

ROYAL BANK OF SCOTLAND GROUP PLC  
Form FWP  
May 11, 2010

**Corporate Retail Notes**

**Corporate Retail Offered Weekly Notes**

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Corporate Retail Offered Weekly Notes (CROWNs™) are specifically designed to allow individual investors the ability to purchase original issue bonds of certain well known corporations via their broker when available. CROWNs™ provide flexibility by offering investors access to a variety of issuers, coupon payments and maturity options in a convenient and transparent format.

**Key Features**

**Convenience**

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- CROWNs<sup>TM</sup> have a convenient purchasing calendar. They typically have a 5 business day offering period, at steady, fixed prices and rates.
- CROWNs<sup>TM</sup> offering periods typically begin on Mondays and close on the following Monday.

### **Flexibility**

- CROWNs<sup>TM</sup> are available across a variety of maturity ranges from 1 to 30 years.
- CROWNs<sup>TM</sup> can have monthly, quarterly or semi-annual coupon payments.
- CROWNs<sup>TM</sup> can be offered with a variety of pay-off profiles, including fixed rate, step-up and callable.

### **Transparency**

- CROWNs<sup>TM</sup> issuers are typically large, well-established corporations.
- CROWNs<sup>TM</sup> rates are disclosed and known prior to investment. Once purchased, there are no additional fees or expenses besides any bid/offer spread applicable on a secondary market transaction.
- CROWNs<sup>TM</sup> are designed to trade and settle at par in the primary market, with no accrued interest (and are offered with no premium or discount pricing).
- CROWNs<sup>TM</sup> return the full principal amount (par) on a specified maturity date, subject to the credit risk of the issuer.
- CROWNs<sup>TM</sup> have a low minimum investment requirement of \$1,000.

### **Secondary Market**

CROWNs<sup>TM</sup> are designed to be held until maturity. However, if an investor decides to sell their notes prior to maturity, it is intended that a secondary market will be available, subject to current market rates.

### **Survivors Option**

CROWNs<sup>TM</sup> may provide a survivors option, permitting the estate of the beneficial owner the right to put or sell the notes back to the issuer at par, subject to various conditions; the full details of which are available in the relevant issuer's prospectus.



## Key Risks

CROWNS<sup>TM</sup> are corporate debt obligations and as such investors are subject to the credit worthiness of the issuer. Should an issuer fail or become insolvent, investors may lose some or all of their investment and future coupon amounts.

Investors will receive the par value of a CROWNTM only if they hold the CROWNTM to maturity, subject to the credit risk of the issuer. The secondary market price of a CROWNTM may rise or fall during the term of the security, depending on market conditions. Therefore, if investors sell a CROWNTM before maturity, they may receive less than their capital investment.

Although a secondary market is intended for the CROWNS<sup>TM</sup>, there is no guarantee that a secondary market will exist or, if a secondary market does exist, whether that market will be active and liquid.

Any Survivor's Option will be subject to several restrictions which may limit a beneficial owner's ability to sell a CROWNTM back at par. Please read carefully the terms and conditions of the relevant issuer's prospectus.

Certain CROWNS<sup>TM</sup> may be called by an issuer prior to maturity which may reduce an investor's anticipated income stream. Please read carefully the terms and conditions of the relevant issuer's prospectus.

The Royal Bank of Scotland plc has filed a registration statement (including a base prospectus) with the SEC for the offering to which this free writing prospectus relates. Before you invest in this offering, you should read the base prospectus in that registration statement and other documents the issuer files with the SEC for more complete information about the issuer and this offering, including a prospectus supplement. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, RBS Securities Inc. will arrange to send you the base prospectus at no charge if you request it by calling 1-866-884-2071.

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