may result in a loss to an investor. The ETNs may also generate negative returns when the Index is tracking the Cash Rate if the Cash Rate is less than the investor fee. There is no guarantee of any return to an investor in the ETNs.
- **A trading market for the ETNs may not develop.** Although the ETNs are listed on NYSE Arca, Inc. (“NYSE Arca”) under the ticker symbol “TBAR,” there is no guarantee of secondary market liquidity. On the initial settlement date, RBS N.V. issued \$4,000,000 in face amount of the ETNs (equivalent to 160,000 ETNs) to be sold through RBSSI. Even if an active secondary market develops, it may not be liquid and may not continue for the term of the ETNs. In addition, no assurances can be given as to the continuation of the listing during the term of the ETNs. We are not required to maintain any listing of the ETNs on NYSE Arca or any other exchange or quotation system.

- Uncertain payment of your investment. The ETNs are not principal protected, which means there is no guaranteed return of your investment. You may receive less than the face amount of your ETNs at maturity or upon early repurchase or redemption. If the level of the Index decreases, or does not increase by an amount sufficient to offset the investor fee, you will receive less, and possibly

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significantly less, than your original investment in the ETNs. Any payment on the ETNs is subject to the creditworthiness of RBS plc, as issuer, and RBSG, as guarantor.

- No interest payments. You will not receive any periodic interest payments on the ETNs.
- Restrictions on your ability to offer ETNs for repurchase by us. Unless the minimum repurchase amount has been reduced by RBS plc, you must offer at least 20,000 ETNs to us for any single repurchase and satisfy the other requirements described herein for your offer for repurchase to be considered.
- Your offer for repurchase is irrevocable. You will not be able to rescind your offer for repurchase after it is received by RBS plc, so you will be exposed to market risk in the event market conditions change after RBS plc receives your offer.
- Issuer call risk. Your ETNs may be redeemed at our option, in whole but not in part, at any time during the period from, and including, the initial settlement date to, and including, February 13, 2041. If we elect to redeem your ETNs, you will receive a cash payment in an amount equal to the daily redemption value on the applicable valuation date, and you may not be able to reinvest your proceeds in a comparable investment.

Who invests in the ETNs?

The ETNs are complex financial instruments and are not suitable for all investors. You may consider an investment in the ETNs if:

- you are seeking exposure to the price of gold, as represented by the Index when it is tracking the Price of Gold Bullion, and you believe that the level of the Index will increase by an amount sufficient to offset the aggregate investor fee applicable to the ETNs and provide you with a satisfactory return on your investment during the term of your holding of the ETNs;
- you are willing to accept exposure to the yield on a hypothetical notional investment in 3-month U.S. Treasury bills, as represented by the Index when it is tracking the Cash Rate, perhaps for an extended period of time;
- you have sufficient knowledge and experience to evaluate how the ETNs may perform under different conditions and the merits and risks of an investment in the ETNs;
- you have sufficient financial resources and liquidity to bear all of the risks of an investment in the ETNs, including the risk of loss of such investment;
- you understand the terms of the investment in the ETNs and are familiar with the behavior of the Index, the Price of Gold Bullion, the Cash Rate and financial markets generally;
- you are willing to risk losing some or all of your initial investment in exchange for the opportunity to benefit from the appreciation, if any, in the level of the Index over the term of your holding of the ETNs;
- you do not seek a current income stream from this investment;
- you are willing to be exposed to fluctuations in gold prices and interest rates, in general, and the level of the Index, in particular; and
-

you are willing to make an investment, the payments on which depend on the creditworthiness of RBS plc, as the issuer of the ETNs, and RBSG, as the guarantor.

The ETNs may not be a suitable investment for you if:

- you believe the level of the Index will decrease or will not increase by an amount sufficient to offset the aggregate investor fee applicable to your ETNs during the term of your holding of the ETNs;

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- you are unwilling to accept the possibility of an exposure to the yield on a hypothetical notional investment in 3-month U.S. Treasury bills, as represented by the Index when it is tracking the Cash Rate, for an extended period of time;
- you do not have sufficient knowledge and experience to evaluate how the ETNs may perform under different conditions and the merits and risks of an investment in the ETNs;
- you do not have sufficient financial resources and liquidity to bear all of the risks of an investment in the ETNs, including the risk of loss of such investment;
- you do not understand the terms of the investment in the ETNs or are not familiar with the behavior of the Index, the Price of Gold Bullion, the Cash Rate or financial markets generally;
 - you seek a guaranteed return of your invested principal;
 - you seek current income from your investment;
- you are not willing to be exposed to fluctuations in gold prices and interest rates, in general, and the level of the Index, in particular;
- you prefer the lower risk and therefore accept the potentially lower returns of fixed income investments with comparable maturities and credit ratings; or
- you are unwilling or unable to assume the credit risk associated with RBS plc, as the issuer of the ETNs, and RBSG, as the guarantor.

You should carefully consider whether the ETNs are suited to your particular circumstances before you decide to purchase them. In addition, we urge you to consult with your investment, legal, accounting, tax and other advisers with respect to any investment in the ETNs.

Does an investment in the ETNs entitle you to any ownership interests in gold or in U.S. Treasury bills?

No. An investment in the ETNs does not entitle you to any ownership interest or rights in gold, nor does it entitle you to any ownership interest or rights in any U.S. Treasury bills. You will not have any rights to receive interest on any U.S. Treasury bills, merely as a result of your ownership of the ETNs.

What are the tax consequences of an investment in the ETNs?

You should review carefully the section in this pricing supplement entitled “U.S. Federal Income Tax Consequences.”

For a discussion of United Kingdom tax considerations relating to the ETNs, you should review the section in this pricing supplement entitled “United Kingdom Taxation Considerations.”

You should consult your tax adviser regarding the U.S. federal tax consequences of an investment in the ETNs, as well as tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

How has the Index performed historically?

Retrospectively calculated and actual historical Index data, along with comparisons to the Price of Gold Bullion and the Cash Rate are provided in the section “The Index—Retrospectively Calculated and Actual Historical Index Performance” in this pricing supplement.

Because the Index was only created on January 24, 2011, the Index has limited actual history. The Index Sponsor and the Index calculation agent have retrospectively calculated the performance of the Index prior to its

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inception based on the actual historical data for the Price of Gold Bullion, the historical 200-Index business day simple moving average for the Price of Gold Bullion and actual historical data for the Cash Rate starting from the Index Base Date of October 20, 1975, and using the Index Base Value of 144.75. The Index Base Value was retrospectively calculated based on the actual historical Price of Gold Bullion on the Index Base Date. The retrospective calculations by The Royal Bank of Scotland plc, as the Index Sponsor and S&P Opco, LLC, as the Index calculation agent, from the Index Base Date through January 21, 2011 were performed using the Index methodology described in the section “The Index—Index Methodology” in this pricing supplement.

The first graph below shows Index closing levels retrospectively calculated from October 20, 1975 through to January 21, 2011, together with actual Index closing levels from January 24, 2011 through to December 5, 2012. The graph also includes the actual Prices of Gold Bullion and the Price of Gold Simple Moving Average, and shaded areas in the graph indicate when the Index was tracking the Price of Gold Bullion and the Cash Rate.

The second graph below shows again the Index closing levels retrospectively calculated from October 20, 1975 through to January 21, 2011, together with actual Index closing levels from January 24, 2011 through to December 5, 2012. However, for comparison purposes, the Index closing levels in this graph are based to a value of 100 on October 20, 1975, and the graph also includes the historical Prices of Gold Bullion based to a value of 100 on October 20, 1975.

The table below shows the retrospectively calculated March 31 year-end Index closing levels (up to and including March 31, 2010) and the actual Index closing level on March 31, 2011 and March 30, 2012, the actual Prices of Gold Bullion and the Cash Rate for the period from March 31, 1976 to March 30, 2012, as well as the actual Index closing level, Price of Gold Bullion and Cash Rate on December 5, 2012.

The performance of the Index, Price of Gold Bullion and the Cash Rate in the graphs and in the table below were determined on an approximate basis and do not reflect the investor fee that will be deducted in calculating the daily redemption value of the ETNs.

Although the Index Sponsor and the Index calculation agent believe that the retrospective calculations of the Index levels represent accurately and fairly an approximate estimation of how the Index would have performed from October 20, 1975 through to January 21, 2011, the Index did not exist during that period. You should be aware that no actual investment allowing for tracking of the performance of the Index was possible prior to January 24, 2011. The retrospectively calculated closing levels and performances for the Index should not be taken as an indication of future performance, and no assurance can be given as to the closing level of the Index on any given date. In addition, the performance of the Index, the Price of Gold Bullion and the Cash Rate do not reflect the investor fee that will be deducted in calculating the daily redemption value of the ETNs.

Source: Bloomberg.

* The RBS Gold Trendpilot™ Index (USD) (the “Index”) was created on January 24, 2011. Therefore, for the Index the graph above reflects an actual Index performance from January 24, 2011 to December 5, 2012 and reflects a retrospectively calculated Index performance from October 20, 1975 to January 21, 2011 that is based on the Index Methodology (determined on an approximate basis).

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Source: Bloomberg.

* The RBS Gold Trendpilot™ Index (USD) (the “Index”) was created on January 24, 2011. Therefore, for the Index the graph above reflects actual Index levels from January 24, 2011 to December 5, 2012 and reflects retrospectively calculated Index levels from October 20, 1975 to January 21, 2011 that are based on the Index Methodology (determined on an approximate basis).

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March 31 Year-End Retrospectively Calculated* and Actual Historical Index Closing Levels and
Prices of Gold Bullion and Actual Historical Cash Rates
March 31, 1976 to December 5, 2012

Year	Date	Price of Gold		
		Bullion (USD)	Index	Cash Rate
1976	3/31/1976	129.60	148.25	4.89%
1977	3/31/1977	148.90	167.30	4.55%
1978	3/31/1978	181.60	204.04	6.31%
1979	3/30/1979	240.10	269.76	9.50%
1980	3/31/1980	494.50	555.59	16.53%
1981	3/31/1981	513.75	658.60	12.70%
1982	3/31/1982	320.00	758.42	12.55%
1983	3/31/1983	414.75	791.06	8.43%
1984	3/30/1984	388.50	828.26	9.76%
1985	3/29/1985	329.25	867.21	8.41%
1986	3/31/1986	344.00	924.80	6.36%
1987	3/31/1987	421.00	1,091.07	5.55%
1988	3/31/1988	456.95	1,197.89	5.76%
1989	3/31/1989	383.20	1,290.96	9.10%
1990	3/30/1990	368.50	1,298.90	7.85%
1991	3/29/1991	355.65	1,055.94	5.86%
1992	3/31/1992	341.70	1,076.79	4.08%
1993	3/31/1993	337.80	1,023.74	2.96%
1994	3/31/1994	389.20	1,128.78	3.50%
1995	3/31/1995	392.00	1,082.90	5.65%
1996	3/29/1996	396.35	1,065.48	4.99%
1997	3/31/1997	348.15	1,083.25	5.19%
1998	3/31/1998	301.00	1,141.54	5.06%
1999	3/31/1999	279.45	1,135.87	4.38%
2000	3/31/2000	276.75	1,029.42	5.72%
2001	3/30/2001	257.70	1,107.86	4.20%
2002	3/29/2002	301.40	1,161.65	1.82%
2003	3/31/2003	334.85	1,290.57	1.10%
2004	3/31/2004	423.70	1,600.49	0.95%
2005	3/31/2005	427.50	1,419.55	2.78%
2006	3/31/2006	582.00	1,797.21	4.50%
2007	3/30/2007	661.75	1,879.79	4.93%
2008	3/31/2008	933.50	2,651.74	1.44%
2009	3/31/2009	916.50	2,394.02	0.20%
2010	3/31/2010	1,115.50	2,913.84	0.15%
2011	3/31/2011	1,439.00	3,758.86	0.10%
2012	3/20/2012	1,662.50	4,219.25	0.09%
2012~	12/5/2012	1,694.00	4,337.41	0.09%

Source: Bloomberg, U.S. Treasury.

* The Index was created on January 24, 2011. Therefore, for the Index closing values the table above reflects the actual Index performance on March 31, 2011 and March 30, 2012 and reflects a retrospectively calculated Index performance from March 31, 1976 to March 31, 2010 that is based on the Index Methodology (determined on an

approximate basis).

~ The Cash Rate, Price of Gold Bullion and Index closing level are specified for December 5, 2012, unlike the closing levels, Prices of Gold Bullion and the Cash Rates for the previous years which are all specified for the last business day of March of the relevant year.

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What if I have more questions?

You should read “Valuation of the ETNs” and “Specific Terms of the ETNs” in this pricing supplement for a detailed description of the terms of the ETNs. The ETNs are unsecured and unsubordinated obligations of RBS plc issued as part of our RBS NotesSM program and are fully and unconditionally guaranteed by RBSG. The ETNs offered by RBS plc will constitute our unsecured and unsubordinated obligations and rank pari passu without any preference among them and with all our other present and future unsecured and unsubordinated obligations. The guarantees of RBSG will constitute RBSG’s unsecured and unsubordinated obligations and rank pari passu without any preference among them and with all RBSG’s other current and future unsecured and unsubordinated obligations. You can find a general description of certain basic features of the ETNs in the section of the accompanying prospectus called “Description of Debt Securities.”

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RISK FACTORS

The ETNs are our unsecured and unsubordinated obligations and are fully and unconditionally guaranteed by RBSG. The ETNs are securities as described in the accompanying prospectus dated March 23, 2012 and are riskier than ordinary unsecured debt securities. The return on the ETNs is linked to the performance of the Index, which in turn depends on the performance of the Price of Gold Bullion or the Cash Rate. Investing in the ETNs is not equivalent to investing directly in gold, U.S. Treasury bills or the Index itself. See “The Index” below for more information.

You should carefully consider whether the ETNs are suited to your particular circumstances before you decide to purchase them. In addition, we urge you to consult with your investment, legal, accounting, tax and other advisers with respect to any investment in the ETNs.

Risks Relating to the ETNs

You may lose all or a significant portion of your investment in the ETNs

The ETNs do not have a minimum redemption or repurchase value and you may receive less, and possibly significantly less, at maturity or upon early repurchase or redemption, than the amount you originally invested. Any cash payment on your ETNs at maturity or upon early repurchase or redemption of your ETNs will be based primarily on any increase or decrease in the level of the Index, and will be reduced by the accrued investor fee on your ETNs. You may lose all or a significant amount of your investment in the ETNs if the level of the Index decreases substantially.

The credit risk of RBS plc and RBSG, and their credit ratings and their credit spreads may adversely affect the market price of the ETNs prior to maturity, and all payments on the ETNs will be subject to the ability of RBS plc and RBSG to pay their respective obligations as they become due

You are dependent on RBS plc’s ability to pay all amounts due on the ETNs, and therefore you are subject to the credit risk of RBS plc and to changes in the market’s view of RBS plc’s creditworthiness. In addition, because the ETNs are unconditionally guaranteed by RBS plc’s parent company, RBSG, you are also dependent on the credit risk of RBSG in the event that RBS plc fails to make any payment or delivery required by the terms of the ETNs. Any actual or anticipated decline in RBS plc’s or RBSG’s credit ratings or increase in their credit spreads charged by the market for taking credit risk is likely to adversely affect the value of the ETNs prior to maturity, and all payments on the ETNs will be subject to the ability of RBS plc and RBSG to pay their respective obligations as they become due.

Our credit ratings are an assessment, by each rating agency, of our ability to pay our obligations, including those under the ETNs. Credit ratings are subject to revision, suspension or withdrawal at any time by the assigning rating organization in their sole discretion. However, because the return on the ETNs is dependent upon factors in addition to our ability to pay our obligations under the ETNs, an improvement in our credit ratings will not necessarily increase the market price of the ETNs and will not reduce market risk and other investment risks related to the ETNs. Credit ratings (i) do not reflect market risk, which is the risk that the level of the Index may fall resulting in a loss of some or all of your investment, (ii) do not address the price, if any, at which the ETNs may be resold prior to maturity (which may be substantially less than the issue price of the ETNs), and (iii) are not recommendations to buy, sell or hold the ETNs. Credit ratings are not taken into account in determining the daily redemption value of the ETNs. See “—The market price of the ETNs may be influenced by many unpredictable factors” below.

Although we are a bank, the ETNs 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 ETNs are our obligations but are not bank deposits. In the event of our insolvency, the ETNs 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 government agency.

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Your return at maturity or upon early repurchase or redemption will be reduced by the investor fee

The daily redemption value payable at maturity or upon early repurchase or redemption of your ETNs will be reduced by the aggregate investor fee applicable to your ETNs. As a result, the level of the Index must increase by an amount sufficient to offset such reduction in order for you to receive at least the initial amount of your investment at maturity or upon early repurchase or redemption. If the level of the Index decreases or does not increase sufficiently, you will receive less, and possibly significantly less, than the initial amount of your investment at maturity or upon early repurchase or redemption. This is true not only when the Index is tracking the Price of Gold Bullion, but also when the Index is tracking the Cash Rate. If the Index is tracking the Price of Gold Bullion, the applicable investor fee is 1.00% per annum. If the Index is tracking the Cash Rate, the applicable investor fee is 0.50% per annum. Accordingly, if the Index is tracking the Cash Rate, especially in a low interest rate environment and if the Cash Rate is less than the applicable investor fee for an extended period of time, you may lose some or all of your investment at maturity or upon early repurchase or redemption.

There are restrictions on the minimum number of ETNs you may offer to us for repurchase

Unless the minimum repurchase amount has been reduced by RBS plc, we will repurchase your ETNs at your election, only if you are offering at least 20,000 ETNs for any single repurchase and you have followed the procedures for repurchase detailed herein. The minimum repurchase amount and the procedures involved in the offer of any repurchase represent substantial restrictions on your ability to cause us to repurchase your ETNs. If you own fewer than 20,000 ETNs, you will not be able to cause us to repurchase your ETNs. However, RBS plc may, in its sole discretion, from time to time, reduce the minimum repurchase amount. Any such reduction will be applied on a consistent basis for all holders of the ETNs from the time the reduction becomes effective.

If you make an offer to us to repurchase your ETNs, your offer will be irrevocable. If your offer for repurchase is received after 4:00 p.m., New York City time, on a business day, or your confirmation of repurchase is received after 5:00 p.m., New York City time, on a business day, you will be deemed to have made your offer for repurchase on the following business day. Also, unless the scheduled repurchase date is postponed because the applicable valuation date is postponed or otherwise due to a market disruption event, the final day on which we will repurchase your ETNs will be February 13, 2041. As such, you must offer your ETNs for repurchase no later than February 7, 2041. The repurchase date in respect of any offer you make to us will be the third business day following the applicable valuation date. See “Specific Terms of the ETNs—Repurchase at Your Option” for more information.

The daily repurchase feature is intended to induce arbitrageurs to counteract any trading of the ETNs at a discount to their indicative value. There can be no assurance that arbitrageurs will employ the repurchase feature in this manner.

You will not know the daily redemption value you will receive at the time an election is made to repurchase or redeem your ETNs

You will not know the daily redemption value you will receive at the time you elect to request that we repurchase your ETNs or that we elect to redeem your ETNs. This is because you will not know the daily redemption value until after the close of business on the applicable valuation date, and the applicable valuation date will be:

- in the case of ETNs you have offered for repurchase, the trading day immediately following the business day on which you make, or are deemed to have made, your offer and confirmation to us to repurchase your ETNs; or
- in the case of ETNs we have elected to redeem, the trading day immediately following the business day on which we deliver a redemption notice to DTC (as holder of the global note).

Upon repurchase of your ETNs, we will pay you an amount per ETN equal to the daily redemption value calculated as of the applicable valuation date. We will pay you this amount on the applicable repurchase date or redemption date, as applicable, which will be the third business day immediately following the valuation date for such repurchase or the date specified in the redemption notice for such redemption (which will not be less than five business days or more than ten business days after the date of the redemption notice).

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The valuation date and repurchase date may be postponed if the valuation date is not a trading day or if a market disruption event exists. See “Specific Terms of the ETNs—Payment upon Repurchase or Redemption.” As a result, you will be exposed to market risk in the event that the market fluctuates between (i) either the time you deliver the repurchase offer to us or the date on which we deliver a redemption notice to DTC and (ii) the applicable valuation date.

We may redeem your ETNs at our option

We may, in our sole discretion, redeem the ETNs, in whole but not in part, at any time during the period from, and including, the initial settlement date to, and including, February 13, 2041.

If we exercise our right to redeem the ETNs, we will deliver an irrevocable redemption notice to DTC (the holder of the global note) not less than five business days prior to the applicable redemption date. The last day on which we can deliver a redemption notice is February 6, 2041. If we exercise our right to redeem your ETNs, you will receive a cash payment in an amount equal to the daily redemption value calculated as of the applicable valuation date, subject to postponement if the valuation date is not a trading day or a market disruption event exists, as described under “Specific Terms of the ETNs—Payment upon Repurchase or Redemption.” The amount you may receive upon any such redemption may be less than the amount you would have received on your investment at maturity or if you had elected to have us repurchase your ETNs at a time of your choosing.

If we elect to redeem your ETNs at a time when the Index closing level is relatively low, the daily redemption value, when calculated, will likely be relatively low as well, and any payment upon redemption may be substantially less than the amount you initially invested, the amount you could have received on your investment at maturity if the ETNs had not been redeemed or the amount you could have received if you had disposed of your ETNs or offered your ETNs for repurchase by us at the time of your choosing. See also “Summary—What will I receive if I sell my ETNs in the secondary market?”

We have no obligation to take your interests into account when deciding whether to call the ETNs.

If the ETNs are redeemed, you will be exposed to reinvestment risk

If the ETNs are redeemed by the issuer, the holding period could be significantly less than the full term of the ETNs. There is no guarantee that you would be able to reinvest the proceeds in another investment with similar characteristics.

The market price of the ETNs may be influenced by many unpredictable factors

The market price of your ETNs may fluctuate between the date you purchase them and the valuation date when the calculation agent determines the amount to be paid to you upon repurchase or redemption of your ETNs, or on the final valuation when the calculation agent determines the amount to be paid at maturity, as applicable. You may also sustain a significant loss if you sell the ETNs in the secondary market. We expect that generally the level of the Index will affect the market price of the ETNs more than any other factor. Other factors that may influence the market price of the ETNs, and which may either offset or amplify each other, include:

- the price of gold, which can fluctuate significantly;
- the volatility (frequency and magnitude of changes) in the price of gold;
-

supply and demand for the ETNs, including inventory positions with any market maker, which may be affected by the amount of ETNs we decide to issue (we are under no obligation to issue any ETNs);

- economic, financial, political, regulatory or judicial events that affect the price of gold, level of the Index or the return on the Price of Gold Bullion and the Cash Rate;
 - the Cash Rate and the prevailing rate of interest generally; and
- the actual or perceived creditworthiness of RBS plc as issuer of the ETNs and RBSG as the guarantor of RBS plc's obligations under the ETNs.

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These factors interrelate in complex ways, and the effect of one factor on the market price of your ETNs may offset or enhance the effect of another factor.

Some or all of these factors will influence the price that you will receive if you sell your ETNs prior to maturity in the secondary market, if any. If you sell your ETNs prior to maturity, the price at which you are able to sell your ETNs may be at a discount, which could be substantial, from the then applicable daily redemption value or the stated face amount. For example, there may be a discount on the ETNs if at the time of sale the Index is at or below its initial level or if market interest rates rise. Thus, if you sell your ETNs before maturity, the price that you receive for your ETNs may be more or less than the applicable indicative value or the applicable daily redemption value of the ETNs. Further, you may receive more or less than the stated face amount of the ETNs or the price that you paid for them.

Some or all of these factors will influence the return, if any, that you receive upon maturity of the ETNs. We cannot predict the future performance of the ETNs, the Index, the Price of Gold Bullion or the yield on a hypothetical notional investment in 3-month U.S. Treasury bills based on the retrospectively calculated and historical performance of the Index, Price of Gold Bullion or 3-month U.S. Treasury bills. Neither we nor RBSG nor any of our affiliates can guarantee that the level of the Index will increase so that you will receive at maturity an amount in excess of the stated face amount of the ETNs.

As an investor in the ETNs you assume the risk that as a result of the performance of the ETNs you may not receive any return on your initial investment in the ETNs or that you may lose some or all of your investment in the ETNs.

The ETNs are complex financial instruments and may not be a suitable investment for you

The ETNs may not be a suitable investment for you if:

- you believe the level of the Index will decrease or will not increase by an amount sufficient to offset the aggregate investor fee applicable to your ETNs during the term of your holding of the ETNs;
- you are unwilling to accept the possibility of an exposure to the yield on a hypothetical notional investment in 3-month U.S. Treasury bills, as represented by the Index when it is tracking the Cash Rate, for an extended period of time;
- you do not have sufficient knowledge and experience to evaluate how the ETNs may perform under different conditions and the merits and risks of an investment in the ETNs;
- you do not have sufficient financial resources and liquidity to bear all of the risks of an investment in the ETNs, including the risk of loss of such investment;
- you do not understand the terms of the investment in the ETNs or are not familiar with the behavior of the Index, the Price of Gold Bullion, the Cash Rate or financial markets generally;
- you seek a guaranteed return of your invested principal;
- you seek current income from your investment.
- you are not willing to be exposed to fluctuations in the level of the Index;
-

you prefer the lower risk and therefore accept the potentially lower but more predictable returns of fixed income investments with comparable maturities and credit ratings; or

- you are unwilling or unable to assume the credit risk associated with RBS plc, as the issuer of the ETNs, and RBSG, as the guarantor.

Your return, if any, may be less than a comparable investment directly in gold

Your ETNs are linked to the Index, which in turn tracks the return on the Price of Gold Bullion (if the Price of Gold Bullion is in a positive trend relative to its historical 200-Index business day simple moving average) or the Cash Rate (if the Price of Gold Bullion is in a negative trend relative to its historical 200-Index business day

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simple moving average). Your return, if any, will not reflect the return you would realize if you actually invested in gold.

The Price of Gold Bullion will be determined by reference to the afternoon gold fixing price (also known as the “London Gold P.M. Fixing Price”) reported by the LBMA. The LBMA is a self-regulatory association of bullion market participants. Although all market-making members of the LBMA are supervised by the Bank of England and are required to satisfy a capital adequacy test, the LBMA itself is not a regulated entity. If the LBMA should cease operations, or if bullion trading should become subject to a value added tax or other tax or any other form of regulation currently not in place, the role of LBMA price fixings as a global benchmark for the value of the Price of Gold Bullion may be adversely affected. The LBMA is a principals’ market which operates in a manner more closely analogous to over-the-counter physical commodity markets than regulated futures markets, and certain features of U.S. futures contracts are not present in the context of LBMA trading. For example, there are no daily price limits on the LBMA, which would otherwise restrict fluctuations in the prices of LBMA contracts. In a declining market, it is possible that prices would continue to decline without limitation within a trading day or over a period of trading days. Any suspension or disruption of trading in gold on the LBMA also may have an adverse impact on the level of the Index and, consequently, the market price of the ETNs.

Your return will not reflect the return of owning instruments the returns of which track the Price of Gold Bullion or the Cash Rate

Your ETNs are linked to the Index, which in turn tracks the return on the Price of Gold Bullion (if the Price of Gold Bullion is in a positive trend relative to its historical 200-Index business day simple moving average) or the Cash Rate (if the Price of Gold Bullion is in a negative trend relative to its historical 200-Index business day simple moving average). In addition, the investor fee is embedded in the daily redemption value of your ETNs as described above under “—Your return at maturity or upon early repurchase or redemption will be reduced by the investor fee.”

As a result, the performance of your ETNs will not be the same as the performance of the Price of Gold Bullion or the Cash Rate, or the return on a similar investment in exchange traded notes or other instruments tracking the Price of Gold Bullion or the Cash Rate. Even if the Price of Gold Bullion or the Cash Rate increases from its level on the pricing date for the ETNs, the market price of the ETNs may not increase. It is also possible for the Price of Gold Bullion or the Cash Rate to increase while the market price of the ETNs declines. Your payment at maturity may be less than you would have received if you had invested directly in gold or 3-month U.S. Treasury bills. The trading value of the ETNs and final return on the ETNs may also differ from the performance of the Index for the reasons described under “—The credit risk of RBS plc and RBSG, and their credit ratings and their credit spreads may adversely affect the market price of the ETNs prior to maturity, and all payments on the ETNs will be subject to the ability of RBS plc and RBSG to pay their respective obligations as they become due” and “—The market price of the ETNs may be influenced by many unpredictable factors.”

The Price of Gold Bullion is volatile and is affected by numerous factors

The market for gold bullion is global, and the Price of Gold Bullion is subject to volatile price movements over short periods of time and is affected by numerous factors, including macroeconomic factors such as the structure of and confidence in the global monetary system, expectations of the future rate of inflation, the relative strength of, and confidence in, the U.S. dollar (the currency in which the Price of Gold Bullion is generally quoted), interest rates and gold borrowing and lending rates, and global or regional economic, financial, political, regulatory, judicial or other events. The Price of Gold Bullion may also be affected by industry factors such as industrial and jewelry demand, lending, sales and purchases of gold by the official governmental sector, including central banks and other governmental agencies and multilateral institutions that hold gold, sales of gold recycled from jewelry, as opposed to newly produced gold, in particular as the result of financial crises, levels of gold production and production costs, and

short-term changes in supply and demand because of trading activities in the gold market. The supply of gold consists of a combination of new mine production and existing stocks of bullion and fabricated gold held by governments, public and private financial institutions, industrial organizations and private individuals. From time to time, above-ground inventories of gold may also influence the market. The Price of Gold Bullion has recently been, and may continue to be extremely volatile. Therefore, investments linked to the price of a single commodity, such as gold, are considered to be speculative and risky.

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There may not be an active trading market in the ETNs; sales in the secondary market may result in significant losses

Although the ETNs are listed on NYSE Arca, Inc. (“NYSE Arca”) under the ticker symbol “TBAR,” there is no guarantee of secondary market liquidity. On the initial settlement date, RBS N.V. issued \$4,000,000 in face amount of the ETNs (equivalent to 160,000 ETNs) to be sold through RBSSI. Even if a secondary market does develop, it may not be liquid and may not continue for the term of the ETNs. In addition, no assurances can be given as to the continuation of the listing during the term of the ETNs. We are not required to maintain any listing of the ETNs on NYSE Arca or any other exchange or quotation system.

The liquidity of the market for the ETNs may vary materially over time

As stated on the cover of this pricing supplement, RBS N.V. issued only a small portion of the ETNs (\$4,000,000 in face amount of the ETNs (equivalent to 160,000 ETNs)) on the initial settlement date. These ETNs and additional ETNs may be offered and sold from time to time by or through RBSSI, an affiliate of ours, acting as principal or as our agent, to one or more dealers purchasing as principals for resale to investors. We cannot assure you that any minimum number of ETNs will be sold or be outstanding at any given point. We are under no obligation to issue or sell additional ETNs at any time, and if we do sell additional ETNs, we may limit or restrict such sales, and we may stop selling additional ETNs at any time. If we stop selling additional ETNs, the price and liquidity of the ETNs in the secondary market could be materially and adversely affected. See “—We are under no obligation to issue or sell additional ETNs at any time, and if we do sell additional ETNs, we may limit or restrict such sales, and we may stop selling additional ETNs at any time” below.

Also, the number of ETNs outstanding or held by persons other than our affiliates could be reduced at any time due to repurchases of the ETNs by us as described in this pricing supplement or due to our affiliates’ purchase of ETNs in the secondary market. Accordingly, the liquidity of the market for the ETNs could vary materially over the term of the ETNs. While you may elect to offer your ETNs for repurchase by us prior to maturity, such repurchase is subject to the restrictive conditions and procedures described elsewhere in this pricing supplement, including the condition that you must offer at least the applicable minimum repurchase amount to us at one time for repurchase on any repurchase date.

The intraday indicative value and the daily redemption value are not the same as the trading price or market price of the ETNs in the secondary market

The intraday indicative value and the daily redemption value are not the same as the trading price or market price of the ETNs in the secondary market. An intraday “indicative value” is meant to approximate the intrinsic economic value of the ETNs from time to time. The Index calculation agent will publish the intraday “indicative value” of the ETNs every 15 seconds via NYSE Arca under the symbol “TBAR.IV.” The trading price or market price of the ETNs at any time is the price at which you may be able to sell your ETNs in the secondary market, if it exists. The actual trading price or market price of the ETNs (NYSE Arca: “TBAR”) may vary significantly from the indicative value (NYSE Arca: “TBAR.IV”) and the daily redemption value (NYSE Arca: “TBAR.NV”). Paying a premium price over the indicative value of the ETNs could lead to significant losses in the event you sell such ETNs at a time when that premium is no longer present in the marketplace, or in the event the ETNs are redeemed at our option (in which case you will receive a cash payment in an amount equal to the daily redemption value, which does not include any premium, on the applicable valuation date). Any premium may be reduced or eliminated at any time. The “indicative value” of the ETNs, which refers to the value of the ETNs at any given time, equals (a) the daily redemption value on the immediately preceding valuation date, multiplied by (b) the index factor at such time, multiplied by (c) the fee factor for the day on which such time occurs (see “Valuation of the ETNs—Indicative Value” in this pricing supplement).

Any payment on the ETNs at maturity or upon early repurchase or redemption will be based on the daily redemption value on the applicable valuation date, as determined by the calculation agent, and not on any intraday “indicative value” of the ETNs as published by the Index calculation agent.

For any valuation date, the daily redemption value per ETN will be equal to (x) the daily redemption value on the immediately preceding valuation date, multiplied by (y) the index factor on such valuation date, multiplied by (z) the fee factor on such valuation date (see “Specific Terms of the ETNs–Daily Redemption Value” in this pricing supplement). The calculation agent will publish the daily redemption value of the ETNs for each valuation date via NYSE Arca under the symbol “TBAR.NV.”

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If purchased or sold in the secondary market, you will pay or receive the market price of the ETNs at that time. There may be significant differences between the intraday market prices of an ETN and the indicative value or the daily redemption value of that ETN as a result of market movements and other factors. See “Summary—What are the differences among the trading price or market price, the indicative value and the daily redemption value of the ETNs?” If you were to sell your ETNs in the secondary market, if any, you would receive the market price for the ETNs, which may be more or less than the stated face amount, the indicative value or the daily redemption value of your ETNs, and which may be more or less than what you paid for them. See “Summary—What will I receive if I sell my ETNs in the secondary market?”

We are under no obligation to issue or sell additional ETNs at any time, and if we do sell additional ETNs, we may limit or restrict such sales, and we may stop selling additional ETNs at any time

In our sole discretion, we may decide to issue and sell additional ETNs from time to time at a price that is higher or lower than the stated face amount, based on the indicative value of the ETNs at that time. The price of the ETNs in any subsequent sale may differ substantially (higher or lower) from the issue price paid in connection with any other issuance of the ETNs. Additionally, any ETNs held by us or an affiliate in inventory may be resold at prevailing market prices or lent to market participants who may have made short sales of the ETNs.

However, we are under no obligation to issue or sell additional ETNs at any time, and if we do sell additional ETNs, we may limit or restrict such sales, and we may stop selling additional ETNs at any time. If we start selling additional ETNs, we may stop selling additional ETNs for any reason, which could materially and adversely affect the price and liquidity of the ETNs in the secondary market. If we decide to limit or suspend issuance of additional ETNs, we or the calculation agent expect to notify market participants promptly by press release (or other means of communication) and also expect to post notification of such limitation or suspension on the website www.rbs.com/etnus (or another website relating to the ETNs that we may specify) as soon as practicable. If the decision to limit or suspend issuance is made during trading hours, we or the calculation agent expect to notify NYSE Arca and request that NYSE Arca halt trading in the ETNs until a press release (or other means of communication) is disseminated. See also “Summary—What will I receive if I sell my ETNs in the secondary market?”

Hedging and trading activities by us or our affiliates could affect prices of ETNs

We and our affiliates may carry out activities that minimize our risks related to the ETNs. In particular, on or prior to the date of this pricing supplement, we, through our affiliates, may have hedged our anticipated exposure in connection with the ETNs by taking positions in gold, U.S. Treasury bills, options or futures contracts on gold or the Cash Rate, exchange-traded funds that track the Price of Gold Bullion or in other instruments that we deemed appropriate in connection with such hedging. We may enter into such hedging arrangements with or through one of our subsidiaries or affiliates. These trading activities, however, could potentially alter the value of the Price of Gold Bullion or the Cash Rate and, therefore, the value of the ETNs.

We or our affiliates are likely to modify our hedge position throughout the term of the ETNs by purchasing and selling gold, U.S. Treasury bills, options or futures contracts on gold, exchange-traded funds that track the Price of Gold Bullion or the Cash Rate or other instruments that we deem appropriate. We cannot give any assurance that our hedging or trading activities will not affect the Price of Gold Bullion or the value of the Cash Rate. It is also possible that we or one of more of our affiliates could profit from these hedging activities even if the value of the ETNs declines.

We or one or more of our affiliates may also engage in trading gold, U.S. Treasury bills, options or futures contracts on gold, exchange-traded funds that track the Price of Gold Bullion or the Cash Rate, or other financial instruments related to gold or the Cash Rate on a regular basis as part of our or their general broker-dealer activities, commodity

trading and other businesses, for proprietary accounts, for other accounts under management or to facilitate transactions for customers, including through block transactions. Any of these activities could adversely affect the Price of Gold Bullion or the Cash Rate and, therefore, the value of the ETNs.

We or one or more of our affiliates may also issue or underwrite other securities or other financial instruments with returns linked or related to changes in the Price of Gold Bullion or the value of the Cash Rate. By introducing competing products into the marketplace in this manner, we or one or more of our affiliates could adversely affect the value of the ETNs.

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Potential conflicts of interest between holders of the ETNs and the calculation agent

Our affiliate, RBSSI, will serve as the calculation agent for the ETNs. RBSSI will, among other things, decide the amount of the return paid out to you on the ETNs at maturity or upon repurchase. For a fuller description of the calculation agent's role, see "Specific Terms of the ETNs—Role of Calculation Agent." For example, the calculation agent may have to determine whether a market disruption event has occurred or is continuing on a trading day when the calculation agent will determine the daily redemption value. This determination may, in turn, depend on the calculation agent's judgment about whether the event has materially interfered with our ability to unwind our hedge positions. In addition, the calculation agent may have to make additional calculations if the Index is liquidated, discontinued, suspended, modified, delisted or otherwise terminated or if the LBMA, or successor association, stops publishing the London Gold P.M. Fixing Price. The calculation agent will exercise its judgment when performing its functions. Since these determinations by the calculation agent may affect the market price of the ETNs, the calculation agent may have a conflict of interest if it needs to make any such decision.

Our affiliates through which we hedge our obligations under the ETNs expect to make a profit. Since hedging our obligations entails risk and may be influenced by market forces beyond our affiliates' control, such hedging may result in a profit that is more or less than initially projected.

We or one or more of our affiliates have hedged our obligations under the ETNs by purchasing or selling securities that comprise any Underlying Index, or exchange-traded funds that track any Underlying Index, exchange-listed index futures, index swaps, or in other related instruments, and may adjust these hedges by, among other things, purchasing or selling any of the foregoing. It is possible that we or one or more of our affiliates could profit from these hedging activities even if the value of the ETNs decline.

In addition, the methodology and rules for the Index were developed by us, in our capacity as the Index Sponsor, which may also result in potential conflicts of interest. See "—Risks Relating to the Index and the Underlying Indices—Potential conflicts of interest between holders of the ETNs and us, in our capacity as the Index Sponsor, may exist" below.

In our sole discretion, we may decide to issue and sell additional ETNs from time to time at a price that is higher or lower than the stated face amount, based on the indicative value of the ETNs at that time, and any ETNs held by us or an affiliate in inventory may be resold at prevailing market prices or lent to market participants who may have made short sales of the ETNs. See "—We are under no obligation to issue or sell additional ETNs at any time, and if we do sell additional ETNs, we may limit or restrict such sales, and we may stop selling additional ETNs at any time" above.

If a market disruption event has occurred or exists on a valuation date (including the final valuation date), the calculation agent will postpone the valuation date (and the applicable maturity date or repurchase date) and will determine the daily redemption value applicable to such valuation date according to the methodology described below

The determination of the daily redemption value of the ETNs on a valuation date, including the final valuation date, may be postponed if such valuation date is not a trading day or the calculation agent determines that a market disruption event has occurred or exists on such valuation date. In no event, however, will a valuation date be postponed by more than five business days.

If a valuation date is postponed for five business days, the daily redemption value for such valuation date will be determined (or if not determinable, estimated) by the calculation agent in a manner that is commercially reasonable under the circumstances on the fifth business day after the originally scheduled valuation date. The daily redemption value as determined by the calculation agent may differ from the result that would be produced by simple application of the formula for the daily redemption value set forth under "Specific Terms of the ETNs—Daily Redemption Value" to

any published level of the Index or, if applicable, by a simple application of the formula for the Price of Gold Bullion set forth under “The Index—Index Level Calculation” in this pricing supplement.

If the valuation date is postponed, the repurchase date (or in the case of the final valuation date, the maturity date) will also be postponed to the third business day immediately following the valuation date (or final valuation date, as the case may be), as postponed. Any such postponement or determinations by the calculation agent may adversely affect your return on the ETNs. In addition, no interest or other payment will be payable as a result

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of such postponement. See “Specific Terms of the ETNs—Payment upon Repurchase or Redemption” and Specific Terms of the ETNs—Payment at Maturity.”

You will have no rights in the Index, gold or U.S. Treasury bills, and you have no rights against the Index Sponsor or Index calculation agent

The ETNs track the Index, which in turn uses a systematic trend-following strategy to track the return on the Price of Gold Bullion (if the Price of Gold Bullion is in a positive trend relative to its historical 200-Index business day simple moving average) or the Cash Rate (if the Price of Gold Bullion is in a negative trend relative to its historical 200-Index business day simple moving average).

As an owner of the ETNs, you will not have the rights that investors in the Index, gold or U.S. Treasury bills have. You will not own or have any beneficial or other legal interest in, and will not be entitled to any rights with respect to, any of the Index, gold or U.S. Treasury bills, and you will not be entitled to receive distributions, if any, made on of the Index or U.S. Treasury bills. Your ETNs will be paid in cash, and you will have no right to receive delivery of gold or any U.S. Treasury bills.

The LBMA and the London Gold Market Fixing Ltd. are not in any way involved in this offering and have no obligations relating to the ETNs or to the holders of the ETNs. You will have no rights against the Index Sponsor or the Index calculation agent, even though the amount you receive at maturity or upon repurchase of your ETNs by us will depend on the level of the Index throughout the term of the ETNs.

The ETNs do not pay interest

We will not pay interest on the ETNs. You may receive less at maturity than you could have earned on ordinary interest-bearing debt securities with similar maturities, including our debt securities, since the payment at maturity is based on the appreciation or depreciation of the Index, as reduced by the aggregate investor fee applicable to your ETNs. Because the payment due at maturity may be less than the amount originally invested in the ETNs, the return on the ETNs (the effective yield to maturity) may be negative. Even if it is positive, the return payable on the ETNs may not be enough to compensate you for any loss in value due to inflation and other factors relating to the value of money over time.

RBSSI and its affiliates may publish reports, express opinions or provide recommendations that are inconsistent with investing in or holding the ETNs. Any such reports, opinions or recommendations could affect the value of the Index and therefore the market price of the ETNs

RBSSI and its affiliates may publish reports from time to time on financial markets and other matters that may influence the value of the ETNs or express opinions or provide recommendations that are inconsistent with purchasing or holding the ETNs. RBSSI and its affiliates may have published or may publish reports or other opinions that call into question the investment view implicit in an investment in the ETNs. Any reports, opinions or recommendations expressed by RBSSI or its affiliates may not be consistent with each other and may be modified from time to time without notice. Investors should make their own independent investigation of the merits of investing in the ETNs and the Index to which the ETNs are linked.

The U.S. federal income tax consequences of an investment in the ETNs are uncertain

As of the date of this pricing supplement, there is no direct legal authority regarding the proper U.S. federal income tax treatment of the ETNs, and we do not plan to request a ruling from the Internal Revenue Service (the “IRS”). Consequently, significant aspects of the tax treatment of the ETNs are uncertain, and the IRS or a court might not

agree with the treatment of the ETNs as prepaid financial contracts that are not debt, as described in the section of this pricing supplement entitled “U.S. Federal Income Tax Consequences.” If the IRS were successful in asserting an alternative treatment, the tax consequences of your ownership and disposition of the ETNs could be materially and adversely affected. In addition, in 2007 the U.S. Treasury Department and the IRS released a notice requesting comments on various issues regarding the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments. Any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the ETNs, possibly with retroactive effect. Prospective non-U.S. investors should also note that legislative provisions enacted in 2010 could result in the imposition of withholding tax on an investment in the ETNs.

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You should review the discussion under “U.S. Federal Income Tax Consequences” and consult your tax adviser regarding the U.S. federal tax consequences of an investment in the ETNs, as well as tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

Risks Relating to the Index

The Index closing level on each Index business day and the Daily Redemption Value will only reflect the London Gold P.M. Fixing Price

S&P Opco, LLC, as the Index calculation agent, will calculate and disseminate the Index level throughout each Index business day. Even though the level of the Index depends on the prices of gold bullion published by the LBMA, which publishes such prices only twice a day—once based on the morning gold fixing price (also known as the “London Gold A.M. Fixing Price”), and a second time based on the London Gold P.M. Fixing Price—the level of the Index will change only once a day, reflecting the London Gold P.M. Fixing Price.

In addition, the Price of Gold Bullion Trend will be determined only by comparing London Gold P.M. Fixing Price to the moving average of the London Gold P.M. Fixing Price for the period of 200 consecutive Index business days. The London Gold A.M. Fixing Price is not used to determine the Price of Gold Bullion Trend. Consequently, the closing level of the Index on each Index business day and the Daily Redemption Value of the ETNs will only reflect changes in the London Gold P.M. Fixing Price, and will not reflect any changes in the London Gold A.M. Fixing Price.

The Index has limited actual history and may perform in unexpected ways

The Index was established on January 24, 2011 and, therefore, has limited actual history and may perform in unexpected ways. However, The Royal Bank of Scotland plc, as the Index Sponsor, and S&P Opco, LLC, as the Index calculation agent have retrospectively calculated Index closing levels (on an approximate basis) to illustrate how the Index would have performed had it existed in the past using the methodology of the Index as it exists today. The retrospectively calculated Index closing levels were calculated based on historical data for the Price of Gold Bullion and the Cash Rate. The retrospectively calculated and historical Index closing levels, Prices of Gold Bullion and the Cash Rate should not be taken as an indication of future performance, and no assurance can be given as to the Index closing level, Price of Gold Bullion or the Cash Rate on any given date.

The Index is expected to perform poorly in volatile markets, especially over short-term periods

An investment in the ETNs carries the risks associated with the Index’s systematic trend-following strategy. This strategy generally seeks to capitalize on positive trends in the Price of Gold Bullion determined based on the Price of Gold Bullion relative to the simple average of Prices of Gold Bullion over the immediately preceding 200 Index business days. This systematic trend-following strategy is different from a strategy that seeks long-term long-only exposure to an asset. In particular, the Index is expected to perform poorly in non-trending markets characterized by short-term volatility when the Price of Gold Bullion either remains flat or is subject to short-term fluctuations. For example, the Index may fail to realize gains that could occur as a result of tracking the Price of Gold Bullion when the Price of Gold Bullion increases, but after which the Price of Gold Bullion experiences a sudden decline. We cannot assure you that the systematic trend-following strategy used to construct the Index will be successful or that it will outperform any alternative strategy that might be constructed from the Price of Gold Bullion and the Cash Rate.

The Index may underperform the Price of Gold Bullion

The Index uses a systematic trend-following strategy to track the return on the Price of Gold Bullion (if the Price of Gold Bullion is in a positive trend relative to its historical 200-Index business day simple moving average) or the Cash

Rate (if the Price of Gold Bullion is in a negative trend relative to its historical 200-Index business day simple moving average). Thus, the Index aims to mitigate, to some extent, the volatility of the Price of Gold Bullion by tracking the Cash Rate (instead of the Price of Gold Bullion) if the Price of Gold Bullion is below its historical 200-Index business day simple moving average.

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However, the Price of Gold Bullion trend will not switch from positive to negative (or conversely, from negative to positive) unless and until the Price of Gold Bullion is below its historical 200-Index business day simple moving average for five consecutive Index business days (or conversely, at or above its historical 200-Index business day simple moving average for five consecutive Index business days). Further, once the Price of Gold Bullion trend switches from positive to negative (or conversely, from negative to positive), the Index will not start tracking the Cash Rate (or conversely, the Price of Gold Bullion) until the second Index business day immediately following the Index business day on which such Price of Gold Bullion trend switches. For an illustration, please see the table under “The Index—Index Level Calculation—Index Return Source.” This means that at least six consecutive Index business days will elapse after the Index business day on which the Price of Gold Bullion first drops below its historical 200-Index business day simple moving average (or conversely, first moves to or above such average) before the Index will switch from tracking the Price of Gold Bullion to the Cash Rate (or conversely, from the Cash Rate to the Price of Gold Bullion). As a result, if the Index is in a positive trend, it may be adversely affected by a downward trend and/or volatility in the Price of Gold Bullion for up to six consecutive Index business days (or conversely, if the Index is in an overall negative trend, it may not benefit from an upward trend and/or volatility in the Price of Gold Bullion for up to six consecutive Index business days). Movements in the Price of Gold Bullion over a period of six consecutive Index business days could be significant, and may have a material and adverse impact on the performance of the Index. On any Index business day, the return on the Index may be greater than, less than or significantly less than the return on the Price of Gold Bullion. As a result, the Index could underperform the Price of Gold Bullion.

We or our affiliates have and may continue to engage in business with or involving one or more of the banks who are members of the London Gold Market Fixing Ltd. without regard to your interests

The ETNs track the Index, which in turn uses a systematic trend-following strategy to track the return on gold based on the Price of Gold Bullion (if the Price of Gold Bullion is in a positive trend relative to its historical 200-Index business day simple moving average), or the Cash Rate (if the Price of Gold Bullion is in a negative trend relative to its historical 200-Index business day simple moving average). The Price of Gold Bullion is determined daily by the London Gold Market Fixing Ltd, comprised of Barclays Capital, ScotiaMocatta, Deutsche Bank, Societe Generale and HSBC Investment Banking Group, and published by the LBMA. We or our affiliates may presently or from time to time engage in business with one or more of the banks who are members of the LBMA without regard to your interests, including extending loans to, making equity investments in or providing investment advisory services to one or more of such banks or their affiliates or subsidiaries.

You must rely on your own evaluation of the merits of an investment linked to the Index that tracks the Price of Gold Bullion and Cash Rate

In the ordinary course of our business, we or our affiliates may express views on expected movements in gold, the Price of Gold Bullion, gold futures, and may do so in the future. In addition, we or our affiliates from time to time have published, and in the future may publish, research reports with respect to gold. These research reports may or may not recommend that investors buy or hold gold and any such research reports could affect the Price of Gold Bullion. These views or reports may be communicated to our clients and clients of our affiliates. However, these views are subject to change from time to time. Moreover, other professionals who deal in markets relating to gold or the Price of Gold Bullion may at any time have sign