

KEY DERRICK N
Form 4
April 11, 2005

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
KEY DERRICK N

2. Issuer Name and Ticker or Trading Symbol
ROPER INDUSTRIES INC /DE/ [ROP]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
04/01/2005

Director 10% Owner
 Officer (give title below) Other (specify below)

145 RENFREW DRIVE

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

ATHENS, GA 30605

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)			
			Code	V	Amount or Price		
Common Stock	04/01/2005		S		2,000 (1)	D	\$ 65.419 26,028
Common Stock	04/01/2005		S		3,000 (1)	D	\$ 65.4063 152,393.2
Common Stock						I (2)	208,099.8
Common Stock						I	19,776
						I (2)	300

By Key Family Partnership
By Key Family Trust
By 401(k) Plan
By Spouse

Common
Stock

Common
Stock

800 I (2)

By Spouse
as
Custodian
for Minor
Children

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Transaction (Instr. 6)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KEY DERRICK N 145 RENFREW DRIVE ATHENS, GA 30605		X		

Signatures

Derrick N. Key, by Paul J. Soni, his attorney-in-fact, pursuant to Power of Attorney dated August 11, 2004.

04/11/2005

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Shares sold pursuant to 10b5-1 Plan

(2) Reporting person disclaims beneficial ownership of all such shares.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. TOP">

A church plan that is excluded from the definition of an

Investment company under Section 3(c)(14) of the Investment

Company act;

(j)

Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

If this statement is filed pursuant to
Rule 13d-1 (b) , check this box.

X

Page 2 of 3 pages

Item 4. Ownership

Provide the following information regarding the aggregate number and

Percentage of the class of securities of issuer identified in Item 1.

(a) Amount beneficially owned:

18,010,683

Including

0 shares where there is a Right to Acquire.

(b) Percent of class:

10.2%

(c) Number of shares as to which such person has:

(i)	Sole power to vote or to direct the vote:	17,430,164
(ii)	Shared power to vote or to direct the vote:	4,008
(iii)	Sole power to dispose or to direct the disposition of:	18,008,321
(iv)	Shared power to dispose or to direct the disposition of:	2,362

Item 5. Ownership of Five Percent or Less of a Class. NOT APPLICABLE

If this statement is being filed to report the fact that as of the date

hereof the reporting person has ceased to be the beneficial owner of more

than five percent of the class of securities, check the following.

()

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

JPMorgan Chase & Co. is the beneficial owner of

18,010,683 shares of the

issuer's common stock on behalf of other persons known to have one or more of the following:

the right to receive dividends for such securities;

the power to direct the receipt of dividends from such securities;

the right to receive the proceeds from the sale of such securities;

the right to direct the receipt of proceeds from the sale of such securities;

No such person is known to have an interest in more than 5% of the class of securities reported herein unless such person is identified below.

Item 7. Identification and Classification of the Subsidiary Which Acquired the

Security being reported on by the Parent Holding Company.

This notice is filed on behalf of JPMorgan Chase & Co. and its wholly owned Subsidiary (ies),

JPMorgan Chase Bank, National Association

J.P. Morgan Investment Management Inc.

JPMorgan Asset Management (UK) Limited

J.P. Morgan Trust Company of Delaware

Item 8. Identification and Classification of Members of the Group.

Not Applicable

Item 9. Notice of Dissolution of Group.

Not Applicable

Item Certifications
10.

By signing below I certify that, to the best of my knowledge and belief,

the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

Page 3 of 3 pages

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: September 10, 2015

JPMorgan Chase & Co.

By: /s/ Michael T. Lees

Michael T. Lees

Compliance

The original statement shall be signed by each person on whose behalf the statement

is filed or his authorized representative. If the statement is signed on behalf of a person by his authorized representative (other than an executive officer or general partner of the filing person), evidence of the representative's authority to sign on behalf of such person shall be filed with the statement, provided, however, that a power of attorney for this purpose which is already on file with the commission may be incorporated by reference. The name and any title of each person who signs the the statement shall be typed or printed beneath his signature.

w Roman, Times, Serif" SIZE=2> \$(1,122,889)Loss per share (basic & diluted) \$(0.04) \$(0.06) \$(0.04) \$(0.05)

Results of Operations Q1 2005 compared to Q1 2004

Net losses were \$957,677, or \$0.04 per share, for the quarter ended March 31, 2005, compared to \$963,782, or \$0.04 per share, for the quarter ended March 31, 2004. The weighted, diluted, average number of common shares outstanding for the quarter ended March 31, 2005 were 25,630,586 compared to 24,923,234 for the same period in 2004.

Revenues

Revenues from sales amounted to \$101,494 for the quarter ended March 31, 2005, compared with \$58,255 for the quarter ended March 31, 2004. Higher sales of NicAlert and TobacAlert (increase 101 %) accounted for the increase in the first quarter of 2005 compared to the same period in 2004. The Company expects that revenues will increase if and when product candidates pass clinical trials and are launched on the market.

Research and Development

Research and development expenditures decreased to \$499,410 for the quarter ended March 31, 2005, compared with \$526,003 for the quarter ended March 31, 2004. Increased attention devoted to moving product candidates through to clinical trials explains the decrease, resulting in lower expenditures on laboratory supplies and services. In 2005, research tax credits amounted to \$1,050 compared to \$4,988 in 2004. The decrease is due to a reduction in the expenses admissible for government tax credits. The Company expects that research and development expenditures will decrease as product candidates finish development and clinical trials.

Marketing Expenses

Explanation of Responses:

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Marketing expenditures remained relatively constant at \$66,136 for the quarter ended March 31, 2005, in comparison to expenditures of \$61,779 for the quarter ended March 31, 2004. The Company expects that marketing expenditures will increase if and when new products are launched on the market.

Administrative Expenses

General and administrative expenses amounted to \$335,083 for the quarter ended March 31, 2005, compared with \$287,573 in the quarter ended March 31, 2004, due to higher shareholder relations costs. The Company expects that general and administrative expenditures will increase as new product development leads to expanded operations.

Foreign Exchange

The Company incurs expenses in the local currency of the countries in which it operates, which include the United States and Canada. Approximately 70% of 2005 expenses (75% in 2004) were in U.S. dollars. Foreign exchange fluctuations had no meaningful impact on the Company's results in 2005 or 2004.

Inflation

The Company does not believe that inflation has had a significant impact on its results of operations.

6

Long-Term Commitments

Nymox has no financial obligations of significance other than long-term lease commitments for its premises in the United States and Canada of \$18,585 per month.

	<u>Total</u>	<u>Current</u>	<u>1-3 years</u>	<u>4-5 years</u>
Contractual Obligations				
Rent	\$614,817	\$110,923	\$323,932	\$179,962
Operating Leases	\$47,216	\$12,644	\$31,487	\$3,085
Other Long Term Obligations	\$0	\$0	\$0	\$0
Total Contractual Obligations	\$662,033	\$123,567	\$355,419	\$183,047

Results of Operations – Q1 2004 compared to Q1 2003

Net losses were \$963,782, or \$0.04 per share, for the quarter ended March 31, 2004, compared to \$928,490, or \$0.04 per share, for the quarter ended March 31, 2003. The weighted, diluted, average number of common shares outstanding for the quarter ended March 31, 2004 were 24,923,234 compared to 23,389,009 for the same period in 2003.

Revenues

Revenues from sales amounted to \$58,255 for the quarter ended March 31, 2004, compared with \$33,544 for the quarter ended March 31, 2003. Higher sales of NicAlert and TobacAlert (increase 84%) accounted for the increase in the first quarter of 2004 compared to the same period in 2003. The Company expects that revenues will increase if and when product candidates pass clinical trials and are launched on the market.

Research and Development

Research and development expenditures remained constant at \$526,003 for the quarter ended March 31, 2004, compared with \$528,563 for the quarter ended March 31, 2003. In 2004, research tax credits amounted to \$4,988 compared to \$3,558 in 2003. The rise is due to an increase in the expenses admissible for government tax credits. The Company expects that research and development expenditures will decrease as product candidates finish development and clinical trials.

Marketing Expenses

Marketing expenditures were \$61,779 for the quarter ended March 31, 2004, in comparison to expenditures of \$47,757 for the quarter ended March 31, 2003. Increased marketing of our products accounts for the rise in expenditures. The Company expects that marketing expenditures will increase if and when new products are launched on the market.

Administrative Expenses

General and administrative expenses amounted to \$287,573 for the quarter ended March 31, 2004, compared with \$263,253 in the quarter ended March 31, 2003, due to higher professional fees. The Company expects that general and administrative expenditures will increase as new product development leads to expanded operations.

7

Financial Position

Liquidity and Capital Resources

As of March 31, 2005, cash totaled \$163,568 and receivables including tax credits totaled \$86,103. In October 2004, the Corporation signed a new common stock private purchase agreement, whereby an investor is committed to purchase up to \$13 million of the Corporation's common shares over a twenty-four month period commencing October 6, 2004. As at March 31, 2005, six drawings were made under this purchase agreement, for total proceeds of \$1,375,000. On October 25, 2004, 95,238 common shares were issued at a price of \$2.10 per share. On December 14, 2004, 148,699 common shares were issued at a price of \$2.69 per share. On December 22, 2004, 78,616 common shares were issued at a price of \$3.18 per share. On February 7, 2005, 82,474 common shares were issued at a price of \$2.91 per share. On February 22, 2005, 50,676 common shares were issued at a price of \$2.96 per share. On March 17, 2005, 51,136 common shares were issued at a price of \$2.64 per share. The Company can draw down a further \$11,625,000 over the remaining 18 months under the agreement. The Company intends to access financing under this agreement when appropriate to fund its research and development. The Company believes that funds from operations as well as from existing financing agreements will be sufficient to meet the Company's cash requirements for the next twelve months.

This message contains certain forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995 that involve a number of risks and uncertainties. There can be no assurance that such statements will prove to be accurate and the actual results and future events could differ materially from management's current expectations. Such factors are detailed from time to time in Nymox's filings with the Securities and Exchange Commission and other regulatory authorities.

8

Consolidated Financial Statements of
(Unaudited)

**NYMOX PHARMACEUTICAL
CORPORATION**

Periods ended March 31, 2005, 2004 and 2003

NYMOX PHARMACEUTICAL CORPORATIONConsolidated Financial Statements
(Unaudited)

Periods ended March 31, 2005, 2004 and 2003

Financial Statements

Consolidated Balance Sheets	1
Consolidated Statements of Operations	2
Consolidated Statements of Deficit	3
Consolidated Statements of Cash Flows	4
Notes to Consolidated Financial Statements	5

NYMOX PHARMACEUTICAL CORPORATIONConsolidated Balance Sheets
(Unaudited)March 31, 2005, with comparative figures as at December 31, 2004
(in US dollars)

	March 31, 2005	December 31, 2004
		(Audited)
Assets		
Current assets:		
Cash	\$ 163,568	\$ 529,642
Accounts receivable	75,695	51,417
Research tax credits receivable	10,408	42,377
Inventories	23,081	31,499
Prepaid expenses and deposits	27,500	44,139
	300,252	699,074
Long-term receivables	70,000	70,000
Property and equipment	24,082	25,348
Patents and intellectual property	3,281,784	3,271,599
	\$ 3,676,118	\$ 4,066,021

Liabilities and Shareholders' Equity

Current liabilities:

Accounts payable	\$ 1,475,245	\$ 1,274,447
Accrued liabilities	115,841	150,652
Notes payable	500,000	600,000
Deferred revenue	28,535	28,535

	2,119,621	2,053,634
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Non-controlling interest	800,000	800,000
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Financial Position

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Shareholders' equity:		
Share capital (note 2)	37,078,350	36,553,350
Warrants and options	42,822	55,384
Additional paid-in capital	571,538	554,921
Deficit	(36,936,213)	(35,951,268)
	756,497	1,212,387
Subsequent event (note 6)		
	\$ 3,676,118	\$ 4,066,021

See accompanying notes to unaudited consolidated financial statements.

-1-

NYMOX PHARMACEUTICAL CORPORATION

Consolidated Statements of Operations
(Unaudited)

Three-month periods ended March 31, 2005, 2004 and 2003
(in US dollars)

	2005	2004	2003
Revenue:			
Sales	\$ 101,494	\$ 58,255	\$ 33,544
Interest	437	--	483
	101,931	58,255	34,027
Expenses:			
Research and development	499,410	526,003	528,563
Less investment tax credits	(1,050)	(4,988)	(3,558)
	498,360	521,015	525,005
General and administrative	335,083	287,573	263,253
Marketing	66,136	61,779	47,757
Cost of sales	45,899	39,138	23,074
Depreciation and amortization	102,471	102,587	97,686
Interest and bank charges	11,659	9,945	5,742
	1,059,608	1,022,037	962,517
Net loss	\$ (957,677)	\$ (963,782)	\$ (928,490)
Loss per share (basic and diluted) (note 3)	\$ (0.04)	\$ (0.04)	\$ (0.04)
Weighted average number of common shares outstanding:			
Basic	25,580,716	24,552,373	23,205,916

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Plus impact of stock options and warrants	49,869	370,861	183,093
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Diluted	25,630,585	24,923,234	23,389,009
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See accompanying notes to unaudited consolidated financial statements.

-2-

NYMOX PHARMACEUTICAL CORPORATION

Consolidated Statements of Deficit
(Unaudited)

Three-month periods ended March 31, 2005, 2004 and 2003
(in US dollars)

	2005	2004	2003
Deficit, beginning of period:			
As previously reported	\$ (35,951,268)	\$ (31,326,826)	\$ (26,742,308)
Adjustment to reflect change in accounting policy for employee stock options (note 1 (b) (i))	--	(548,164)	--
Adjustment to reflect change in accounting policy for amortization of patents (note 1 (b) (ii))	--	(119,714)	(129,125)
Deficit, restated	(35,951,268)	(31,994,704)	(26,871,433)
Net loss	(957,677)	(963,782)	(928,490)
Share issue costs	(27,268)	(69,015)	(77,513)
Deficit, end of period	\$ (36,936,213)	\$ (33,027,501)	\$ (27,877,436)

See accompanying notes to unaudited consolidated financial statements.

-3-

NYMOX PHARMACEUTICAL CORPORATION

Consolidated Statements of Cash Flows
(Unaudited)

Three-month periods ended March 31, 2005, 2004 and 2003
(in US dollars)

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	2005	2004	2003
Cash flows from operating activities:			
Net loss	\$ (957,677)	\$ (963,782)	\$ (928,490)
Adjustments for:			
Depreciation and amortization	102,471	102,587	97,686
Stock-based compensation	4,055	4,055	--
Net change in operating assets and liabilities	222,809	(282,951)	(316,968)
	(628,342)	(1,140,091)	(1,147,772)
Cash flows from financing activities:			
Proceeds from issuance of share capital	525,000	1,204,033	1,606,000
Share issue costs	(27,268)	(69,015)	(77,513)
Repayment of notes payable	(100,000)	--	(322,437)
	397,732	1,135,018	1,206,050
Cash flows from investing activities:			
Additions to property and equipment, patents and intellectual property	(135,464)	(222,428)	(19,101)
Net (decrease) increase in cash	(366,074)	(227,501)	39,177
Cash, beginning of period	529,642	605,603	660,629
Cash, end of period	\$ 163,568	\$ 378,102	\$ 699,806
Supplemental disclosure to statements of cash flows:			
Interest paid	\$ 11,659	\$ 9,945	\$ 5,742
Acquisition of property and equipment, patents and intellectual property included in accounts payable and accrued liabilities	111,390	--	--

See accompanying notes to unaudited consolidated financial statements.

-4-

NYMOX PHARMACEUTICAL CORPORATION

Notes to Consolidated Financial Statements
(Unaudited)

Periods ended March 31, 2005, 2004 and 2003
(in US dollars)

Nymox Pharmaceutical Corporation (the Corporation), incorporated under the Canada Business Corporations Act, including its subsidiaries, Nymox Corporation, a Delaware Corporation, and Serex Inc. of New Jersey, is a biopharmaceutical corporation which specializes in the research and development of products for the diagnosis and treatment of Alzheimer's disease. The Corporation is

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currently marketing AlzheimerAlert[®], a urinary test that aids physicians in the diagnosis of Alzheimer's disease. The Corporation also markets NicAlert[®] and TobacAlert[®], tests that use urine or saliva to detect the use of tobacco products. The Corporation is also developing therapeutics for the treatment of Alzheimer's disease, new treatments for benign prostate hyperplasia, and new anti-bacterial agents for the treatment of urinary tract and other bacterial infections in humans, including a treatment for E-coli 0157:H7 bacterial contamination in meat and other food and drink products.

Since 1989, the Corporation's activities and resources have been primarily focused on developing certain pharmaceutical technologies. The Corporation is subject to a number of risks, including the successful development and marketing of its technologies. In order to achieve its business plan and the realization of its assets and liabilities in the normal course of operations, the Corporation anticipates the need to raise additional capital and/or achieve sales and other revenue generating activities. Management believes that funds from operations as well as existing financing facilities will be sufficient to meet the Corporation's requirements for the next year.

The Corporation is listed on the NASDAQ Stock Market.

1. Basis of presentation:

(a) Interim financial statements:

The consolidated financial statements of the Corporation have been prepared under Canadian generally accepted accounting principles. The unaudited consolidated balance sheet as at March 31, 2005 and the unaudited consolidated statements of operations, deficit and cash flows for the three-month periods ended March 31, 2005, 2004 and 2003 reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results of the interim periods presented. The results for any quarter are not necessarily indicative of the results for the full year. The interim consolidated financial statements follow the same accounting policies and methods of application as described in note 2 of the annual consolidated financial statements for the year ended December 31, 2004. The interim consolidated financial statements do not include all disclosures required for annual financial statements and should be read in conjunction with the most recent annual consolidated financial statements of the Corporation as at and for the year ended December 31, 2004.

-5-

NYMOX PHARMACEUTICAL CORPORATION

Notes to Consolidated Financial Statements, Continued
(Unaudited)

Periods ended March 31, 2005, 2004 and 2003 (in US dollars)

1. Basis of presentation (continued):

(b) Changes in accounting policies:

(i) Stock-based compensation:

Prior to January 1, 2004, the Corporation applied the fair value based method of accounting prescribed by the Canadian Institute of Chartered Accountants (CICA) only to stock-based payments to non-employees, employee awards that were direct awards of stock, call for settlement in cash or other assets, and to employee stock appreciation rights; the Corporation applied the settlement method of accounting to employee stock options. Under the settlement method, any consideration paid by employees on the exercise of stock options is credited to share capital and no compensation cost is recognized.

The CICA has amended Handbook Section 3870, *Stock-based Compensation and Other Stock-based Payments*, to require entities to account for employee stock options using the fair value based method, beginning January 1, 2004. Under the fair value based method, compensation cost is measured at fair value at the date of grant and is expensed over the award's vesting period. In accordance with one of the transitional options permitted under amended Section 3870, the Corporation has retroactively applied the fair value based method to all employee stock options granted on or after January 1, 2002 without restatement of prior periods. The cumulative effect of the change in accounting policy of \$548,164 has been recorded as an increase in the opening deficit and additional paid-in capital at January 1, 2004.

(ii) Amortization of patents:

The Corporation has amended its method of amortizing patent costs to be consistent with the treatment followed by the Corporation under United States generally accepted accounting principles (GAAP). Certain patents were initially amortized by the Corporation commencing in the year of commercialization of the developed products for Canadian GAAP purposes. The Corporation now amortizes all patents over the legal life of the patents from the date the patent is secured. This change has been applied retroactively and has decreased amounts previously reported for patents and intellectual property on the consolidated balance sheet at December 31, 2003 by \$119,714 and increased the accumulated deficit at December 31, 2003 by \$119,714. The change did not have a material impact on the statements of operations for the periods presented.

-6-

NYMOX PHARMACEUTICAL CORPORATION

Notes to Consolidated Financial Statements, Continued
(Unaudited)

Periods ended March 31, 2005, 2004 and 2003 (in US dollars)

2. Share capital:

(a) Share capital transactions during the period were as follows:

	Number	Dollars
Balance, December 31, 2004	25,504,062	\$ 36,553,350
Issued for cash pursuant to common stock private purchase agreement (i)	184,286	525,000
Balance, March 31, 2005	25,688,348	\$ 37,078,350

(i) Common Stock Private Purchase Agreement:

In October 2004, the Corporation entered into a Common Stock Private Purchase Agreement with an investment company (the Purchaser) that establishes the terms and conditions for the purchase of common shares by the Purchaser. In general, the Corporation can, at its discretion, require the Purchaser to purchase up to \$13 million of common shares over a twenty-four-month period based on notices given by the Corporation.

The number of shares to be issued in connection with each notice shall be equal to the amount specified in the notice divided by 97% of the average price of the Corporation's common shares for the five days preceding the giving of the notice. The maximum amount of each notice is \$500,000 and the minimum amount is \$150,000. The Corporation may terminate the agreement before the 24-month term if it has issued at least \$8 million of common shares under the agreement.

In the three-month period ended March 31, 2005, the Corporation issued 184,286 common shares to the Purchaser for aggregate proceeds of \$525,000 under the agreement. At March 31, 2005, the Corporation can require the Purchaser to purchase up to \$11,625,000 of common shares over the remaining 18 months of the agreement.

NYMOX PHARMACEUTICAL CORPORATION
Notes to Consolidated Financial Statements, Continued
(Unaudited)

Periods ended March 31, 2005, 2004 and 2003 (in US dollars)

2. Share capital (continued):

(b) Warrants and options:

Changes in outstanding warrants and options during the period were as follows:

	Warrants	Options
Outstanding warrants and options, December 31, 2004	25,496	1,811,500
Expired	(5,783)	--
Outstanding warrants and options, March 31, 2005	19,713	1,811,500

The carrying amount of 5,783 warrants that expired in the period in the amount of \$12,562 was reclassified to additional paid-in capital.

3. Stock-based compensation:

No options were granted by the Corporation in the periods ended March 31, 2005 and 2004. The Corporation recorded total stock-based compensation of \$4,055 (2004 \$4,055) for options granted to employees in 2003, which is included in marketing expenses in the consolidated statement of operations. Stock-based compensation in fiscal 2005 and 2004 relates to the amortization of compensation cost for options granted in 2003 over the vesting periods.

If the fair value-based accounting method had been used to measure and account for stock-based compensation costs relating to exempt options issued to employees in the period ended March 31, 2003, the net loss and related loss per share figures would be as follows:

	2003
Reported net loss	\$ (928,490)
Pro forma adjustment to compensation expense	--
Pro forma net loss	\$ (928,490)
Pro forma loss per share (basic and diluted)	\$ (0.04)

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(Unaudited)

Periods ended March 31, 2005, 2004 and 2003 (in US dollars)

4. Canadian/US reporting differences:

(a) Consolidated statements of operations:

The reconciliation of earnings reported in accordance with Canadian GAAP with U.S. GAAP is as follows:

	2005	2004	2003
Net loss, Canadian GAAP	\$ (957,677)	\$ (963,782)	\$ (928,490)
Adjustments:			
Stock-based compensation - options granted to non-employees (i)	(10,285)	(10,285)	(10,285)
Stock-based compensation - options granted to employees (ii)	4,055	4,055	--
Net loss, U.S. GAAP	\$ (963,907)	\$ (970,012)	\$ (938,775)
Loss per share, U.S. GAAP	\$ (0.04)	\$ (0.04)	\$ (0.04)

(b) Consolidated shareholders' equity:

The reconciliation of shareholders' equity reported in accordance with Canadian GAAP with U.S. GAAP is as follows:

	March 31, 2005	December 31, 2004
Shareholders' equity, Canadian GAAP	\$ 756,497	\$ 1,212,387
Adjustments:		
Stock-based compensation - options granted to non-employees (i):		
Cumulative compensation expense	(1,394,288)	(1,384,003)
Additional paid-in capital	1,446,851	1,436,566
Change in reporting currency (iii)	(62,672)	(62,672)
	(10,109)	(10,109)
Shareholders' equity, U.S. GAAP	\$ 746,388	\$ 1,202,278

NYMOX PHARMACEUTICAL CORPORATIONNotes to Consolidated Financial Statements, Continued
(Unaudited)

Periods ended March 31, 2005, 2004 and 2003 (in US dollars)

4. Canadian/US reporting differences (continued):

(b) Consolidated shareholders' equity (continued):

- (i) In accordance with FAS 123, *Accounting for Stock-Based Compensation*, compensation related to the stock options granted to non-employees prior to January 1, 2002 has been recorded in the accounts based on the fair value of the stock options at the grant date.
- (ii) For US GAAP purposes, the Corporation has elected to follow the intrinsic value method of accounting under APB 25, *Accounting for Stock Issued to Employees*, in accounting for stock options granted to employees and directors. Under the intrinsic value method, compensation cost is recognized for the difference between the quoted market price of the stock at the grant date and the amount the individual must pay to acquire the stock. For Canadian purposes, the Corporation uses the fair value method of accounting for stock options granted to employees after January 1, 2004.
- (iii) The Corporation adopted the US dollar as its reporting currency effective January 1, 2000. For Canadian GAAP purposes, the financial information for prior periods has been translated into US dollars at the December 31, 1999 exchange rate. For United States GAAP reporting purposes, assets and liabilities for periods prior to January 1, 2000 have been translated into US dollars at the ending exchange rate for the respective period and the statement of operations at the average exchange rate for the respective period.

5. Segment disclosures:

Geographic segment information is as follows:

	Canada	United States
Revenues:		
2005	\$ 3,536	\$ 98,395
2004	2,213	56,042
2003	2,636	31,391
Net loss:		
2005	(841,838)	(115,839)
2004	(803,532)	(160,250)
2003	(663,034)	(265,456)
Property and equipment, patents and intellectual property:		
March 31, 2005	3,075,393	230,473
December 31, 2004	3,066,234	230,713

NYMOX PHARMACEUTICAL CORPORATIONNotes to Consolidated Financial Statements, Continued
(Unaudited)

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Periods ended March 31, 2005, 2004 and 2003 (in US dollars)

6. Subsequent event:

On April 25, 2005, the Corporation issued 127,119 common shares pursuant to the Common Stock Private Purchase Agreement for a cash consideration of \$300,000.

-11-

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NYMOX PHARMACEUTICAL CORPORATION
(Registrant)

By: /s/ Paul Averbach
Paul Averbach
President and Chief Executive Officer

Date: May 13, 2005

">.94% (6,246,240) -75%

SIGNATURES

333,878 11% **404,930** 4% **41,256** 2% **1,741,818** 21%

Income tax expense

25,837 1% 136,719 1% 14,297 1% (38,131) 0%

NET INCOME(LOSS)

359,715 12% **541,649** 5% **55,553** 3% **1,703,687** 20%

- These financial statements are provided for informational purposes only

LG.Philips LCD

CONSOLIDATED BALANCE SHEET

(In millions of KRW)

(The financial statements are based on unaudited US GAAP)

	2005		2004		2004		2004	
	Dec 31	Sep 30	Dec 31	Sep 30	Dec 31	Sep 30	Dec 31	Sep 30
ASSETS								
Current assets:								
Cash and cash equivalents	1,579,452	12%	2,129,456	16%	1,361,239	13%	1,211,843	13%
Trade accounts and notes receivable	1,266,899	9%	1,307,957	10%	889,910	9%	885,312	9%
Inventories	689,577	5%	723,917	5%	804,117	8%	691,145	7%
Other current assets	310,837	2%	248,029	2%	343,663	3%	130,765	1%
Total current assets	3,846,765	28%	4,409,359	33%	3,398,929	33%	2,919,065	30%
Investments and other non-current assets	492,311	4%	434,719	3%	262,160	3%	311,099	3%
Property, plant and equipment, net	9,234,104	68%	8,578,817	64%	6,563,977	64%	6,360,059	66%
Intangible assets, net	43,374	0%	42,341	0%	37,435	0%	33,335	0%
Total assets	13,616,554	100%	13,465,236	100%	10,262,501	100%	9,623,558	100%
LIABILITIES AND SHAREHOLDERS EQUITY								
Current liabilities:								
Short-term debt	751,109	6%	794,690	6%	696,212	7%	632,052	7%
Trade accounts and notes payable	693,588	5%	730,003	5%	583,117	6%	491,903	5%
Other payables and accrued liabilities	1,700,262	12%	1,820,553	14%	1,294,756	13%	1,219,144	13%
Total current liabilities	3,144,959	23%	3,345,246	25%	2,574,085	25%	2,343,099	24%
Long-term debt	2,851,353	21%	2,875,674	21%	1,993,151	19%	1,657,916	17%
Other non-current liabilities	46,040	0%	61,138	0%	31,964	0%	46,249	0%
Total liabilities	6,042,352	44%	6,282,058	47%	4,599,200	45%	4,047,264	42%
Common Stock and additional paid-in capital	4,032,878	30%	4,032,294	30%	2,628,519	26%	2,629,531	27%
Retained Earnings	3,542,691	26%	3,182,976	24%	3,001,042	29%	2,945,489	31%
Capital adjustment	(1,367)	0%	(32,092)	0%	33,740	0%	1,274	0%
Shareholders equity	7,574,202	56%	7,183,178	53%	5,663,301	55%	5,576,294	58%
Total liabilities and shareholders equity	13,616,554	100%	13,465,236	100%	10,262,501	100%	9,623,558	100%

- These financial statements are provided for informational purposes only

LG.Philips LCD

CONSOLIDATED STATEMENTS OF CASH FLOW

(In millions of KRW)

(The financial statements are based on unaudited US GAAP)

	2005		2004	
	Three months ended Dec 31	Twelve months ended Dec 31	Three months ended Dec 31	Twelve months ended Dec 31
Net Income	359,715	541,649	55,553	1,703,687
Depreciation	492,550	1,748,385	374,429	1,224,118
Amortization	1,536	6,778	1,658	6,405
Others	(27,868)	81,442	(65,818)	(67,547)
Operating Cash Flow	825,933	2,378,254	365,822	2,866,663
Net Change in Working Capital	63,325	(269,838)	(198,076)	(125,379)
Change in accounts receivable	56,108	(400,838)	(67,573)	204,970
Change in inventory	34,267	114,540	(118,316)	(468,196)
Change in accounts payable	(27,506)	121,391	93,183	181,421
Change in others	456	(104,931)	(105,370)	(43,574)
Cash Flow from Operation	889,258	2,108,416	167,746	2,741,284
Capital Expenditures	(1,396,205)	(4,197,874)	(478,215)	(3,892,757)
Acquisition of property, plant and equipment	(1,379,631)	(4,166,151)	(469,228)	(3,885,650)
Intangible assets investment	(2,557)	(12,704)	(7,884)	(7,884)
Others	(14,017)	(19,019)	(1,103)	777
Cash Flow before Financing	(506,947)	(2,089,458)	(310,469)	(1,151,473)
Cash Flow from Financing Activities	(43,219)	906,329	459,865	819,916
Proceeds from Issuance of common stock	162	1,401,342	0	1,188,850
Net Cash Flow	(550,004)	218,213	149,396	857,293

- These financial statements are provided for informational purposes only

LG.Philips LCD

Net Income Reconciliation to US GAAP

(In millions of KRW)

	2005	
	Three months ended	Twelve months ended
	Dec 31	Dec 31
Net Income under K GAAP	327,826	517,012
US GAAP Adjustments	31,889	24,637
Depreciation of property, plant and equipment	(655)	(2,620)
Amortization of Intellectual Property Rights	9,486	39,567
Adjustment of AR discount loss	(521)	244
Capitalization of financial interests	4,869	1,329
Inventory Valuation effect of US GAAP Adjustments	3	(960)
Pension expense	(782)	(835)
Income tax effect of US GAAP Adjustments	6,509	(12,239)
ESOP	(422)	(3,019)
Convertible bonds (including FX valuation)	14,599	6,003
Stock appreciation right	(1,197)	(2,833)
Net Income under US GAAP	359,715	541,649

- These financial statements are provided for informational purposes only

Attachment 2. Presentation Material

Q4 05 Earnings Results

January 12, 2006

1

Disclaimer

This presentation contains forward-looking statements. We may also make written or oral forward-looking statements in our periodic reports to the United States Securities and Exchange Commission and the Korean Financial Supervisory Service, in our annual report to shareholders, in our proxy statements, in our offering circulars and prospectuses, in press releases and other written materials and in oral statements made by our officers, directors or employees to third parties. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to: our highly competitive environment; the cyclical nature of our industry; our ability to introduce new products on a timely basis; our dependence on growth in the demand for our products; our ability to successfully execute our expansion strategy; our dependence on key personnel; and general economic and political conditions, including those related to the TFT-LCD industry; possible disruptions in business activities caused by natural and human-induced disasters, including terrorist activity and armed conflict; and fluctuations in foreign currency exchange rates. Additional information as to these and other factors that may cause actual results to differ materially from our forward-looking statements can be found in our filings with the Securities and Exchange Commission.

This presentation also includes information regarding our historical financial performance through December 31, 2005, and our expectations regarding future performance as reflected in certain non-GAAP financial measures as defined by Securities and Exchange Commission rules. As required by such rules, we have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available on our investor relations website at <http://www.lgphilips-lcd.com> under the file name Q405 Earnings Presentation.

Agenda

Q4 05 Earnings Results Performance Highlights Outlook

32 W

37 W

42 W

47 W

Paju-P7 Substrate

3

Q4 05 Earnings Results

4

Q4 05 Income Statement

KRW b Q4 05 Q3 05 Q4 04 QoQ change YoY change

Revenue 2,963 2,741 1,933 8% 53%

COGS 2,457 2,367 1,840 4% 34%

Gross profit 506 374 93 35% 444%

Operating income 334 240 2 39% 16600%

EBITDA 824 681 412 21% 100%

Income before tax 309 217 19 42% 1526%

Net income 328 227 35 44% 837%

Margin (%)

Gross margin 17 14 5 3 12

Operating margin 11 9 0 2 11

EBITDA margin 28 25 21 3 7

Net margin 11 8 2 3 9

Source: Unaudited, Company financials

K GAAP (Consolidated)

5

Q4 05 Balance Sheet

KRW b Q4 05 Q3 05 Q4 04 QoQ change YoY change

Assets 13,674 13,541 10,357 1% 32%

Cash & equivalent 1,579 2,129 1,361 (26%) 16%

Inventory 691 725 805 (5%) (14%)

Liabilities 5,998 6,223 4,585 (4%) 31%

Short term debt 750 795 694 (6%) 8%

Long term debt 2,816 2,823 1,985 0% 42%

Shareholders' equity 7,676 7,318 5,772 5% 33%

Net debt to equity ratio (%) 26 20 23 6 3

Source: Unaudited, Company financials

K GAAP (Consolidated)

6

Q4 05 Cash Flow

KRW b Q4 05 Q3 05 Q4 04 QoQ change YoY change

Net income 328 227 35 101 293

Depreciation & Amortization 503 452 384 51 119

Others (10) 29 (69) (39) 59

Working capital 68 56 (203) 12 271

Cash flow from operations 889 764 147 125 742

CAPEX (1,396) (1,380) (473) (16) (923)

Cash flow before financing (507) (616) (326) 109 (181)

Financing activities (43) 13 475 (56) (518)

Proceeds from issuance of common stock 0 1,401 0 (1,401) 0

Net change in cash (550) 798 149 (1,348) (699)

Source: Unaudited, Company financials

K GAAP (Consolidated)

7

Performance Highlights

8

Shipments and ASP

Total k m² *

3,000 2,000 1,000 0 \$2,304 \$2,085 \$2,062 \$2,121 \$2,112

771

958

1,096

1,248

1,343

Q4 Q1 05 Q2 Q3 Q4

ASP**/m² (USD)

\$4,000

\$3,000 \$2,000 \$1,000 \$0

Display area shipment in m2 (k) ASP per m2 (USD)

Source: Company financials

* Net display area shipped

** Quarterly average selling price per square meter of net display area shipped

9

Revenue: Product Mix

5% 15%

53%

27%

Q4 04

4%

29%

45%

22%

Q3 05

4%

34%

38%

24%

Q4 05

Notebooks Monitors TV Applications

Source: Company financials

10

Q4 05 Capacity Update

P6 has achieved averaged 112 K per month for the quarter

Unit: Quarterly input capacity by Area (k m²)

2,500 2,000 1,500 1,000 500 0

Q4 04 Q1 05 Q2 Q3 Q4

P6

P5 P4 P1-P3

Source: Company financials

11

Cash ROIC

EBITDA margin

21% 25% 28% 19% 13%

Q404 Q105 Q2 Q4 Q3

Sales / IC*

141%142% 136%134%133%

Q404 Q105 Q2 Q3 Q4

Cash ROIC

35% 39% 29% 25% 18%

Q404 Q105 Q2 Q3 Q4

K GAAP (Consolidated)

Source: Unaudited, Company financials

* IC (Invested Capital) equals average of net debt and equity for the designated period ; Quarterly ratios are annualized

12

Outlook

13

Outlook

Total Shipments in m2

Q1 06 vs. Q4 05

: Mid-single digit (%) ?

ASP per m2 shipped

End of Q1 06 vs. End of Q4 05

: Mid-single digit (%) ?

EBITDA Margin

Q1 06 : High teens (%)

CAPEX 2006 (E)

4.2 trillion KRW

Capex schedule (KRW b)

4,419

3,208

1,211

4,230

1,560

1,800

870

2006(E)

2005

Others P7 Future production facilities

Source: Company financials, Delivery basis

14

Questions and Answers

15

Appendix

16

US GAAP Income Statement

KRW b Q4 05 Q3 05 Q4 04 QoQ change YoY change

Revenue 2,963 2,741 1,933 8% 53%

COGS 2,457 2,364 1,823 4% 35%

Gross profit 506 377 110 34% 360%

Operating income 328 239 14 37% 2243%

EBITDA 841 672 429 25% 96%

Income before tax 334 216 41 55% 715%

Net income 360 238 56 51% 543%

Margin (%)

Gross margin 17 14 6 3 11

Operating margin 11 9 1 2 10

EBITDA margin 28 25 22 3 6

Net margin 12 9 3 3 9

Source: Unaudited, Company financials

17

US GAAP Balance Sheet

KRW b Q4 05 Q3 05 Q4 04 QoQ change YoY change

Assets 13,616 13,465 10,262 1% 33%

Cash & equivalent 1,579 2,129 1,361 (26%) 16%

Inventory 690 724 804 (5%) (14%)

Liabilities 6,042 6,282 4,599 (4%) 31%

Short term debt 751 795 696 (6%) 8%

Long term debt 2,851 2,876 1,993 (1%) 43%

Shareholders' equity 7,574 7,183 5,663 5% 34%

Net debt to equity ratio (%) 27 21 23 6 4

Source: Unaudited, Company financials

18

US GAAP Cash Flow

KRW b Q4 05 Q3 05 Q4 04 QoQ change YoY change

Net income 360 238 56 122 304

Depreciation & Amortization 494 442 376 52 118

Others (28) 52 (66) (80) 38

Working capital 63 32 (198) 31 261

Cash flow from operations 889 764 168 125 721

CAPEX (1,396) (1,380) (478) (16) (918)

Cash flow before financing (507) (616) (310) 109 (197)

Financing activities (43) 13 459 (56) (502)

Proceeds from issuance of common stock 0 1,401 0 (1,401) 0

Net change in cash (550) 798 149 (1,348) (699)

Source: Unaudited, Company financials

19

Net Income Reconciliation to US GAAP

KRW b Q4 05 Q3 05

Net income under K GAAP 328 227

US GAAP adjustments 32 11

Depreciation of PP&E (1) (1)

Amortization of IPR 9 9

Adjustment of AR discount loss (1) 1

Capitalization of financial interests 5 (3)

Pension expense (1) 0

Income tax effect of US GAAP adjustments 7 12

ESOP 0 (1)

Convertible bonds (including FX valuation) 15 (5)

Stock appreciation right (1) (1)

Net income under US GAAP 360 238

Source: Unaudited, Company financials

20

EBITDA Reconciliation

K GAAP (KRW b) Q4 05 Q3 05 Q4 04 QoQ change YoY change

1. Net income 328 227 35 101 293
2. Interest expense 26 28 16 (2) 10
3. Interest income (14) (16) (7) 2 (7)
4. Provision (benefit) for income taxes (19) (10) (16) (9) (3)
5. Depreciation of PP&E 492 441 373 51 119
6. Amortization of intangible asset 11 11 11 0 0
7. Amortization of debt issuance cost 0 0 0 0 0

EBITDA (1+2+3+4+5+6+7) 824 681 412 143 412

US GAAP (KRW b) Q4 05 Q3 05 Q4 04 QoQ change YoY change

1. Net income 360 238 56 122 309
2. Interest expense 26 27 17 (1) 9
3. Interest income (14) (15) (7) 1 (7)
4. Provision (benefit) for income taxes (26) (22) (14) (4) (17)
5. Depreciation of PP&E 492 441 374 51 118
6. Amortization of intangible asset 2 1 2 1 0
7. Amortization of debt issuance cost 1 2 1 (1) 0

EBITDA (1+2+3+4+5+6+7) 841 672 429 169 412

21

EBITDA Reconciliation (Continued)

EBITDA is defined as net income (loss) plus: interest income (expense); provision (benefit) for income taxes; depreciation of property, plant and equipment; amortization of intangible assets; and amortization of debt issuance cost. EBITDA is a key financial measure used by our senior management to internally evaluate the performance of our business and for other required or discretionary purposes. Specifically, our significant capital assets are in different stages of depreciation, and because we do not have separate operating divisions, our senior management uses EBITDA internally to measure the performance of these assets on a comparable basis. We also believe that the presentation of EBITDA will enhance an investor's understanding of our operating performance as we believe it is commonly reported and widely used by analysts and investors in our industry. It also provides useful information for comparison on a more comparable basis of our operating performance and those of our competitors, who follow different accounting policies. For example, depreciation on most of our equipment is made based on a four-year useful life while most of our competitors use different depreciation schedules from our own. EBITDA is not a measure determined in accordance with U.S. GAAP. EBITDA should not be considered as an alternative to operating income, cash flows from operating activities or net income, as determined in accordance with U.S. GAAP. Our calculation of EBITDA may not be comparable to similarly titled measures reported by other companies.

LG.Philips LCD makes

Technology you can see!

23

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

L.G.Philips LCD Co., Ltd.
(Registrant)

Date: January 12, 2006

By: /s/ Ron H. Wirahadiraksa

(Signature)

Name: Ron H. Wirahadiraksa
Title: Joint Representative Director/
President & Chief Financial Officer

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Annual
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1
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\$24.61

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-1.00%
-1.54%

2
1,800.00
0.909091
0.84%
99.16%
\$22.19
-9.09%
-9.85%

3
2,012.45
1.118028
0.90%
99.10%
\$24.58
11.80%
10.80%

4
1,700.45
0.844965
0.80%
99.20%
\$20.61
-15.50%
-16.18%

5
1,650.30
0.970508
0.63%
99.37%
\$19.87
-2.95%
-3.56%

6
1,530.20
0.927225
0.72%
99.28%
\$18.29
-7.28%
-7.95%

7
1,340.45
0.875997

0.93%
 99.07%
 \$15.88
 -12.40%
 -13.22%

8
 1,420.34
 1.059599
 0.60%
 99.40%
 \$16.72
 5.96%
 5.32%

9
 1,276.34
 0.898616
 0.96%
 99.04%
 \$14.88
 -10.14%
 -11.00%

10
 1,100.00
 0.861839
 0.83%
 99.17%
 \$12.72
 -13.82%
 -14.53%

Hypothetical returns:

Annualized Index Return:	-5.80%	Cumulative Index Return:	-45.00%
Annualized ETN Return:	-6.53%	Cumulative ETN Return:	-49.12%

For ease of analysis and presentation, the numbers appearing in the above chart have been rounded. As such, the hypothetical returns may not reflect results calculated based directly on the numbers above due to the impact of rounding.

Example 3. A hypothetical increase followed by a hypothetical decrease in the level of the Index.

This example assumes an initial Index closing level of 2,000 and that the Index increases by approximately 25% during the first five years, but then decreases to below its original level during the next five years of an assumed term of the ETNs of 10 years. For simplicity, as for examples 1 and 2 above, the daily redemption value is determined only once a year, rather than on each valuation date, using the hypothetical Index closing levels at the end of each year and at the end of the immediately preceding year to calculate the applicable index factor, and using a hypothetical average investor fee for that year (rather than the investor fee on each valuation date) to calculate the applicable fee factor.

The hypothetical average annual investor fee for any year is assumed to be the arithmetic average of the investor fee applicable on each valuation date during such year. The use of the hypothetical average annual investor fees to calculate hypothetical daily redemption values is meant to illustrate the impact that the investor fee may have on the return on your ETNs. It is not intended to reflect any actual historical investor fees, or what the investor fees on the ETNs may be in the future, although in no event will the investor fee on any given date be greater than 1.00% per annum or less than 0.50% per annum. The actual daily redemption value on any

PS-32

valuation date will be calculated in the manner described under “Specific Terms of the ETNs—Daily Redemption Value” in this pricing supplement and will be different, perhaps significantly different, from any value calculated using an average annual investor fee.

Year	A Index Closing Level	B Index Factor At / At-1	C Average Annual Investor Fee	D Fee Factor 1 – C	E Daily Redemption Value Et-1 × Bt × Dt	F Annual Index Return	G Annual ETN Return
t							
0	2,000.00				\$25.00		
1	2,120.51	1.060255	0.98%	99.02%	\$26.25	6.03%	4.99%
2	2,230.23	1.051743	0.97%	99.03%	\$27.34	5.17%	4.15%
3	2,376.45	1.065563	1.00%	99.00%	\$28.84	6.56%	5.49%
4	2,460.46	1.035351	1.00%	99.00%	\$29.56	3.54%	2.50%
5	2,500.00	1.016070	0.78%	99.22%	\$29.80	1.61%	0.81%
6	2,300.23	0.920092	0.83%	99.17%	\$27.19	-7.99%	-8.75%
7	2,200.83	0.956787	0.90%	99.10%	\$25.78	-4.32%	-5.18%
8	2,100.53	0.954426	0.93%	99.07%	\$24.38	-4.56%	-5.44%
9	1,900.11	0.904586	0.85%	99.15%	\$21.86	-9.54%	-10.31%
10	1,875.00	0.986785	0.90%	99.10%	\$21.38	-1.32%	-2.21%

Hypothetical returns:

Annualized Index Return:	-0.64%	Cumulative Index Return:	-6.25%
Annualized ETN Return:	-1.55%	Cumulative ETN Return:	-14.47%

For ease of analysis and presentation, the numbers appearing in the above chart have been rounded. As such, the hypothetical returns may not reflect results calculated based directly on the numbers above due to the impact of rounding.

Example 4. An illustration of the Index switching from tracking the Benchmark Index to the Cash Rate.

This example assumes an initial Index closing level of 1,513.95 and illustrates the impact on the return on the Index and on the ETNs over a period of 10 valuation dates of the Index switching from tracking the Benchmark Index, to tracking the Cash Rate, and back to tracking the Benchmark Index again. Unlike examples 1, 2 and 3 above, this example reflects the actual annual investor fee that would apply on each valuation date based on whether the Index is tracking the Benchmark Index or the Cash Rate on each such valuation date.

Day	A Benchmark Index Closing Level	B Simple Moving Average	C' Index Return Source	C Index Closing Level	D Index Factor At / At-1	C' Annual Investor Fee	C Investor Fee C' × Day-Count Fraction	D Fee Factor 1 – C	E Daily Redemption Value Et-1 × Bt × Dt
t									
0	1755.40	1781.34	Bench. Ind.	1,513.95				\$25.00	

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1			Bench.							
	1757.30	1781.10	Ind.	1,515.58	1.001082	1.00%	0.002740%	0.999973	\$25.03	
2			Cash							
	1759.77	1782.24	Rate	1,517.71	1.001403	0.50%	0.001370%	0.999986	\$25.06	
3			Cash							
	1789.71	1783.30	Rate	1,543.54	1.017018	0.50%	0.001370%	0.999986	\$25.49	
4			Cash							
	1785.32	1784.22	Rate	1,539.75	0.997548	0.50%	0.001370%	0.999986	\$25.42	
5			Cash							
	1818.61	1785.24	Rate	1,568.46	1.018644	0.50%	0.001370%	0.999986	\$25.90	
6			Cash							
	1808.00	1786.12	Rate	1,559.31	0.994165	0.50%	0.001370%	0.999986	\$25.75	
7			Cash							
	1833.22	1787.11	Rate	1,581.06	1.013949	0.50%	0.001370%	0.999986	\$26.11	
8			Cash							
	1832.11	1787.93	Rate	1,580.10	0.999394	0.50%	0.001370%	0.999986	\$26.09	
9			Bench.							
	1801.69	1788.61	Ind.	1,553.87	0.983397	1.00%	0.002740%	0.999973	\$25.66	
10			Bench.							
	1764.10	1789.11	Ind.	1,521.45	0.979137	1.00%	0.002740%	0.999973	\$25.12	

Hypothetical returns:

Cumulative Index Return:	0.50%
Cumulative ETN Return:	0.48%

PS-33

For ease of analysis and presentation, the numbers appearing in the above chart have been rounded. As such, the hypothetical returns may not reflect results calculated based directly on the numbers above due to the impact of rounding.

Example 5. An illustration of the potential impact on the Index from a hypothetical significant decline in the level of the Benchmark Index.

This example assumes an initial Index closing level of 1,500 and illustrates the impact on the return on the Index and on the ETNs over a period of 10 valuation dates where the Index is tracking the Benchmark Index and the level of the Benchmark Index experiences a significant decline for a number of valuation dates before the Index switches to tracking the Cash Rate. As for example 4 above, but unlike examples 1, 2 and 3 above, this example reflects the actual annual investor fee that would apply on each valuation date based on whether the Index is tracking the Benchmark Index or the Cash Rate on each such valuation date.

Day	Benchmark Index		Index Return Source	A	B	C'	C	D	E
	Index Closing Level	Simple Moving Average		Index Closing Level	Index Factor At / At-1	Annual Investor Fee	Investor Fee C' × Day-Count Fraction	Fee Factor 1 - C	Daily Redemption Value Et-1 × Bt × Dt
0	1500.00	1443.12	Bench. Ind.	1300.00					\$25.00
1	1507.34	1443.50	Bench. Ind.	1306.36	1.004893	1.00%	0.002740%	99.997260%	\$25.12
2	1524.87	1444.81	Bench. Ind.	1321.56	1.011631	1.00%	0.002740%	99.997260%	\$25.41
3	1479.83	1446.31	Bench. Ind.	1282.52	0.970463	1.00%	0.002740%	99.997260%	\$24.66
4	1445.16	1447.67	Bench. Ind.	1252.48	0.976575	1.00%	0.002740%	99.997260%	\$24.08
5	1370.60	1448.55	Bench. Ind.	1187.85	0.948403	1.00%	0.002740%	99.997260%	\$22.84
6	1090.08	1447.88	Bench. Ind.	944.74	0.795331	1.00%	0.002740%	99.997260%	\$18.17
7	1148.21	1447.50	Bench. Ind.	995.12	1.053327	1.00%	0.002740%	99.997260%	\$19.13
8	1252.69	1447.57	Bench. Ind.	1085.67	1.090994	1.00%	0.002740%	99.997260%	\$20.87
9	1203.57	1447.35	Bench. Ind.	1043.10	0.960794	1.00%	0.002740%	99.997260%	\$20.05
10	1203.43	1447.10	Cash Rate	1042.97	0.999879	0.50%	0.001370%	99.998630%	\$20.05

Hypothetical returns:

Cumulative Index Return: -19.77%
 Cumulative ETN Return: -19.79%

For ease of analysis and presentation, the numbers appearing in the above chart have been rounded. As such, the hypothetical returns may not reflect results calculated based directly on the numbers above due to the impact of rounding.

Example 6. An illustration of the potential impact of the Index having exposure to the Cash Rate for an extended period of time in a low interest rate environment.

This example assumes an initial Index closing level of 2,700 and that the Index has exposure to the Cash Rate at all times during a 12-month period. It illustrates the impact on the return on the Index and on the ETNs over the 12-month period where the Cash Rate (i.e., the yield on 3-month U.S. Treasury bills) is below the annual investor fee (which, in this scenario, is 0.50% per annum) and the Index nevertheless continues to track the Cash Rate. Because the Index is assumed to be tracking the Cash Rate, the applicable annual investor fee in this example is 0.50% during that period of time. For simplicity, the index factor, the annual investor fee, the fee factor and the daily redemption value are determined for purposes of this example only once a month, rather than on each valuation date.

PS-34

	A	B	C	D	E	F'	G'	
	Index	Index	Annual	Fee	Daily	Monthly	Monthly	
Month Cash Rate	Closing Level	Factor	Investor Fee	Factor	Redemption Value	Index Return	ETN Return	
		At / At-1		$1 - (C \times$				
t				Day-Count	Et-1 × Bt ×			
				Fraction)	Dt			
0	0.25%	2,700.00	0.50%		\$25.00			
1	0.20%	2,700.81	1.000300	0.50%	99.96%	\$25.00	0.03%	-0.01%
2	0.19%	2,701.62	1.000300	0.50%	99.96%	\$24.99	0.03%	-0.01%
3	0.21%	2,702.43	1.000300	0.50%	99.96%	\$24.99	0.03%	-0.01%
4	0.24%	2,703.24	1.000300	0.50%	99.96%	\$24.99	0.03%	-0.01%
5	0.17%	2,703.24	1.000000	0.50%	99.96%	\$24.98	0.00%	-0.04%
6	0.19%	2,704.05	1.000300	0.50%	99.96%	\$24.97	0.03%	-0.01%
7	0.16%	2,704.05	1.000000	0.50%	99.96%	\$24.96	0.00%	-0.04%
8	0.26%	2,704.86	1.000300	0.50%	99.96%	\$24.96	0.03%	-0.01%
9	0.30%	2,705.68	1.000300	0.50%	99.96%	\$24.96	0.03%	-0.01%
10	0.31%	2,706.49	1.000300	0.50%	99.96%	\$24.96	0.03%	-0.01%
11	0.32%	2,707.30	1.000300	0.50%	99.96%	\$24.95	0.03%	-0.01%
12	0.33%	2,708.11	1.000300	0.50%	99.96%	\$24.95	0.03%	-0.01%

Hypothetical returns:

Cumulative Index Return:	0.30%
Cumulative ETN Return:	-0.20%

For ease of analysis and presentation, the numbers appearing in the above chart have been rounded. As such, the hypothetical returns may not reflect results calculated based directly on the numbers above due to the impact of rounding.

The hypothetical examples above are provided for purposes of information only. The hypothetical examples are not indicative of the future performance of the Index or what the value of your ETNs may be. Fluctuations in the hypothetical examples may be greater or less than fluctuations experienced by the holders of the ETNs. We cannot predict the actual Index closing level or daily redemption value on any valuation date, nor can we predict the relationship between the Index closing level and the market price of your ETNs at any time. Accordingly, the actual amount that a holder of the ETNs will receive at maturity or upon early repurchase or redemption, as the case may be, and the rate of return on the ETNs will depend on the actual daily redemption value on the relevant valuation date, which reflects the effect of the investor fee. Further, the actual amount that a holder of the ETNs will receive if the ETNs were to be sold prior to maturity will depend on the market price of the ETNs at that time, which may differ from the daily redemption value of the ETNs. Moreover, the assumptions on which the hypothetical returns are based are purely for illustrative purposes. Consequently, the amount, in cash, to be paid in respect of your ETNs, if any, at maturity or on upon early repurchase or redemption may be very different from the information reflected in the tables above.

THE INDEX

The RBS US Large Cap Trendpilot™ Index (USD) (the “Index”) was created by The Royal Bank of Scotland plc (the “Index Sponsor”). The Index was established on November 16, 2010 with an Index closing level equal to 2,912.001. The Index was developed with a base value of 424.471 (the “Index Base Value”) on May 22, 1991 (the “Index Base Date”). The Index tracks either the performance of the S&P 500® Total Return Index (the “Benchmark Index”) 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 Benchmark Index, the “Index Components”), depending on whether the Benchmark Index is observed to be in a positive or negative trend as determined in accordance with the methodology described below. As of the date of this pricing supplement, the Index tracks the Benchmark Index.

Information contained in any Bloomberg page (or on any successor page) referenced below is not incorporated by reference in this pricing supplement.

Index Methodology

The Index level will be calculated using the Index methodology published by the Index Sponsor (the “Index Methodology”). The Index utilizes a systematic trend-following strategy that provides exposure to either the Benchmark Index or the Cash Rate, depending on the relative performance of the Benchmark Index on a simple historical moving average basis. If the closing level of the Benchmark Index 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 Benchmark Index and will have no exposure to the Cash Rate until two Index business days after a negative trend occurs. Conversely, if the closing level of the Benchmark Index 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 Benchmark Index until two Index business days after the next positive trend occurs. The rules for determining whether the Benchmark Index is in a positive or negative trend is described under “—Index Level Calculation” below.

The Index aims to mitigate, to some extent, the volatility of the Benchmark Index by tracking the Cash Rate (instead of the Benchmark Index) if the Benchmark Index is below its historical 200-Index business day simple moving average.

However, the Benchmark Index trend will not switch from positive to negative (or conversely, from negative to positive) unless and until the closing level of the Benchmark Index 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 Benchmark Index trend switches from positive to negative (or conversely, from negative to positive), the Index will not start tracking the Cash Rate (or conversely, the Benchmark Index) until the second Index business day immediately following the Index business day on which such Benchmark Index trend switches. For an illustration, please see the table under “—Index Level Calculation—Index Return Source” herein. This means that at least six consecutive Index business days will elapse after the Index business day on which the closing level of such Benchmark Index 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 Benchmark Index to the Cash Rate (or conversely, from the Cash Rate to the Benchmark Index). 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 Benchmark Index 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 Benchmark Index for up to six consecutive Index business days). Accordingly, the strategy employed by the Index does not eliminate exposure to volatility in the Benchmark Index.

Index Level Calculation

Summary

The Index is calculated, and a value for the Index (the “Index Level”) is published, on each Index business day that is not a disrupted day as defined under “—Index Disruption Events” below.

PS-36

An “Index business day” means any day on which each Exchange 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 the Benchmark Index, the exchange or quotation system, or any substitute exchange or quotation system, in which trading of the components of the Benchmark Index principally occurs, and (b) in respect of the 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 Exchange for the Benchmark Index is open for its regular trading session for at least three hours.

The Index Level on any Index business day is based on the Index Level on the previous Index business day and the performance of the applicable return source (the “Index Return Source”), which is either the Benchmark Index (if the Benchmark Index is in a positive trend) or the Cash Rate (if the Benchmark Index is in a negative trend).

Thus, for any Index business day, the Index Level is equal to:

- the Index Level on the immediately preceding Index business day in respect of which the Index Level was last determined, multiplied by
 - the return from the applicable Index Return Source for such Index business day.

See “—Detailed Calculation of Index Level” below for additional information.

The return on the Benchmark Index for any Index business day in respect of which the Index Level is being determined is equal to the closing level for the Benchmark Index on such Index business day (the “Benchmark Index Closing Level”), divided by the Benchmark Index Closing Level on the immediately preceding Index business day in respect of which the Index Level was last determined.

The Benchmark Index Closing Level is the closing level in U.S. dollars of the Benchmark Index as determined by the Index calculation agent. The Benchmark Index Closing Level will be the value that market participants, in accordance with market practice, use to determine a final end-of-day value for the Benchmark Index. The Benchmark Index Closing Level will be as displayed on Bloomberg page “SPTR <Index>” (or any successor page) unless, in the judgment of the Index calculation agent and the Index Sponsor, both acting in good faith, such closing level reflects a manifest error.

The return on the Cash Rate is calculated based on the most recent 91-day auction high rate for U.S. Treasury bills as published on Bloomberg page “USB3MTA Index” (or on any successor page) (the “T-Bill Auction Rate”)—such auction is typically held on a weekly basis by the U.S. Treasury. The Cash Rate reflects the yield to maturity for a hypothetical notional investment in 3-month U.S. Treasury bills at the T-Bill Auction Rate translated into a daily return.

Benchmark Index Trend

The trend of the Benchmark Index on any Index business day (the “Benchmark Index Trend”) is determined by comparing (a) the Benchmark Index Closing Level to (b) the simple moving average of the Benchmark Index for the period of 200 consecutive Index business days ending on, and including, such Index business day (the “Benchmark Index Simple Moving Average”).

For any Index business day, the Benchmark Index Trend will be “positive” if the Benchmark Index Closing Level is equal to or greater than the Benchmark Index Simple Moving Average for each of the five consecutive Index business days ending on, and including, such Index business day. Conversely, the Benchmark Index Trend will be “negative” for any Index business day if the Benchmark Index Closing Level is less than the Benchmark Index 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 Benchmark Index Trend will be the same as the Benchmark Index Trend on the immediately preceding Index business day.

PS-37

The Benchmark Index Closing Level is determined as set forth above. The Benchmark Index Simple Moving Average for any particular Index business day is equal to the sum of the Benchmark Index Closing Levels for each of the 200 consecutive Index business days ending on, and including, such Index business day, divided by 200.

Index Return Source

The Index Level for any Index business day is calculated based on the Index Level on the immediately preceding Index business day and the value determined based on the return on the applicable Index Return Source on such Index business day. The Index Return Source for any Index business day, in turn, depends on the Benchmark Index Trend on the second Index business day immediately preceding such Index business day (such preceding Index business day, the “trend determination date”).

If the Benchmark Index Trend is positive for the trend determination date related to any Index business day, and (i) if the Index Return Source on the immediately preceding Index business day was the Cash Rate, then the Index will switch to tracking the Benchmark Index on such Index business day, and (ii) conversely, if the Index Return Source on the immediately preceding Index business day was the Benchmark Index, then the Index will continue to track the Benchmark Index. If the Benchmark Index Trend is negative, on the other hand, and (i) if the Index Return Source on the immediately preceding Index business day was the Benchmark Index, then the Index will switch to tracking the Cash Rate on such Index business day, and (ii) conversely, if the Index Return Source on the immediately preceding Index business day was the Cash Rate, then the Index will continue to track the Cash Rate.

The Benchmark Index Trend will switch only if there have been five consecutive Index business days where the Benchmark Index Closing Levels have been uniformly (a) below the Benchmark Index Simple Moving Average, in the case of the Benchmark Index Trend switching from positive to negative or (b) at or above the Benchmark Index Simple Moving Average, in the case of the Benchmark Index 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 Benchmark Index Trend switches from positive to negative or from negative to positive, as the case may be.

By way of illustration, the table below sets forth values for the Benchmark Index Closing Level and the Benchmark Index Simple Moving Average for the period from June 8, 2006 to July 11, 2006. As set forth in that table, on June 8, 2006, the Benchmark Index Closing Level was 1,918.59 and the value of the Benchmark Index Simple Moving Average was 1,907.70. As of the same day, the Benchmark Index Closing Level was equal to, or greater than, the Benchmark Index Simple Moving Average on each of the last 153 Index business days, resulting in a positive Benchmark Index Trend. On June 12, June 13 and June 14, 2006, the Benchmark Index Closing Level was below the Benchmark Index Simple Moving Average. However, this did not alter the Benchmark Index Trend because the Benchmark Index Closing Level was above the Benchmark Index Simple Moving Average on June 15, 2006 and, as a result, there were not five consecutive Index business days in respect of which the Benchmark Index Closing Level was below the Benchmark Index Simple Moving Average.

On June 22, 2006, the Benchmark Index Closing Level was below the Benchmark Index Simple Moving Average for each of the five Index business days ending on, and including, June 22, 2006, thereby changing the Benchmark Index Trend from positive to negative. As a consequence, as of the close of the market on June 23, 2006, the Index stopped tracking the Benchmark Index and commenced tracking the Cash Rate. The Cash Rate exposure hence started contributing to the performance of the Index as of the open of the market on June 26, 2006. Thus, the Index did not switch from tracking the Benchmark Index to tracking the Cash Rate until the open of the market on the seventh Index business day following the first day on which the Benchmark Index Closing Level was below the Benchmark Index Simple Moving Average.

The Benchmark Index Trend changed again on July 6, 2006 when the Benchmark Index Closing Level was at or above the Benchmark Index Simple Moving Average for each of the five consecutive Index business days ending on, and including, July 6, 2006. Therefore, as of the close of the market on July 7, 2006, the Index stopped referencing the Cash Rate and started tracking the Benchmark Index. The Benchmark Index exposure hence started contributing to the performance of the Index as of the open of the market on July 10, 2006. Thus, the Index did not switch from tracking the Cash Rate to tracking the Benchmark Index until the open of the market on the seventh Index business day following the first day on which the Benchmark Index Closing Level was at or above the Benchmark Index Simple Moving Average.

PS-38

The table below illustrates the example described above. The Benchmark Index Closing Levels set forth in the table below are as published on Bloomberg page “SPTR <Index>” (or on any successor page). Because the Index was only created on November 16, 2010, the Index Sponsor and the Index calculation agent have retrospectively calculated the Benchmark Index Simple Moving Average for the dates set forth in the table below. For the sake of simplicity, the table shows results rounded to two decimal places of precision. However, the Index itself will be calculated using fifteen decimal places, as described under “—Index Calculation Agent.”

Index Business Day	Benchmark Index Closing Level (“BICL”)	Benchmark Index Simple Moving Average (“SMA”)	Number of Consecutive Index Business Days where BICL ≥ SMA	Number of Consecutive Index Business Days where BICL < SMA	Benchmark Index Trend at the end of Index Business Day	Index Return Source
6/8/2006	1,918.59	1,907.70	153	0	Positive	Benchmark Index
6/9/2006	1,910.01	1,908.10	154	0	Positive	Benchmark Index
6/12/2006	1,885.81	1,908.45	0	1	Positive	Benchmark Index
6/13/2006	1,866.92	1,908.67	0	2	Positive	Benchmark Index
6/14/2006	1,876.67	1,909.01	0	3	Positive	Benchmark Index
6/15/2006	1,916.56	1,909.48	1	0	Positive	Benchmark Index
6/16/2006	1,909.52	1,909.95	0	1	Positive	Benchmark Index
6/19/2006	1,892.12	1,910.24	0	2	Positive	Benchmark Index
6/20/2006	1,892.13	1,910.52	0	3	Positive	Benchmark Index
6/21/2006	1,910.62	1,910.91	0	4	Positive	Benchmark Index
6/22/2006	1,900.98	1,911.15	0	5	Negative	Benchmark Index
6/23/2006	1,899.32	1,911.35	0	6	Negative	Benchmark Index
6/26/2006	1,908.56	1,911.63	0	7	Negative	Cash Rate
6/27/2006	1,891.24	1,911.75	0	8	Negative	Cash Rate
6/28/2006	1,901.98	1,911.94	0	9	Negative	Cash Rate
6/29/2006	1,943.09	1,912.39	1	0	Negative	Cash Rate
6/30/2006	1,939.03	1,912.86	2	0	Negative	Cash Rate
7/3/2006	1,954.49	1,913.40	3	0	Negative	Cash Rate
7/5/2006	1,940.55	1,913.79	4	0	Negative	Cash Rate
7/6/2006	1,945.90	1,914.26	5	0	Positive	Cash Rate
7/7/2006	1,932.75	1,914.74	6	0	Positive	Cash Rate
7/10/2006	1,935.62	1,915.31	7	0	Positive	Benchmark Index

7/11/2006	1,943.66	1,915.89	8	0	Positive	Benchmark Index
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Detailed Calculation of Index Level

The Index Level for any Index business day, as described above (which does not reflect the investor fee that will be deducted in calculating the daily redemption value of the ETNs), is calculated according to the following equations:

Where:

PS-39

And:

- I_t = the Index Level on Index business day t , where on the Index Base Date, the Index Base Value is 424.471.
- Z_t = the value of the trend indicator for Index business day t (with a value of “1” indicating that the Benchmark Index Trend is positive for such Index business day, a value of “0” indicating that the Benchmark Index Trend is negative for such Index business day, and a value of “Z” indicating that the Benchmark Index Trend is the same as the immediately preceding Index business day).
- BIR_t = the return on the Benchmark Index for Index business day t .
- CR_t = the Cash Rate for Index business day t .
- d = the number of calendar days that have elapsed between Index business day $t-1$ and Index business day t .
- $BICL_t$ = the Benchmark Index Closing Level on Index business day t .
- $BILL_t$ = the 91-day auction high rate for U.S. Treasury bills which is effective for Index business day t , as reported by the U.S. Department of the Treasury on the most recent of the weekly auction dates prior to such Index business day t , and as published on Bloomberg page “USB3MTA Index” or any successor page. Where applicable, the value will be translated into a percentage value.
- $SMAt$ = the Benchmark Index Simple Moving Average for Index business day t .

Retrospectively Calculated and Actual Historical Index Performance

See the section “Summary—How have the Index, the Benchmark Index and the ETNs performed historically?” for retrospectively calculated and actual historical Index data, along with comparisons to the Benchmark Index, the Cash Rate and certain other indices.

Index Calculation Agent

S&P Opco, LLC, or another party designated by the Index Sponsor (as defined below), will act as the calculation agent for the Index (the “Index calculation agent”) and will be responsible for calculating the level of the Index using the Index Methodology published by the Index Sponsor. The Index Sponsor will be the final authority on the Index and the interpretation of the Index Methodology.

The Index calculation agent will calculate the Index Level for each Index business day. The Index Level will be displayed on Bloomberg page “TPLCUT <Index>” (or on any successor page) by no later than 6:00 p.m. (New York City time) on each Index business day. Intraday Index levels will be published by the Index calculation

PS-40

agent via the Chicago Mercantile Exchange (the “CME”) under ticker symbol “TPLCUT.” The Index Level will not be published on any day on which the Index Level is not calculated, whether because such day is a disrupted day (as defined under “—Index Disruption Events” below) or otherwise. All numerical values for the Index will be rounded to fifteen decimal places.

In the event that the Index calculation agent or the Index Sponsor determines that a material error has occurred in the calculation of the Index, the Index calculation agent, having consulted, or having been consulted by, the Index Sponsor, will endeavor to correct such error on a date agreed to by the Index Sponsor. If a material error is corrected, the Index Sponsor will apply the correction from the relevant date forward.

The Index is the property of the Index Sponsor, which has contracted with S&P Dow Jones Indices to maintain and calculate the Index. The S&P 500® Index is the exclusive property of S&P Dow Jones Indices and has been licensed for use by the Index Sponsor in connection with the Index. S&P Dow Jones Indices, its affiliates and their third party licensors shall have no liability for any errors or omissions in calculating the Index. S&P® is a registered trademark of Standard & Poor’s Financial Services LLC (“SPFS”) and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”). These trademarks have been licensed to S&P Dow Jones Indices. S&P® and S&P 500® are trademarks of SPFS and together with the “Calculated by S&P Custom Indices” and its related stylized mark(s) have been licensed for use by the Index Sponsor.

Index Disruption Events

If, in the opinion of the Index Sponsor, any Index business day is a disrupted day (as defined below), the Index Level will not be published on such Index business day and will instead be calculated and published by the Index calculation agent on the next succeeding Index business day that is not a disrupted day, as determined by the Index Sponsor in good faith and subject to the index disruption fallbacks described under “—Index Disruption Fallbacks” below.

A “disrupted day” means any Index business day on which:

- any Exchange fails to open for trading during its regular trading session;
- an index disruption event (as defined below) occurs; or
- an Index adjustment event (as defined under “—Index Adjustment Events” below) occurs.

An “index disruption event” means the occurrence or existence of any of the following events if, as determined by the Index Sponsor, it has a material impact on the Index:

- it becomes impossible, on a certain Index business day, to obtain a closing level or any other price level for any component of, or instrument that is referenced by, the Index (a “price disruption”);
- any suspension of, or limitation imposed on, trading by any Exchange or otherwise, and whether by reason of price movements exceeding limits permitted by such Exchange or otherwise (a “trading disruption”);
- any event (other than an early closure, as defined below) during the one hour period that ends at the regularly scheduled close of trading for the securities comprising the Benchmark Index that disrupts or impairs (as determined by the Index calculation agent and/or Index Sponsor) the ability of market participants to effect transactions in, or obtain market values for, any component of or instrument that is referenced by the Index (an “exchange disruption”); or

- on any Index business day and in respect of any instrument or component referenced by the Index, the closure of any Exchange prior to its scheduled closing time, unless such earlier closing is announced by such Exchange at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange on such Index business day, and (b) the submission deadline for orders to be entered into the Exchange's dealing system for execution on such Index business day (an "early closure").

PS-41

Index Adjustment Events

The Index Methodology may be adjusted, amended, deleted or otherwise altered by the Index Sponsor at any time, acting in good faith and with the consent of the Index calculation agent, if the Index is no longer calculable in accordance with the Index Methodology (any event or condition giving rise to the right to so adjust, amend, delete or alter the Index, an “Index adjustment event”). Such adjustments may include, but are not limited to, adjustments required for clarification or for minor or technical reasons (including, without limitation, to correct any manifest or proven error or to cure, correct or supplement any ambiguity or defective provision contained in the Index Methodology).

Index Disruption Fallbacks

If (a) five consecutive Index business days are disrupted days, or (b) the Index Sponsor determines that (i) there is a discontinuation in the publication of prices for any component of or instrument referenced by the Index, (ii) the use of any component of or instrument referenced by the Index has become prohibited, (iii) the sponsor of any component of or instrument referenced by the Index has changed the specifications of such instrument or component, (iv) any component of or instrument referenced by the Index is modified or changed in any other way (except for a previously announced modification), or (v) any component of or instrument referenced by the Index has been or is likely to become terminated, then the Index Sponsor will, in consultation with the Index calculation agent, have the right to:

- accept the closing level of any component of or instrument referenced by the Index published on any alternative price source;
- if no alternative price source is available, select a substantially similar component for the Index or instrument to which the Index can be linked;
- if no alternative price source or similar instrument or component is available, adjust, amend or otherwise alter this description of the Index; and
- if none of the foregoing will achieve the objective of the Index as set forth above, permanently cease to calculate and/or disseminate levels for the Index.

Termination of the Index

The Index Sponsor may, at any time and without notice, terminate publication of the Index and proceed to ask the Index calculation agent to cease the calculation and dissemination of the Index.

Change in Index Methodology

No assurance can be given that fiscal, market, regulatory, juridical, financial or other circumstances (including, without limitation, any changes to, or any suspension or termination of any components for which values must be determined in relation to the Index) will not arise that would, in the determination of the Index Sponsor, necessitate or make desirable a modification of, or change to, the Index Methodology.

Any change to, or modification of, the Index Methodology may be outside the technology employed by the Index calculation agent, and thus the Index calculation agent may not be able to calculate the Index following such change or modification. In such event the Index Sponsor may, in its sole and absolute discretion, appoint a successor Index calculation agent.

Disclaimer

Although the Index Sponsor obtains price and return data from sources that it considers reliable, for example for the Benchmark Index and the Cash Rate, the Index Sponsor will not independently verify such data, and neither does it guarantee the accuracy and/or completeness of any data included in this description of the Index, nor the accuracy of any Index Levels.

PS-42

The Index Sponsor is under no obligation to advise any person or entity of any error in the Index (but may do so in its sole and absolute discretion). References to the Benchmark Index and the Cash Rate are included only to describe the components upon which the Index is based. The Index is not in any way sponsored, endorsed or promoted by S&P Dow Jones Indices or any Exchange.

The Royal Bank of Scotland plc owns all intellectual property rights to the Index and this description of the Index. This description of the Index has been supplied by The Royal Bank of Scotland plc. Any use of any intellectual property rights must be with the consent of The Royal Bank of Scotland plc.

Background on the Index Components

Benchmark Index

We have derived all information contained in this pricing supplement regarding the S&P 500® Total Return Index (the “Benchmark Index”) and the S&P 500® Index, including, without limitation, their make-up, method of calculation and changes in their components, from publicly available information. Such information reflects the policies of, and is subject to change by, S&P Dow Jones Indices. We make no representation or warranty as to the accuracy or completeness of such information. The Benchmark Index and the S&P 500® Index were developed by S&P Dow Jones Indices and are calculated, maintained and published by S&P Dow Jones Indices. S&P Dow Jones Indices has no obligation to continue to publish, and may discontinue the publication of, either or both of the Benchmark Index and the S&P 500® Index.

The Benchmark Index is displayed by Bloomberg under the ticker symbol “SPTR” and the S&P 500® Index is displayed under the ticker symbol “SPX.”

General

The Benchmark Index is published by S&P Dow Jones Indices. The Benchmark Index is the total return version of the S&P 500® Index and is calculated in the same manner as the S&P 500® Index as described below. However, while the S&P 500® Index reflects changes in the prices of its underlying stocks, the Benchmark Index reflects changes in both movements in stock prices and the reinvestment of the dividend income from its underlying stocks.

In calculating the Benchmark Index, ordinary cash dividends are applied on the ex-dividend date. “Special dividends” are those dividends that are outside of the normal payment pattern established historically by the issuing corporation. These may be described by the corporation as “special,” “extra,” “year-end,” or “return of capital.” Whether a dividend is funded from operating earnings or from other sources of cash does not affect the determination of whether it is ordinary or special. “Special dividends” are treated as corporate actions with offsetting price and divisor adjustments; the total return index series reflect both ordinary and special dividends. The Benchmark Index represents the total return earned in a portfolio that tracks the underlying price index and reinvests dividend income in the S&P 500® Index, not in the specific stock paying the dividend. The total return construction differs from the price index and builds the index from the price index and daily total dividend returns.

The S&P 500® Index

The S&P 500® Index is intended to provide a performance benchmark for the U.S. equity markets. The calculation of the level of the S&P 500® Index (discussed below in further detail) is based on the relative value of the aggregate Market Value (as defined below) of the common stocks of 500 companies (the “S&P Component Stocks”) as of a particular time as compared to the aggregate average Market Value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. Historically, the “Market Value” of any S&P Component Stock

was calculated as the product of the market price per share and the number of the then-outstanding shares of such S&P Component Stock. The 500 companies are not the 500 largest companies listed on the New York Stock Exchange (the "NYSE") and not all 500 companies are listed on such exchange. S&P Dow Jones Indices chooses companies for inclusion in the S&P 500® Index with the objective of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the U.S. equity market. S&P Dow Jones Indices may from time to time, in its sole discretion, add companies to, or delete companies from, the S&P 500® Index to achieve the objectives stated above. Relevant criteria employed by S&P Dow Jones Indices include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the company's

PS-43

common stock is widely-held and the Market Value and trading activity of the common stock of that company.

Since September 16, 2005, the S&P 500® Index has been calculated based on a fully float-adjusted formula. The criteria for selecting stocks for the S&P 500® Index was not changed by the shift to float adjustment. However, the adjustment affects each company's weight in the S&P 500® Index (i.e., its Market Value).

Under float adjustment, the share counts used in calculating the S&P 500® Index reflect only those shares that are available to investors, not all of a company's outstanding shares. S&P Dow Jones Indices defines three groups of shareholders whose holdings are subject to float adjustment:

- holdings by other publicly traded corporations, venture capital firms, private equity firms, strategic partners, or leveraged buyout groups;
- holdings by government entities, including all levels of government in the United States or foreign countries; and
- holdings by current or former officers and directors of the company, founders of the company or family trusts of officers, directors or founders, as well as holdings of trusts, foundations, pension funds, employee stock ownership plans, or other investment vehicles associated with and controlled by the company.

However, treasury stock, stock options, equity participation units, warrants, preferred stock, convertible stock and rights are not part of the float. In cases where holdings in a group exceed 10% of the outstanding shares of a company, the holdings of that group will be excluded from the float-adjusted count of shares to be used in the S&P 500® Index calculation. Mutual funds, investment advisory firms, pension funds or foundations not associated with the company and investment funds in insurance companies, shares that trust beneficiaries may buy or sell without difficulty or significant additional expense beyond typical brokerage fees, and, if a company has multiple classes of stock outstanding, shares in an unlisted or non-traded class if such shares are convertible by shareholders without undue delay and cost, are also part of the float. Shares held in a trust to allow investors in countries outside the country of domicile (e.g., ADRs, CDIs and Canadian exchangeable shares) are normally part of the float.

For each stock, an investable weight factor ("IWF") is calculated by dividing the available float shares, defined as the total shares outstanding less shares held in one or more of the three groups listed above where the group holdings exceed 10% of the outstanding shares, by the total shares outstanding. Since September 16, 2005, the S&P 500® Index has been calculated on a fully float-adjusted basis. The float-adjusted Index is calculated by dividing the sum of the IWF multiplied by both the price and the total shares outstanding for each stock by the Index Divisor. For companies with multiple classes of stock, S&P Dow Jones Indices calculates the weighted average IWF for each stock using the proportion of the total company market capitalization of each share class as weights.

As of the date of this pricing supplement, the S&P 500® Index is calculated using a base-weighted aggregate methodology: the level of the S&P 500® Index reflects the total Market Value of all 500 S&P Component Stocks relative to the S&P 500® Index's base period of 1941-43 (the "Base Period").

An indexed number is used to represent the results of this calculation in order to make the value easier to work with and track over time.

The actual total Market Value of the S&P Component Stocks during the Base Period has been set equal to an indexed value of 10. This is often indicated by the notation 1941-43=10. In practice, the daily calculation of the S&P 500® Index is computed by dividing the total Market Value of the S&P Component Stocks by a number called the Index Divisor. By itself, the Index Divisor is an arbitrary number. However, in the context of the calculation of the S&P 500® Index, it is the only link to the original Base Period level of the S&P 500® Index. The Index Divisor keeps the

S&P 500® Index comparable over time and is the manipulation point for all adjustments to the S&P 500® Index (“Index Maintenance”).

Index Maintenance includes monitoring and completing the adjustments for company additions and deletions, share changes, stock splits, stock dividends and stock price adjustments due to company restructurings or spin-offs.

PS-44

To prevent the level of the S&P 500® Index from changing due to corporate actions, all corporate actions which affect the total Market Value of the S&P 500® Index require an Index Divisor adjustment. By adjusting the Index Divisor for the change in total Market Value, the level of the S&P 500® Index remains constant. This helps maintain the level of the S&P 500® Index as an accurate barometer of stock market performance and ensures that the movement of the S&P 500® Index does not reflect the corporate actions of individual companies in the S&P 500® Index. All Index Divisor adjustments are made after the close of trading and after the calculation of the closing level of the S&P 500® Index. Some corporate actions, such as stock splits and stock dividends, require simple changes in the common shares outstanding and the stock prices of the companies in the S&P 500® Index and do not require Index Divisor adjustments.

The table below summarizes the types of Index Maintenance adjustments and indicates whether or not an Index Divisor adjustment is required.

Type of Corporate Action	Comments	Divisor Adjustment
Company added/ deleted	Net change in market value determines divisor adjustment.	Yes
Change in shares outstanding	Any combination of secondary issuance, share repurchase or buy back – share counts revised to reflect change.	Yes
Stock split	Share count revised to reflect new count. Divisor adjustment is not required since the share count and price changes are offsetting.	No
Spin-off	If the spun-off company is not being added to the index, the divisor adjustment reflects the decline in index market value (i.e., the value of the spun-off unit).	Yes
Spin-off	Spun-off company added to the index, no company removed from index.	No
Spin-off	Spun-off company added to the index, another company removed to keep number of names fixed. Divisor adjustment reflects deletion.	Yes
Change in IWF due to a corporate action or a purchase or sale by an inside holder.	Increasing (decreasing) the IWF increases (decreases) the total market value of the index. The divisor change reflects the change in market value caused by the change to an IWF.	Yes
Special dividend	When a company pays a special dividend the share price is assumed to drop by the amount of the dividend; the divisor adjustment reflects this drop in index market value.	Yes
Rights offering	Each shareholder receives the right to buy a proportional number of additional shares at a set (often discounted) price. The calculation assumes that the offering is fully subscribed. Divisor adjustment reflects increase in market cap measured as the shares issued multiplied by the price paid.	Yes

Stock splits and stock dividends do not affect the Index Divisor, because following a split or dividend, both the stock price and number of shares outstanding are adjusted by S&P Dow Jones Indices so that there is no change in the Market Value of the S&P Component Stock. All stock split and dividend adjustments are made after the close of

trading on the day before the ex-date.

Each of the corporate events exemplified in the table requiring an adjustment to the Index Divisor has the effect of altering the Market Value of the S&P Component Stock and consequently of altering the aggregate Market Value of the S&P Component Stocks (the "Post-Event Aggregate Market Value"). In order that the level of the S&P 500® Index (the "Pre-Event Index Value") not be affected by the altered Market Value (whether increase or decrease) of the affected Component Stock, a new Index Divisor ("New Divisor") is derived as follows:

$$\frac{\text{Post-Event Aggregate Market Value}}{\text{New Divisor}} = \text{Pre-Event Index Value}$$

$$\text{New Divisor} = \frac{\text{Post-Event Aggregate Market Value}}{\text{Pre-Event Index Value}}$$

PS-45

A large part of the Index Maintenance process involves tracking the changes in the number of shares outstanding of each of the S&P 500® Index companies. Four times a year, on a Friday close to the end of each calendar quarter, the share totals of companies in the S&P 500® Index are updated as required by any changes in the number of shares outstanding. After the totals are updated, the Index Divisor is adjusted to compensate for the net change in the total Market Value of the S&P 500® Index. In addition, any changes over 5% in the current common shares outstanding for the S&P 500® Index companies are carefully reviewed on a weekly basis, and when appropriate, an immediate adjustment is made to the Index Divisor.

License Agreement

S&P Dow Jones Indices has entered into a non-transferable, non-exclusive license agreement granting us and certain of our affiliated or subsidiary companies, in exchange for a fee, the right to use the S&P 500® Index, which is owned and published by S&P Dow Jones Indices, in connection with certain securities, including the ETNs.

The license agreement between S&P Dow Jones Indices and us provides that the following language must be set forth in this pricing supplement:

The ETNs are not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices, SPFS, Dow Jones, or any of their respective affiliates (collectively, "S&P Dow Jones Indices Entities") or their third party licensors. Neither S&P Dow Jones Indices Entities nor their third party licensors make any representation or warranty, express or implied, to the owners of the ETNs or any member of the public regarding the advisability of investing in securities generally or in the ETNs particularly or the ability of the S&P 500® Index to track general stock market performance. S&P Dow Jones Indices Entities' and their third party licensor's only relationship to us is the licensing of certain trademarks, service marks and trade names of S&P Dow Jones Indices Entities and/or their third party licensors and for the providing of calculation and maintenance services related to the Index. Neither S&P Dow Jones Indices Entities nor their third party licensors are responsible for and have not participated in the determination of the prices and amount of the ETNs or the timing of the issuance or sale of the ETNs or in the determination or calculation of the equation by which the ETNs are to be converted into cash. S&P Dow Jones Indices Entities have no obligation or liability in connection with the administration, marketing or trading of the ETNs. S&P Dow Jones Indices and its subsidiaries are not investment advisors. Inclusion of a security or futures contract within an index is not a recommendation by S&P Dow Jones Indices or its subsidiaries to buy, sell, or hold such security or futures contract, nor is it considered to be investment advice.

NEITHER S&P DOW JONES INDICES ENTITIES NOR THEIR THIRD PARTY LICENSORS GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE S&P 500® INDEX OR ANY DATA INCLUDED THEREIN OR ANY COMMUNICATIONS, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATIONS (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES ENTITIES AND THEIR THIRD PARTY LICENSORS SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS OR DELAYS THEREIN. S&P DOW JONES INDICES ENTITIES MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THEIR MARKS, THE S&P 500® INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES ENTITIES OR THEIR THIRD PARTY LICENSORS BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE.

Cash Rate

The Cash Rate is the yield on a hypothetical notional investment in 3-month U.S. Treasury bills, which are short-dated debt instruments that are issued on a regular basis by the U.S. Treasury.

The U.S. Treasury issues Treasury bills, including 3-month Treasury bills, at a discount at public auctions, typically on a weekly basis. Two types of bids are accepted. With a competitive bid, the bidder specifies the discount rate it will accept. With a non-competitive bid, the bidder agrees to accept the discount rate set at auction. At the close of an auction, the U.S. Treasury accepts all non-competitive bids that comply with the auction rules, and then accepts competitive bids in ascending order in terms of their discount rates (from lowest to

PS-46

highest) until the quantity of accepted bids reaches the offering amount. All bidders, competitive and non-competitive, will receive the same discount rate or yield at the highest accepted bid. This highest accepted bid is the auction high rate. The Index references the most recent auction high rate for 3-month Treasury bills as reported by the U.S. Department of the Treasury and displayed on Bloomberg page “USB3MTA Index” (or any successor page) in calculating the Index level when the Index is tracking the Cash Rate.

Because the Cash Rate is determined in reference to the weekly auction held by the U.S. Treasury, the Cash Rate will not reflect the most current prevailing prices for 3-month U.S. Treasury bills because changes in the trading price of 3-month U.S. Treasury bills in the inter-dealer market will not be taken into account.

PS-47

VALUATION OF THE ETNS

The market price of the ETNs will be the bid or ask price for the ETNs as quoted on NYSE Arca under the ticker symbol “TRND.” The market price of the ETNs will be the price at which you may be able to buy or sell your ETNs in the secondary market.

Daily Redemption Value and Market Price

While the market price of the ETNs may bear some correlation to the daily redemption value of the ETNs, the market price is not the same as the daily redemption value. The daily redemption value, which is the price we will pay you for your ETNs at maturity or upon early repurchase or redemption, will be determined by the calculation agent, based on the formula described 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 “TRND.NV” and on its website at www.rbs.com/etnus/trnd (or another website relating to the ETNs that we may specify). Information contained on that website is not incorporated by reference in, and should not be considered a part of, this pricing supplement.

The market price of the ETNs will be affected by several factors, many of which are beyond our control. We expect that generally the level of the Index on any day will affect the market price of the ETNs more than any other factor. The level of the Index in turn will be affected by the performance of the securities comprising the Benchmark Index or the Cash Rate as described under “The Index” above. Other factors that may influence the market price of the ETNs include, but are not limited to, supply and demand for the ETNs, the volatility of the Benchmark Index and the Index, the return on the securities comprising the Benchmark Index, prevailing interest rates, the volatility of securities markets, economic, financial, political, regulatory or judicial events that affect the Benchmark Index and trading in the securities comprising the Benchmark Index, the level of the Benchmark Index and the Index and the value of the Cash Rate, the general interest rate environment, as well as the actual or perceived creditworthiness of RBS plc and RBSG. See “Risk Factors” in this pricing supplement for a discussion of the factors that may influence the market price of the ETNs prior to maturity.

Indicative Value

An intraday “indicative value” is meant to approximate the 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 “TRND.IV.” It is calculated using the same formula as the daily redemption value, except that instead of using the closing levels of the Index, the calculation is based on the intraday level of the Index at the particular time. The actual trading price or market price of the ETNs (NYSE Arca: “TRND”) may vary significantly from the indicative value (NYSE Arca: “TRND.IV”) and the daily redemption value (NYSE Arca: “TRND.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. 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.

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.

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. For purposes of determining the indicative value at any time:

- the “index factor” at any time will be equal to the Index level at such time, divided by the Index closing level on the valuation date immediately preceding the day on which such time occurs;

PS-48

- the “fee factor” on any 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 Benchmark Index and (b) 0.50% per annum when the Index is not tracking the Benchmark Index, and instead, is tracking the Cash Rate; and
 - on any 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.

The indicative value calculation will be provided for reference purposes only. It is not intended as a price or quotation, or as an offer or solicitation for the purchase, sale, redemption or repurchase of your ETNs, nor will it reflect hedging or transaction costs, credit considerations, market liquidity or bid-offer spreads.

Index Levels

The Index is a proprietary index that The Royal Bank of Scotland plc, as Index Sponsor, developed and owns. S&P Opco, LLC, as Index calculation agent pursuant to an agreement with the Index Sponsor, will calculate and disseminate the Index level approximately every 15 seconds (assuming the Index level has changed within such 15-second interval) from 9:30 a.m. to approximately 5:00 p.m. (New York City time) on each Index business day. Index Levels will be displayed on Bloomberg page “TPLCUT <Index>” (or on any successor page), and will also be published via the CME under symbol “TPLCUT.” We are not incorporating by reference herein the website or any material included in such CME website or Bloomberg page or website. For further information on the Index levels, see “The Index” above.

Repurchase or Redemption

As discussed in “Specific Terms of the ETNs—Payment upon Repurchase or Redemption” below, 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, November 29, 2040, you may offer your ETNs to RBS plc for repurchase. If you choose to offer your ETNs for repurchase, you must offer at least the applicable minimum repurchase amount to RBS plc for repurchase on any repurchase date in accordance with the procedures set forth under “Specific Terms of the ETNs—Repurchase at Your Option” in this pricing supplement. The last date on which RBS plc will repurchase your ETNs will be December 5, 2040. The daily repurchase feature is intended to induce arbitrageurs to counteract any trading of the ETNs at a discount to their indicative value, although there can be no assurance that arbitrageurs will employ the repurchase feature in this manner.

PS-49

SPECIFIC TERMS OF THE ETNS

In this section, references to “holders” mean those who own the ETNs registered in their own names, on the books that we or the securities administrator maintain for this purpose, and not those who own beneficial interests in the ETNs registered in street name or in the ETNs issued in book-entry form through DTC or another depository. Owners of beneficial interests in the ETNs should read the section “—Forms of the ETNs” below and “Description of Certain Provisions Relating to Debt Securities and Contingent Convertible Securities—Form of Debt Securities and Contingent Convertible Securities; Book-Entry System” in the accompanying prospectus dated March 31, 2015 (the “prospectus”).

The ETNs are securities issued pursuant to the indenture dated as of September 15, 2006 (the “original indenture”), among The Royal Bank of Scotland N.V. (f/k/a ABN AMRO BANK N.V.), one of our affiliates, as issuer, RBS Holdings, N.V. (f/k/a ABN AMRO HOLDING N.V.), one of our affiliates, as guarantor (in their respective capacities, the “original issuer” and the “original guarantor”, respectively), Wilmington Trust Company, as trustee (the “trustee”), and Citibank, N.A., as securities administrator (the “securities administrator”), as supplemented by a first supplemental indenture, dated as of December 7, 2012 and effective as of December 10, 2012 (the “first supplemental indenture”), among the original issuer, the original guarantor, the trustee, the securities administrator, us and RBSG, pursuant to which we and RBSG have assumed the obligations of the original issuer and the original guarantor, respectively. We refer to the original indenture, as supplemented by the first supplemental indenture, and as may be further supplemented or amended from time to time, collectively, as the “indenture.” We have filed a copy of the indenture on Form 6-K, which is incorporated into the registration statement of which this prospectus is a part. You should read all the relevant provisions of the accompanying prospectus, including information incorporated by reference, and the indenture.

Please note that the information about the price to the public and the proceeds to RBS N.V. on the front cover of this pricing supplement relates only to the initial sale of the ETNs. If you have purchased the ETNs after the initial sale, information about the price and date of sale to you will be provided in a separate confirmation of sale.

Interest

We will not make any interest payments during the term of the ETNs.

Denomination

We will offer the ETNs in denominations of \$25.00 stated face amount. 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. However, regardless of the issue price of any ETNs, the stated face amount or par value of all ETNs will be \$25.00.

Ranking

The ETNs 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 save for those preferred by mandatory provision of law. The indenture does not limit the amount of additional indebtedness that we may incur.

Guarantee

The Royal Bank of Scotland Group plc, which we refer to as RBSG, will fully and unconditionally guarantee payment in full to the holders of the ETNs. The guarantee is set forth in, and forms a part of, the indenture under which the

ETNs will be issued. If, for any reason, we do not make any required payment in respect of the ETNs when due, RBSG, as the guarantor thereof, will cause the payment to be made to or to the order of the applicable paying agent on behalf of the trustee. The holder of the guaranteed ETN may sue the guarantor to enforce its rights under the guarantee without first suing us or any other person or entity. The guarantees will constitute RBSG's unsecured and unsubordinated obligations and rank pari passu without any preference among them and

PS-50

with all RBSG's other present and future unsecured and unsubordinated obligations. RBSG may, without the consent of the holders of the ETNs, assume all of our rights and obligations under the ETNs and upon such assumption, we will be released from our liabilities with respect to the indenture and the ETNs. Any payment in respect of the ETNs, including any repayment of your investment, will be subject to the credit risk of us and RBSG.

Payment at Maturity

The ETNs will mature on the maturity date stated on the cover of this pricing supplement, subject to postponement as described below. If you hold your ETNs to maturity, you will receive a cash payment on the stated maturity date that is equal to the daily redemption value of the ETNs on December 4, 2040 (the "final valuation date"), unless the final valuation date and/or maturity date is postponed as described below. The calculation agent will determine the applicable daily redemption value in the manner described under "—Daily Redemption Value" below.

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, 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 "—Postponement of a Valuation Date" below. If the maturity date stated on the cover of this pricing supplement is not a business day, the maturity date will be the next following business day. 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.

Any payment you will be entitled to receive on the ETNs is subject to the ability of The Royal Bank of Scotland plc, which we refer to as 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.

Repurchase at Your Option

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, November 29, 2040, you may offer your ETNs to us for repurchase. The minimum repurchase amount that you must offer to us for any single repurchase is 20,000 ETNs (reduced from the original level of 40,000 ETNs). If you choose to offer your ETNs for repurchase, you must offer at least 20,000 ETNs to us for any single repurchase on any repurchase date in accordance with the procedures described below; provided that RBS plc may, in its sole discretion, from time to time, further reduce the minimum repurchase amount. Any such further reduction will be applied on a consistent basis for all holders of the ETNs from the time the reduction becomes effective. Subject to any further reduction in the minimum repurchase amount by RBS plc, if you offer at least 20,000 ETNs to us for repurchase and fulfill the repurchase procedures described below, we will be obligated to repurchase your ETNs on the applicable repurchase date.

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

- 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 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.

PS-51

- 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 as described under “—Payment upon Repurchase or Redemption” below).

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 which we receive in accordance with the procedures described above will be irrevocable.

The applicable valuation date for any repurchase will be 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 the applicable repurchase date will be the third business day immediately following such valuation date.

Unless the scheduled repurchase date is postponed as described under “—Payment upon Repurchase or Redemption” below, the final day on which we will repurchase your ETNs will be December 5, 2040. As such, you must offer your ETNs for repurchase no later than November 29, 2040 in order to have your ETNs repurchased on December 5, 2040, and the applicable valuation date for any such repurchase would be November 30, 2040.

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.

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.

Redemption 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 issuance of the ETNs on the initial settlement date, to, and including, December 5, 2040. 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 November 28, 2040.

The valuation date for any redemption, will be the trading day immediately following the business day on which we deliver the relevant redemption notice to DTC in accordance with the procedures set forth above. The applicable 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.

Payment upon Repurchase or Redemption

If your ETNs are repurchased or if we elect to redeem your ETNs in accordance with the procedures described under “—Repurchase at Your Option” and “—Redemption at Our Option” above, as the case may be, you will receive a cash payment on the relevant repurchase date or redemption date, as the case may be, in an amount per ETN equal to the daily redemption value of the ETNs on the applicable valuation date.

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

PS-52

- 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).

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 calculation agent will determine the applicable daily redemption value in the manner described under “—Daily Redemption Value” below.

If the 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 “—Postponement of a Valuation Date,” in which case the repurchase date or redemption date, as the case may be, will be postponed to the third business day immediately following the applicable valuation date, as postponed, and the calculation agent will determine the daily redemption value as described under “—Postponement of a Valuation Date” below. In the event that payment upon repurchase or redemption by us 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.

Any ETNs repurchased by us at your option or redeemed by us at our option will be cancelled.

Any payment you will be entitled to receive on 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.

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 face 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 face amount of your investment at maturity or upon early repurchase or redemption.

Daily Redemption Value

The daily redemption value as of December 6, 2010, the inception date, 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 “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 “TPLCUT <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 “—Discontinuation or Modification of the Index” below.

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.

PS-53

The “annual investor fee” will be equal to (a) 1.00% per annum when the Index is tracking the Benchmark Index and (b) 0.50% per annum when the Index is not tracking the Benchmark Index, 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.

“Valuation date” means 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 described under “—Postponement of a Valuation Date” below.

Market Disruption Events

For purposes of the ETNs, a “market disruption event” means:

- (a) any suspension or absence of, or material limitation imposed on, trading by the relevant exchange in (i) when the Index is tracking the Benchmark Index, securities or futures or options contracts that reference securities then comprising 20% or more of the level of the Benchmark Index, or (ii) when the Index is tracking the Cash Rate, 3-month U.S. Treasury or futures or options contracts that reference 3-month U.S. Treasury bills, whether by reason of movements in price exceeding limits permitted by the relevant exchange therefor or otherwise; or
- (b) any event (other than an event described in clause (a) above or clause (c) below) that disrupts or impairs the ability of market participants in general to effect transactions in or obtain market values for (i) when the Index is tracking the Benchmark Index, securities or futures or options contracts that reference securities then comprising 20% or more of the level of the Benchmark Index, or (ii) when the Index is tracking the Cash Rate, 3-month U.S. Treasury bills or futures or options contracts that reference 3-month U.S. Treasury bills, on the relevant exchange therefor, on any other exchange or quotation system; or
- (c) the closure on any trading day of the relevant exchange for (i) when the Index is tracking the Benchmark Index, securities or futures or options contracts that reference securities then comprising 20% or more of the level of the Benchmark Index, or (ii) when the Index is tracking the Cash Rate, 3-month U.S. Treasury bills or futures or options contracts that reference 3-month U.S. Treasury bills, prior to its scheduled closing time unless such earlier closing time is announced by such exchange or quotation system at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such exchange or quotation system on such trading day and (B) the submission deadline for orders to be entered into such exchange or quotation system for execution on such trading day.

The “relevant exchange” means (a) when the Index is tracking the Benchmark Index, the primary exchange or quotation system for any component, or futures or option contracts related to any component, then included in the Benchmark Index, and (b) when the Index is tracking the Cash Rate, the primary exchange or quotation system for 3-month U.S. Treasury bills or futures or options contracts that reference 3-month U.S. Treasury bills.

For purposes of determining whether a market disruption event exists at any time, if trading in a security included in the Benchmark Index is suspended or materially limited at that time, or there occurs an event that disrupts or impairs the ability of market participants in general to effect transactions in or obtain market values for such security, then the relevant percentage contribution of that security to the level of the Benchmark Index will be based on a comparison of (a) the portion of the level of the Benchmark Index attributable to that security relative to (b) the overall level of the Benchmark Index, in each case immediately before the occurrence of that suspension, limitation or other market

disruption, as the case may be.

For purposes of determining whether a market disruption event has occurred or is continuing:

- a limitation on the hours or number of days of trading will not constitute a market disruption event if it results from an announced change in the regular business hours of the relevant exchange or market;

PS-54

- a decision permanently to discontinue trading in the relevant futures or options contract will not constitute a market disruption event;
- limitations pursuant to NYSE Rule 80B (or the rules of any relevant exchange similar to any applicable rule or regulation enacted or promulgated by any other self-regulatory organization or any government agency of similar scope as determined by the calculation agent) on trading during significant market fluctuations will constitute a suspension or absence or material limitation of trading;
- a suspension of trading in futures or options contracts on the Benchmark Index or the 3-month U.S. Treasury bills by the primary exchange or market related to such contract by reason of (i) a price change exceeding limits set by such exchange or market, (ii) an imbalance of orders relating to such contracts or (iii) a disparity in bid and ask quotes relating to such contracts will constitute a suspension or absence or material limitation of trading in futures or options contracts related to the Benchmark Index or 3-month U.S. Treasury bills; and
- a suspension or absence or material limitation of trading on any relevant exchange or on the primary market on which futures or options contracts related to the Benchmark Index or 3-month U.S. Treasury bills are traded will not include any time when such market is itself closed for trading under ordinary circumstances.

Postponement of a Valuation Date

If any valuation date (including the final valuation date) is not a trading day, or if a market disruption event exists on any valuation date, that valuation date will be postponed to the next succeeding trading day on which a market disruption event does not exist. However, in no event will a valuation date be postponed more than five business days. If a valuation date has been postponed for five business days and such fifth business day is not a trading day or a market disruption event exists on such fifth business day, the calculation agent will determine the Index closing level for such valuation date on such fifth business day in accordance with the formula for calculating the Index closing level last in effect prior to the commencement of the market disruption event or non-trading day, using the closing level of the Benchmark Index and/or the Cash Rate and, if the closing level of the Benchmark Index is not available, using the closing price (or, if trading in the relevant securities comprising the Benchmark Index has been materially suspended or materially limited, its good faith estimate of the closing price that would have prevailed but for such suspension or limitation) on such fifth business day of each security most recently comprising the Benchmark Index, as applicable. If a valuation date is postponed, any corresponding repurchase date or redemption 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 applicable valuation date or final valuation date, as the case may be, as postponed. Any such postponement or determination 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 of such postponement.

All determinations and adjustments to be made by the calculation agent with respect to the daily redemption value and the amount payable upon repurchase or redemption or at maturity will be made by the calculation agent in its sole discretion. See “Risk Factors” for a discussion of certain conflicts of interest which may arise with respect to the calculation agent.

Default Amount on Acceleration

For the purpose of determining whether the holders of our RBS NotesSM, of which the ETNs are a part, are entitled to take any action under the indenture, we will treat the stated face amount of each ETN outstanding as the principal amount of that ETN. Although the terms of the ETNs may differ from those of the other RBS NotesSM, holders of specified percentages in principal amount of all RBS NotesSM issued under the indenture will be able to take action

affecting all the RBS NotesSM issued under the indenture, including the ETNs. This action may involve changing some of the terms that apply to the RBS NotesSM issued under the indenture, accelerating the maturity of the RBS NotesSM issued under the indenture, after a default or waiving some of our obligations under the indenture.

In case an event of default (as described under “—Key Terms of the Indenture—Events of Default” below) with respect to the ETNs shall have occurred and be continuing, the amount declared due and payable for each

PS-55

ETN upon any acceleration of the ETNs will be determined by RBSSI, as calculation agent, and will equal the daily redemption value calculated as if the date of acceleration were the applicable valuation date.

If the maturity of the ETNs is accelerated because of an event of default as described below under “—Key Terms of the Indenture—Acceleration of Debt Securities Upon an Event of Default” below, we will, or will cause the calculation agent to, provide written notice to the trustee at its Delaware office, and to the securities administrator at its New York office, on which notice the trustee and the securities administrator may conclusively rely, and to DTC of the aggregate cash amount due with respect to the ETNs, if any, as promptly as possible and in no event later than two business days after the date of acceleration.

Further Issuances

We may, from time to time, without notice to or the consent of the holders of the ETNs, create and issue additional securities having the same terms and conditions as the ETNs offered by this pricing supplement, and such securities, if issued pursuant to the indenture, may rank on an equal basis with the ETNs in all respects. If there is substantial demand for the ETNs, we may issue additional ETNs frequently. We are offering up to a maximum aggregate face amount of ETNs linked to the Index of \$350,000,000 (equivalent to 14,000,000 ETNs). However, we have no obligation to issue up to this amount or any specific amount of ETNs and, in our sole discretion, may issue ETNs in excess of this amount. 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. Furthermore, you should be aware that, unless we indicate otherwise, if we suspend selling additional ETNs, we reserve the right to resume selling additional ETNs at any time. 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.” Such additional ETNs will be consolidated and form a single series with the ETNs and all other RBS NotesSM issued pursuant to the indenture. We have no obligation to take your interests into account when deciding to issue additional securities.

Discontinuation or Modification of the Index

If the Index Sponsor discontinues publication of the Index and the Index Sponsor or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the discontinued Index (such index being referred to herein as a “Successor Index”), then the Index closing level, daily redemption value of the ETNs and all calculations related to the Index will be determined by reference to the value of such Successor Index. References to the “Index” in this pricing supplement are deemed to include references to any relevant Successor Index where applicable.

Upon any selection by the calculation agent of a Successor Index, the calculation agent will cause written notice thereof to be furnished to us, the trustee, the securities administrator and DTC as the holder of the ETNs within three trading days of such selection.

If the Index Sponsor discontinues publication of the Index and the calculation agent determines that no Successor Index is available with respect to the Index at such time, then the calculation agent will determine the Index closing levels in accordance with the formula for and method of calculating the Index last in effect prior to such discontinuance, using the Benchmark Index Closing Level (or, if the Benchmark Index Closing Level is not available, its good faith estimate of the closing level of the Benchmark Index in accordance with the formula for and method of calculating the Benchmark Index last in effect prior to such discontinuance, and based on the closing price of each security most recently comprising the Benchmark Index) and the Cash Rate. Notwithstanding these alternative arrangements, discontinuance of the publication of the Index may adversely affect the value of the ETNs.

If at any time the method of calculating the Index or a Successor Index, or the value thereof, is changed in a material respect, or if the Index or a Successor Index is in any other way modified so that such index does not, in the opinion of the calculation agent, fairly represent the level of the Index or such Successor Index had such changes or modifications not been made, then the calculation agent will, at the close of business in New York City on the next valuation date, make such calculations and adjustments to the terms of the ETNs as, in the good faith

PS-56

judgment of the calculation agent, may be necessary in order to arrive at a value of an index comparable to the Index or Successor Index, as the case may be, as if such changes or modifications had not been made, and on each valuation date thereafter, make each relevant calculation with reference to the Index or Successor Index, as adjusted. Accordingly, if the method of calculating the Index or a Successor Index is modified so that the value of such index is a fraction or a multiple of what it would have been if it had not been modified (e.g., due to a split or reverse split in the index), then the calculation agent will adjust such index in order to arrive at a level of the Index or Successor Index as if it had not been modified (e.g., as if such split or reverse split had not occurred).

If a Successor Index is selected or if the calculation agent determines the value of an Index as described above, the value of the Index as determined by the calculation agent will be used as a substitute for the Index for all purposes, including for the purpose of determining whether a Market Disruption Event has occurred or is continuing.

Manner of Transfer, Exchange and Payment

If we ever issue ETNs in certificated form, those ETNs may be presented for payment, transfer and exchange at the office of any transfer agent designated and maintained by us. We have initially designated Citibank, N.A., the securities administrator under the indenture, at 111 Wall Street, 15th Floor Window, New York, New York 10005, Attention: Corporate Trust Services, as our current agent for the payment, transfer and exchange of the ETNs. We refer to Citibank, N.A., acting in this capacity, as the paying agent. However, holders of global securities may transfer and exchange global securities only in the manner and to the extent set forth under “Description of Certain Provisions Relating to Debt Securities and Contingent Convertible Securities—Form of Debt Securities and Contingent Convertible Securities; Book-Entry System” in the accompanying prospectus.

We will not be required to:

- register the transfer or exchange of any ETN if the holder has exercised the holder’s right, if any, to require us to repurchase the ETN, in whole or in part, except the portion of the ETN not required to be repurchased;
- register the transfer or exchange of ETNs to be redeemed for a period of fifteen calendar days preceding the mailing of the relevant notice of redemption; or
- register the transfer or exchange of any ETN selected for redemption in whole or in part, except the unredeemed portion of that ETN being redeemed in part.

No service charge will be made for any registration or transfer or exchange of ETNs, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the registration of transfer or exchange of ETNs.

Book-Entry Securities. The paying agent will make payments on the ETNs to the account of the depository (which is initially DTC), as holder of the global securities representing the ETNs, by wire transfer of immediately available funds. We expect that the depository, upon receipt of any payment, will immediately credit its participants’ accounts in amounts proportionate to their respective beneficial interests in the global securities as shown on the records of the depository. We also expect that payments by the depository’s participants to owners of beneficial interests in the global securities will be governed by standing customer instructions and customary practices and will be the responsibility of those participants.

Certificated Securities. Any payment on the ETNs will be made in immediately available funds to accounts designated by you and approved by us, or at the office of the paying agent specified above, but only when the ETNs are surrendered to the paying agent at that office.

Role of Calculation Agent

RBS Securities Inc., or RBSSI, an affiliate of ours, will serve as the calculation agent. The calculation agent will, in its reasonable discretion, make all determinations regarding the value of the ETNs, including at maturity or upon early repurchase or redemption by us, Market Disruption Events (see “—Postponement of a Valuation Date”), business days, trading days, the daily redemption value, the maturity date, valuation dates, repurchase

PS-57

dates, the amount payable in respect of your ETNs at maturity or upon early repurchase or redemption by us and any other calculations or determinations to be made by the calculation agent as specified herein. All determinations made by the calculation agent will be at the sole discretion of the calculation agent and will, in the absence of manifest error, be conclusive for all purposes and binding on you and on us.

Additional Amounts

We or RBSG will pay any amounts to be paid by us or RBSG, as guarantor, on any ETNs without deduction or withholding for, or on account of, any and all present and future income, stamp and other taxes, levies, imposts, duties, charges, fees, deductions or withholdings imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any U.K. political subdivision or authority that has the power to tax (a "U.K. taxing jurisdiction"), unless such deduction or withholding is required by law. If at any time a U.K. taxing jurisdiction requires us or RBSG, as guarantor, to make such deduction or withholding, we or RBSG, as guarantor, will pay additional amounts with respect to payments on the ETNs ("Additional Amounts") that are necessary in order that the net amounts paid to the holders of those ETNs, after the deduction or withholding, shall equal the amounts of any payments which would have been payable on those ETNs if the deduction or withholding had not been required.

However, this will not apply to any tax, levy, impost, duty, charge, fee, deduction or withholding that would not have been payable or due but for the fact that:

- the holder or the beneficial owner of the ETNs is a domiciliary, national or resident of, or engaging in business or maintaining a permanent establishment or physically present in, a U.K. taxing jurisdiction or otherwise has some connection with the U.K. taxing jurisdiction other than the holding or ownership of an ETN or the collection of any payments on any ETN;
- except in the case of a winding up in the United Kingdom, the relevant ETN is presented (where presentation is required) for payment in the United Kingdom;
- the relevant ETN is presented (where presentation is required) for payment more than 30 days after the date payment became due or was provided for, whichever is later, except to the extent that the holder would have been entitled to the Additional Amounts on presenting the ETN (where presentation is required) for payment at the close of that 30-day period;
- the holder or the beneficial owner of the relevant ETN or the beneficial owner of any payments on the ETN failed to comply with a request by us, RBSG, our liquidator or RBSG's liquidator or other authorized person addressed to the holder to provide information concerning the nationality, residence or identity of the holder or the beneficial owner or to make any declaration or other similar claim to satisfy any information requirement, which is required or imposed by a statute, treaty, regulation or administrative practice of a U.K. taxing jurisdiction as a precondition to exemption from all or part of the tax, levy, impost, duty, charge, fee, deduction or withholding;
- the withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive amending, supplementing or replacing such Directive or implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 or any subsequent meeting of the ECOFIN Council of the European Union on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directives;
- the relevant ETN is presented (where presentation is required) for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant ETN (where presentation is required) to another paying agent in a Member State of the European Union; or

- any combination of the above items;

nor shall Additional Amounts be paid with respect to any payments on the ETNs to any person if the payment would be required by the laws of any U.K. tax jurisdiction to be included in the income of another person and such other person would not have been entitled to such Additional Amounts had it received such payment directly.

PS-58

Whenever we refer in this pricing supplement, in any context, to any payments on any security of any series, we mean to include the payment of Additional Amounts to the extent that, in the context, Additional Amounts are, were or would be payable.

We are neither under any obligation to, nor do we intend to, make any additional payments in respect of U.S. tax or withholding requirements.

Forms of the ETNs

We will offer the ETNs on a continuing basis and will issue ETNs only in fully registered form either as registered global securities or, in limited circumstances, as certificated securities (which we also refer to as definitive securities). References to “holders” mean those who own ETNs registered in their own names, on the books that we or the securities administrator maintain for this purpose, and not those who own beneficial interests in ETNs registered in street name or in ETNs issued in book-entry form through one or more depositories.

Registered Global Securities

The ETNs will initially be issued as registered global securities, and we will issue one or more global certificates representing the entire issue of ETNs. Except as set forth in the accompanying prospectus under “Description of Certain Provisions Relating to Debt Securities and Contingent Convertible Securities—Form of Debt Securities and Contingent Convertible Securities; Book-Entry System—Issuance of Definitive Securities” you may not exchange registered global securities or interests in registered global securities for certificated securities.

Each global note certificate representing registered global securities will be deposited with, or on behalf of, DTC and registered in the name of a nominee of DTC. These certificates name DTC or its nominee as the owner of the ETNs. DTC maintains a computerized system that will reflect the interests held by its participants in the global securities. An investor’s beneficial interest will be reflected in the records of DTC’s direct or indirect participants through an account maintained by the investor with its broker/dealer, bank, trust company or other representative. A further description of the DTC’s procedures for global securities representing book-entry securities is set forth under “Description of Certain Provisions Relating to Debt Securities and Contingent Convertible Securities—Form of Debt Securities and Contingent Convertible Securities; Book-Entry System—The Clearing Systems—DTC” in the prospectus.

Certificated Securities

If we issue ETNs in certificated form, the certificate will name the investor or the investor’s nominee as the owner of the ETN. The person named in the note register will be considered the owner of the ETN for all purposes under the indenture. For example, if we need to ask the holders of the ETNs to vote on a proposed amendment to the ETNs, the person named in the note register will be asked to cast any vote regarding that ETN. If you have chosen to have some other entity hold the certificates for you, that entity will be considered the owner of your ETN in our records and will be entitled to cast the vote regarding your ETN. You may not exchange certificated securities for registered global securities or interests in registered global securities. See “Description of Certain Provisions Relating to Debt Securities and Contingent Convertible Securities—Form of Debt Securities and Contingent Convertible Securities; Book-Entry System—Issuance of Definitive Securities” in the accompanying prospectus.

Trustee and Securities Administrator

Wilmington Trust Company is the trustee for the ETNs under the indenture. Wilmington Trust Company’s address is 1100 North Market Street, Rodney Square North, Wilmington, Delaware 19890. Citibank, N.A. will act as securities administrator for the ETNs. We and our affiliates may from time to time maintain banking relationships or conduct

transactions in the ordinary course of business with the trustee, the securities administrator, and their affiliates. Wilmington Trust Company and Citibank, N.A. also serve in similar capacities for a number of series of our outstanding indebtedness.

PS-59

Key Terms of the Indenture

Events of Default

The indenture provides holders of debt securities with remedies if the issuer or the guarantor, as the case may be, fail to perform specific obligations, such as making payments on their debt securities, or if the issuer or the guarantor, as the case may be, become bankrupt. Holders should review these provisions and understand which of the issuer or the guarantor's actions trigger an event of default and which actions do not. The indenture permits the issuance of debt securities in one or more series, and, in many cases, whether an event of default has occurred is determined on a series-by-series basis.

An event of default is defined under the indenture, with respect to any series of debt securities issued under the indenture, as any one or more of the following events, subject to modification in a supplemental indenture, each of which we refer to in this prospectus as an event of default, having occurred and be continuing:

• default for more than 30 days in the payment of interest, premium or principal in respect of the debt securities of that series;

• the issuer or the guarantor, as the case may be, fail to perform or observe any other obligations applicable to the issuer or the guarantor, respectively, under the debt securities of that series, and such failure has continued for a period of 60 days next following the service on the issuer and the guarantor of notice requiring the same to be remedied except that the failure to file with the trustee certain information required to be filed with the trustee pursuant to the Trust Indenture Act of 1939, as amended, shall not constitute an event of default and does not give a right under the indenture to accelerate or declare any debt security issued under the indenture due and payable. Although the trustee may bring suit to enforce such filing obligation, the indenture would not provide for a remedy of acceleration in that circumstance.

• the issuer or the guarantor, as the case may be, are declared bankrupt, or a declaration in respect of the issuer is made under Chapter X of the Act on the Supervision of the Credit System (Wet toezicht kredietwezen 1992) of The Netherlands;

- an order is made or an effective resolution is passed for the issuer's or the guarantor's winding up or liquidation, as the case may be, unless this is done in compliance with the "Covenant Restricting Mergers and Other Significant Corporate Actions" described below; or

• any other event of default provided in the supplemental indenture or issuer order, if any, under which that series of debt securities is issued.

Acceleration of Debt Securities Upon an Event of Default

The indenture provides that, unless otherwise set forth in a supplemental indenture:

• if an event of default occurs due to the default in payment of principal of, or any premium or interest on, any series of debt securities issued under the indenture, or due to the default in the performance or breach of any other covenant or warranty of the issuer or the guarantor, as the case may be, applicable to that series of debt securities but not applicable to all outstanding debt securities issued under the indenture, other than a covenant for which the indenture specifies that violation thereof does not give a right to accelerate or declare due and payable any debt security issued under the indenture, occurs and is continuing, either the trustee or the holders of not less than 25% in aggregate principal amount of the outstanding debt securities of each affected series issued under the indenture, voting as one

class, by notice in writing to the issuer, may declare the principal of and accrued interest on the debt securities of such affected series (but not any other debt securities issued under the indenture) to be due and payable immediately (provided that, in the case of original issue discount debt securities, only a specified portion of the principal amount may be accelerated); and

if an event of default occurs due to specified events of bankruptcy of the issuer or the guarantor or due to an order or effective resolution for the issuer's or the guarantor's liquidation or winding up, as the case may be, or due to a default in the performance of any other of the covenants or agreements in the indenture applicable to all outstanding debt securities issued under the indenture, other than a covenant or agreement for which the indenture specifies that violation thereof does not give a right to accelerate or declare due and payable any debt security issued under the indenture, occurs and is

PS-60

continuing, either the trustee or the holders of not less than 25% in aggregate principal amount of all outstanding debt securities issued under that indenture for which any applicable supplemental indenture does not prevent acceleration under the relevant circumstances, voting as one class, by notice in writing to us, may declare the principal of all debt securities issued under the indenture and interest accrued on those debt securities to be due and payable immediately (provided that, in the case of original issue discount debt securities, only a specified portion of the principal amount may be accelerated).

Annulment of Acceleration and Waiver of Defaults

In some circumstances, if any and all events of default under the indenture, other than the non-payment of the principal of the debt securities that has become due as a result of an acceleration, have been cured, waived or otherwise remedied, then the holders of a majority in aggregate principal amount of all series of affected outstanding debt securities issued under the indenture, voting as one class, may annul past declarations of acceleration or waive past defaults of the debt securities.

Indemnification of Trustee for Actions Taken on Your Behalf

The indenture provides that the trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of debt securities issued under the indenture relating to the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred upon the trustee. In addition, the indenture contains a provision entitling the trustee, subject to the duty of the trustee to act with the required standard of care during a default, to be indemnified to its satisfaction by the holders of debt securities issued under the indenture before proceeding to exercise any right or power at the request of holders. Subject to these provisions and specified other limitations, the holders of a majority in aggregate principal amount of each series of outstanding debt securities of each affected series, voting as one class, may direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee. The trustee may decline to act if the direction is contrary to law and in certain circumstances set forth in the indenture.

Limitation on Actions by You as an Individual Holder

The indenture provides that no individual holder of debt securities may institute any action against the issuer or the guarantor under the indenture, except actions for payment of overdue principal and interest, unless the following actions have occurred:

- the holder must have previously given written notice to the trustee of the continuing default;

the holders of not less than 25% in aggregate principal amount of the outstanding debt securities of each affected series issued under the indenture, treated as one class, must have:

- requested the trustee to institute that action, and
- offered the trustee reasonable indemnity as it may require;

the trustee must have failed to institute that action within 60 days after receipt of the request referred to above; and

the holders of a majority in principal amount of the outstanding debt securities of each affected series issued under the indenture, voting as one class, must not have given directions to the trustee inconsistent with those of the holders referred to above.

The indenture contains a covenant that the issuer will file annually with the trustee a certificate of no default or a certificate specifying any default that exists.

Discharge, Defeasance and Covenant Defeasance

The issuer and the guarantor each have the ability to eliminate most or all of the issuer's obligations on any series of debt securities prior to maturity if the issuer or the guarantor, as applicable, comply with the following provisions:

PS-61

Discharge of Indenture. The issuer or the guarantor may discharge all of the issuer's obligations, other than as to transfer and exchanges, under the indenture after the issuer have or it has, as applicable:

- paid or caused to be paid the principal of and interest on all of the outstanding debt securities issued under the indenture in accordance with their terms;

- delivered to the securities administrator for cancellation all of the outstanding debt securities issued under the indenture; or

- irrevocably deposited with the securities administrator cash or, in the case of a series of debt securities payable only in U.S. dollars, U.S. government obligations in trust for the benefit of the holders of any series of debt securities issued under the indenture that have either become due and payable, or are by their terms due and payable, or are scheduled for redemption, within one year, in an amount certified to be sufficient to pay on each date that they become due and payable, the principal of and interest on, and any mandatory sinking fund payments for, those debt securities. However, the deposit of cash or U.S. government obligations for the benefit of holders of a series of debt securities that are due and payable, or are scheduled for redemption, within one year will discharge obligations under the applicable indenture relating only to that series of debt securities.

Defeasance of a Series of Securities at Any Time. The issuer or the guarantor may also discharge all of the issuer's obligations, other than as to transfers and exchanges, under any series of debt securities at any time, which the issuer refer to as defeasance in this prospectus. The issuer and the guarantor may be released with respect to any outstanding series of debt securities from the obligations imposed by the covenants described above limiting consolidations, mergers, asset sales and leases, and elect not to comply with those sections without creating an event of default. Discharge under those procedures is called covenant defeasance.

Defeasance or covenant defeasance may be effected only if, among other things:

- the issuer or the guarantor irrevocably deposit with the securities administrator cash or, in the case of debt securities payable only in U.S. dollars, U.S. government obligations, as trust funds in an amount certified to be sufficient to pay on each date that they become due and payable, the principal of and interest on, and any mandatory sinking fund payments for, all outstanding debt securities of the series being defeased; and

- the issuer or the guarantor deliver to the trustee and the securities administrator an opinion of counsel to the effect that:

- the holders of the series of debt securities being defeased will not recognize income, gain or loss for United States federal income tax purposes as a result of the defeasance or covenant defeasance; and

- the defeasance or covenant defeasance will not otherwise alter those holders' United States federal income tax treatment of principal and interest payments on the series of debt securities being defeased; in the case of a defeasance, this opinion must be based on a ruling of the Internal Revenue Service or a change in United States federal income tax law occurring after the date of this prospectus, since that result would not occur under current tax law.

Special Requirements for Optional Repayment of Global Debt Securities. If a debt security is represented by a global debt security, the depositary or the depositary's nominee will be the holder of the debt security and therefore will be the only entity that can exercise a right to repayment. In order to ensure that the depositary's nominee will timely exercise a right to repayment of a particular debt security, the beneficial owner of the debt security must instruct the broker or other direct or indirect participant through which it

holds an interest in the debt security to notify the depository of its desire to exercise a right to repayment. Different firms have different cut-off times for accepting instructions from their customers and, accordingly, each beneficial owner should consult the broker or other direct or indirect participant through which it holds an interest in a debt security in order to ascertain the cut-off time by which an instruction must be given in order for timely notice to be delivered to the depository.

Open Market Purchases. The issuer may purchase debt securities at any price in the open market or otherwise. Debt securities so purchased by the issuer may, at the issuer's discretion, be held or resold or surrendered to the securities administrator for cancellation.

PS-62

Modification of the Indenture

Modification without Consent of Holders. The issuer, the guarantor, the securities administrator and the trustee may enter into supplemental indentures without the consent of the holders of debt securities issued under the indenture to:

- secure any debt securities issued under the indenture;
- evidence the assumption by a successor corporation of issuer's or the guarantor's, as the case may be, obligations under the indenture and the debt securities;
- add covenants for the protection of the holders of debt securities issued under the indenture;
- cure any ambiguity or correct or supplement any provision in the indenture that may be defective or inconsistent with other provisions, or make any other provisions as the issuer or the guarantor may deem necessary or desirable, provided that no such action shall materially and adversely affect the interests of the holders of debt securities;
- establish the forms or terms of debt securities of any series to be issued under that indenture; or
- evidence the acceptance of appointment by a successor trustee.

Modification with Consent of Holders. The issuer, the guarantor, the securities administrator and the trustee, with the consent of the holders of not less than a majority in aggregate principal amount of each affected series of outstanding debt securities issued under the indenture, voting as one class, may add any provisions to, or change in any manner or eliminate any of the provisions of, the indenture or modify in any manner the rights of the holders of those debt securities. However, we, the guarantor, the securities administrator and the trustee may not make any of the following changes to any outstanding debt security issued under the indenture without the consent of each holder of debt securities issued under the indenture that would be affected by the change:

- extend the final maturity of the security;
- reduce the principal amount;
- reduce the rate or extend the time of payment of interest;
- reduce any amount payable on redemption;
- change the currency in which the principal, including any amount of original issue discount, premium, or interest on the security is payable;
- modify or amend the provisions for conversion of any currency into another currency;
- reduce the amount of any original issue discount security payable upon acceleration or provable in bankruptcy;
- alter the terms on which holders of the debt securities issued under the indenture may convert or exchange those debt securities for stock or other securities or for other property or the cash value of the property, other than in accordance with the antidilution provisions or other similar adjustment provisions included in the terms of those debt securities;
- impair the right of any holder of debt securities issued under the indenture to institute suit for the enforcement of any payment on any such debt security or the guarantee when due; or

reduce the percentage of debt securities issued under the indenture the consent of whose holders is required for modification of the indenture.

Covenant Restricting Mergers and Other Significant Corporate Actions

The indenture provides that neither we nor RBS Holdings will merge or consolidate with any other person and will not sell, lease or convey all or substantially all of its assets to any other person, unless:

PS-63

- we or RBS Holdings, as applicable, will be the continuing legal entity; or

the successor legal entity or person that acquires all or substantially all of our or RBS Holdings' assets, as applicable (i) will expressly assume all of our or RBS Holdings' obligations, as applicable, under the applicable indenture and the debt securities issued under the indenture, and (ii) will be incorporated and existing under the laws of the Netherlands, or a member state of the European Union or the Organization for Economic Co-Operation and Development, or, provided no adverse U.S. tax consequences to U.S. holders result therefrom, any other jurisdiction; and

immediately after the merger, consolidation, sale, lease or conveyance, that person or that successor legal entity will not be in default in the performance of the applicable covenants and conditions of the indenture.

Replacement of Debt Securities

At the expense of the holder, the issuer will replace any debt securities that become mutilated, destroyed, lost or stolen or are apparently destroyed, lost or stolen. The mutilated debt securities must be delivered to the securities administrator or agent or satisfactory evidence of the destruction, loss or theft of the debt securities must be delivered to us, the guarantor, the securities administrator and the trustee and any agent. At the expense of the holder, an indemnity that is satisfactory to the issuer and its agents, the guarantor, the securities administrator and the trustee and any agent may be required before a replacement note will be issued.

PS-64

CLEARANCE AND SETTLEMENT

DTC participants that hold the ETNs through DTC on behalf of investors will follow the settlement practices applicable to equity securities in DTC's settlement system with respect to the primary distribution of the ETNs and secondary market trading between DTC participants. See "Description of Certain Provisions Relating to Debt Securities and Contingent Convertible Securities—Form of Debt Securities and Contingent Convertible Securities; Book-Entry System" in the accompanying prospectus for more information.

PS-65

VALIDITY OF THE ETNS

In the opinion of Davis Polk & Wardwell LLP, when the ETNs offered by this pricing supplement have been executed and issued by the Issuer and the Guarantor and authenticated by the trustee pursuant to the Indenture, and delivered against payment as contemplated herein, such ETNs will constitute valid and binding obligations of the Issuer, and the related guarantee will constitute a valid and binding obligation of the Guarantor, in each case enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability (including, without limitation, concepts of good faith, fair dealing and the lack of bad faith), and possible judicial actions giving effect to governmental actions or foreign laws affecting creditor rights, provided that such counsel expresses no opinion as to the effect of fraudulent conveyance, fraudulent transfer or similar provision of applicable law on the conclusions expressed above. This opinion is given as of the date hereof and is limited to the laws of the State of New York. Insofar as this opinion involves matters governed by the laws of Scotland, Davis Polk & Wardwell LLP has relied, without independent inquiry or investigation, on the opinion of CMS Cameron McKenna LLP filed as an exhibit to the Registration Statement on Form F-3 filed by the Guarantor on March 31, 2015. The opinion of Davis Polk & Wardwell LLP is subject to the same assumptions, qualifications and limitations with respect to such matters as are contained in the opinion of CMS Cameron McKenna LLP. In addition, the opinion of Davis Polk & Wardwell LLP is subject to customary assumptions about the establishment of the terms of the ETNs, the trustee's authorization, execution and delivery of the Indenture and its authentication of the ETNs, and the validity, binding nature and enforceability of the Indenture with respect to the trustee, all as stated in the opinion of Davis Polk & Wardwell LLP filed as an exhibit to the Registration Statement on Form F-3 filed by the Guarantor on March 31, 2015.

PS-66

USE OF PROCEEDS; HEDGING

The net proceeds we receive from the sale of the ETNs will be used for general corporate purposes and, in part, by us or one or more of our affiliates in connection with hedging our obligations under the ETNs. The cost of hedging includes the projected profit that our affiliates expect to realize in consideration for assuming the risks inherent in managing the hedging transactions. Since hedging our obligations entails risk and may be influenced by market forces beyond our or our affiliates' control, such hedging may result in a profit that is more or less than initially projected, or could result in a loss. See also "Risk Factors—Risks Relating to the ETNs—Hedging and trading activities by us or our affiliates could affect prices of ETNs" and "Plan of Distribution (Conflicts of Interest)" in this pricing supplement, and "Use of Proceeds" in the accompanying prospectus.

From time to time after issuance and prior to the maturity of any ETNs, depending on market conditions (including the level of the Index), in connection with hedging certain of the risks associated with the ETNs, we expect that one or more of our affiliates will increase or decrease their initial hedging positions using dynamic hedging techniques and may take long or short positions in listed or over-the-counter options contracts in, or other derivative or synthetic instruments related to, the Benchmark Index, or any security comprising the Benchmark Index or U.S. Treasury bills. In addition, we or one or more of our affiliates may take positions in other types of appropriate financial instruments that may become available in the future. To the extent that we or one or more of our affiliates have a hedge position in the Benchmark Index, any securities comprising the Benchmark Index or U.S. Treasury bills, we or one or more of our affiliates may liquidate a portion of those holdings on or before the final valuation date. Depending, among other things, on future market conditions, the aggregate amount and the composition of such positions are likely to vary over time. Our or our affiliates' hedging activities will not be limited to any particular securities exchange or market.

The hedging activity discussed above may adversely affect the level of the Index. As a result, such activity may affect the market price of the ETNs and the amount payable at maturity or upon early repurchase or redemption by RBS plc. See "Risk Factors" in this pricing supplement for a discussion of possible adverse effects related to our hedging activities.

PS-67

UNITED KINGDOM TAXATION CONSIDERATIONS

The following is a general summary of certain U.K. tax consequences as of the date of this pricing supplement in relation to the ETNs. It is based on current United Kingdom tax law and HM Revenue & Customs practice (which may not be binding on HM Revenue & Customs) and is not exhaustive. Any holders who are in doubt as to their tax position should consult their professional advisers.

Payments on the ETNs

Where ETNs are to be, or may fall to be, redeemed at a premium, then any such element of premium may constitute a payment of interest for the purposes of United Kingdom withholding tax. If any such element of premium does not constitute a payment of interest for the purposes of United Kingdom withholding tax it generally will be paid by RBS plc without withholding or deduction for or on account of United Kingdom income tax.

Payments on the ETNs of amounts treated as interest for the purposes of United Kingdom withholding tax generally will be paid by RBS plc without withholding or deduction for or on account of United Kingdom income tax provided that RBS plc continues to be a bank within the meaning of Section 991 of the Income Tax Act 2007 (the "ITA 2007") and the interest on the ETNs is paid in the ordinary course of its business within the meaning of Section 878 of the ITA 2007.

Payments on the ETNs of amounts treated as interest for the purposes of United Kingdom withholding tax generally will also be paid by RBS plc without withholding or deduction for or on account of United Kingdom income tax if the payments are regarded as made under derivative contracts the profits and losses arising from which are calculated in accordance with Part 7 of Corporation Tax Act 2009.

Additionally, if the ETNs are and continue to be "quoted Eurobonds", payments of interest by RBS plc on the ETNs would be made without withholding or deduction for or on account of United Kingdom tax. The ETNs issued should constitute "quoted Eurobonds" if they are and continue to be listed on a recognised stock exchange, within the meaning of Section 1005 of the ITA 2007. The NYSE Arca is a recognised stock exchange for these purposes. Securities will be treated as listed on the NYSE Arca if they are both admitted to trading on the main market of the NYSE Arca and are officially listed in the United States in accordance with provisions corresponding to those generally applicable in countries in the European Economic Area.

In all other cases, payments treated as interest for the purposes of United Kingdom withholding tax will generally be paid by RBS plc subject to deduction of income tax at the basic rate (currently 20%), subject to the availability of other reliefs or to any direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

If RBSG, as Guarantor, makes any payments in respect of amounts treated as interest on the ETNs (or other amounts due under the ETNs other than the repayment of amounts subscribed for the ETNs), such payments may be subject to United Kingdom withholding tax at the basic rate, subject to the availability of other reliefs or to any direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

HM Revenue & Customs has powers to obtain information relating to securities in certain circumstances. This may include details of the beneficial owners of the ETNs (or the persons for whom the ETNs are held), details of the persons to whom payments derived from the ETNs are or may be paid and information and documents in connection with transactions relating to the ETNs. Information may be required to be provided by, amongst others, the holders of the ETNs, persons by (or via) whom payments derived from the ETNs are made or who receive (or would be entitled

to receive) such payments, persons who effect or are a party to transactions relating to the ETNs on behalf of others and certain registrars or administrators. In certain circumstances, the information obtained by HM Revenue & Customs may be exchanged with tax authorities in other countries.

EU Directive on the Taxation of Savings Income

The Savings Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income (including certain premiums) paid by a person to (of for the benefit of) an individual or to certain other persons in another Member State, except that Austria will instead impose a

PS-68

withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise. On March 24, 2014, the Council of the European Union adopted a directive amending the Savings Directive which will, when implemented, amend and broaden the scope of the requirements described above. In particular, additional steps may be required in certain circumstances to be taken to identify the beneficial owner of interest payments. Member States are required to implement national legislation giving effect to these changes by January 1, 2016 (which national legislation must apply from January 1, 2017). The European Commission has proposed that the Savings Directive should be repealed in due course in order to avoid overlap with Council Directive 2011/16/EU on administrative cooperation in the field of taxation (as amended by Council Directive 2014/107/EU), pursuant to which Member States will be required to apply new measures on mandatory automatic exchange of information, generally with effect from January 1, 2016. Investors who are in any doubt as to their position should consult their professional advisers.

PS-69

U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion constitutes the full opinion of our U.S. tax counsel, Davis Polk & Wardwell LLP, regarding the material U.S. federal income tax consequences of ownership and disposition of the ETNs. It applies to you only if you hold the ETNs as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”). It does not address all aspects of U.S. federal income taxation that may be relevant to you in light of your particular circumstances, including alternative minimum tax and “Medicare contribution tax” consequences, and different consequences that may apply if you are an investor subject to special rules, such as a financial institution, a regulated investment company, a tax-exempt entity (including an “individual retirement account” or a “Roth IRA”), a dealer or trader subject to a mark-to-market method of tax accounting with respect to the ETNs, an entity classified as a partnership for U.S. federal income tax purposes, or a person holding an ETN as a part of a “straddle.”

This discussion is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, all as of the date of this pricing supplement, changes to any of which subsequent to the date hereof may affect the tax consequences described below, possibly with retroactive effect. It does not address the application of any state, local or non-U.S. tax laws. You should consult your tax adviser concerning the application of U.S. federal income tax laws to your particular situation (including the possibility of alternative treatments of the ETNs), as well as any tax consequences arising under the laws of any state, local or non-U.S. jurisdiction.

Tax Treatment of the ETNs

In the opinion of our U.S. tax counsel, which is based on market conditions, it is more likely than not that the ETNs will be treated as prepaid financial contracts that are not debt for U.S. federal income tax purposes, with the consequences described below. We do not plan to request a ruling from the IRS, and the IRS or a court might not agree with this treatment, in which case the timing and character of income or loss on your ETNs could be materially and adversely affected. Unless otherwise stated, the following discussion is based on the treatment of the ETNs as prepaid financial contracts that are not debt.

Tax Consequences to U.S. Holders

You are a “U.S. holder” if, for U.S. federal income tax purposes, you are a beneficial owner of an ETN and are: (i) a citizen or resident of the United States; (ii) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any State therein or the District of Columbia; or (iii) an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Treatment as a Prepaid Financial Contract That Is Not Debt

Subject to the following paragraph, you should not recognize taxable income or loss with respect to an ETN prior to its taxable disposition (including a repurchase or redemption by us). Upon a taxable disposition of an ETN, you should recognize gain or loss equal to the difference between the amount you realize and your tax basis in the ETN. Your tax basis in the ETN should equal the amount you paid to acquire it. Your gain or loss should be capital gain or loss, and should be long-term capital gain or loss if you have held the ETN for more than one year. The deductibility of capital losses is subject to limitations.

Uncertainties Regarding Treatment as a Prepaid Financial Contract That Is Not Debt

Due to the lack of direct legal authority, even if an ETN is treated as a prepaid financial contract that is not debt, there remain substantial uncertainties regarding the tax consequences of owning and disposing of it. For instance, you might

be required to include amounts in income during the term of the ETN and/or to treat all or a portion of your gain or loss on its taxable disposition as ordinary income or loss or as short-term capital gain or loss, without regard to how long you have held it. In particular, it is possible that any switch of the Benchmark Index Trend, or any change in the methodology of, or substitution of a successor to, the Index or an index component could result in a “deemed” taxable exchange, causing you to recognize gain or loss (subject, in the case of loss, to the possible application of the “wash sale” rules) as if you had sold or exchanged the ETN.

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. The notice focuses in particular on whether beneficial owners of these instruments should be required to accrue income over

PS-70

the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; the relevance of factors such as the exchange-traded status of the instruments; the nature of the underlying property to which the instruments are linked; and whether these instruments are or should be subject to the “constructive ownership” regime, which very generally can operate to recharacterize certain long-term capital gain as ordinary income and impose a notional interest charge. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of your investment in an ETN, possibly with retroactive effect.

Consequences if an ETN Is Treated as a Debt Instrument

If an ETN is treated as a debt instrument, your tax consequences will be governed by Treasury regulations relating to the taxation of contingent payment debt instruments. In that event, even if you are a cash-method taxpayer, in each year that you hold the ETN you will be required to accrue into income “original issue discount” based on our “comparable yield” for a similar non-contingent debt instrument, determined as of the time of issuance of the ETN, even though we will not be required to make any payment with respect to the ETN prior to its maturity or earlier repurchase or redemption by us. In addition, any income you recognize upon the taxable disposition of the ETN will be treated as ordinary in character. If you recognize a loss above certain thresholds, you could be required to file a disclosure statement with the IRS.

Tax Consequences to Non-U.S. Holders

You generally are a “non-U.S. holder” if, for U.S. federal income tax purposes, you are a beneficial owner of an ETN and are: (i) a nonresident alien individual; (ii) an entity treated as a foreign corporation; or (iii) a foreign estate or trust.

This discussion does not describe considerations applicable to a beneficial owner of an ETN who is (i) an individual present in the United States for 183 days or more in the taxable year of disposition of the ETN or (ii) a former citizen or resident of the United States, if certain conditions apply. If you are a potential investor to whom such considerations might be relevant, you should consult your tax adviser.

Subject to the discussion below under “—Additional Withholding Tax Considerations” and “—‘FATCA’ Legislation,” if an ETN is treated for U.S. federal income tax purposes as a prepaid financial contract that is not debt, any gain you recognize with respect to the ETN generally should not be subject to U.S. federal withholding or income tax, unless the gain is effectively connected with your conduct of a trade or business in the United States. However, as described above under “—Tax Consequences to U.S. Holders—Uncertainties Regarding Treatment as a Prepaid Financial Contract That Is Not Debt,” 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. The notice focuses, among other things, on the degree, if any, to which income realized with respect to such instruments by non-U.S. persons should be subject to withholding tax. It is possible that any Treasury regulations or other guidance promulgated after consideration of these issues might require you to accrue income, subject to U.S. federal withholding tax, in each year that you own an ETN, possibly on a retroactive basis. We will not pay additional amounts on account of any such withholding tax.

Subject to the discussion below under “—Additional Withholding Tax Considerations” and “—‘FATCA’ Legislation,” if an ETN is treated as a debt instrument, any income or gain you recognize with respect to the ETN will not be subject to U.S. federal withholding or income tax if (i) you provide a properly completed Form W-8 appropriate to your circumstances and (ii) these amounts are not effectively connected with your conduct of a trade or business in the United States.

If you are engaged in a trade or business in the United States, and income or gain from an ETN is effectively connected with your conduct of that trade or business (and, if an applicable treaty so requires, is attributable to a permanent establishment in the United States), you generally will be taxed in the same manner as a U.S. holder. If this paragraph applies to you, you should consult your tax adviser with respect to other U.S. tax consequences of the ownership and disposition of the ETN, including the possible imposition of a 30% branch profits tax if you are a corporation.

PS-71

Additional Withholding Tax Considerations

Proposed Treasury regulations under Section 871(m) of the Code, if finalized in their current form, could impose withholding after December 31, 2015 on non-U.S. holders at a rate of 30% (or lower treaty rate) on amounts treated as attributable to dividends from U.S. stocks underlying financial instruments such as the ETNs (“dividend equivalents”). Pursuant to published guidance, these regulations are not expected to apply to “grandfathered” ETNs issued prior to the date that is 90 days after the future date that final regulations are published. You should assume that any ETNs you purchase on or after such 90th day will not be grandfathered, because there is unlikely to be a practical way to establish the issue date of the ETNs you purchase. There are material uncertainties regarding the application of these proposed regulations. You should consult your tax adviser regarding the potential application of these proposed regulations. We will not pay additional amounts with respect to any such withholding taxes.

“FATCA” Legislation

Legislation commonly referred to as “FATCA” generally imposes a withholding tax of 30% on payments to certain non-U.S. entities (including financial intermediaries) with respect to certain financial instruments, unless various U.S. information reporting and due diligence requirements have been satisfied. Pursuant to Treasury regulations and other published guidance, this legislation generally will apply to (1) any ETN issued after June 30, 2014 that produces U.S.-source interest income for U.S. federal income tax purposes, and (2) any ETN issued more than six months after the date on which instruments such as the ETNs are first treated as giving rise to dividend equivalents. As noted above, you should assume that an ETN will be treated for this purpose as issued on the date you acquire it. Withholding (if applicable) would apply to payments of interest (if the relevant ETN were treated as a debt instrument), dividend equivalents and, after December 31, 2016, gross proceeds from the taxable disposition of the relevant ETN.

If withholding applies to the ETNs, we will not be required to pay any additional amounts with respect to amounts withheld. Both U.S. and non-U.S. holders should consult their tax advisers regarding the potential application of FATCA to the ETNs.

Information Reporting and Backup Withholding

Cash proceeds received from a disposition of an ETN may be subject to information reporting, and may also be subject to backup withholding at the rate specified in the Code unless you provide certain identifying information (such as a correct taxpayer identification number, if you are a U.S. holder) and otherwise satisfy the requirements of the backup withholding rules. If you are a non-U.S. holder and you provide a properly completed Form W-8 appropriate to your circumstances, you will generally establish an exemption from backup withholding. Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against your U.S. federal income tax liability, provided the required information is furnished to the IRS.

PS-72

PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)

We and RBSG have appointed RBS Securities Inc. (“RBSSI”) as agent for any offering of the ETNs (which term includes the related guarantees).

RBS N.V. issued \$4,000,000 in face amount of the ETNs (equivalent to 160,000 ETNs) on the initial settlement date to be sold through RBSSI, an affiliate of ours. These ETNs and additional ETNs may be offered and sold from time to time, 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, by or through RBSSI, acting as principal or our agent, to investors and to dealers acting as principals for resale to investors. 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 December 10, 2012. RBS plc has received and will continue to receive proceeds equal to 100% of the offering price of the ETNs issued and sold from and after December 10, 2012. RBSSI may also receive a payment from the issuer of a portion of the investor fee in consideration for its administrative role in the issuances and repurchases of the ETNs.

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. The amount paid to Pacer is subject to limitations on the amount of compensation which may be paid to members of the Financial Industry Regulatory Authority (“FINRA”), such as Pacer.

We may deliver ETNs against payment therefor on a date that is greater than three business days following the date of sale of any ETNs. Under Rule 15c6-1 of the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days, unless parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to transact in ETNs that are to be issued more than three business days after the related trade date will be required to specify alternative settlement arrangements to prevent a failed settlement.

Amounts paid to FINRA members, including RBSSI and Pacer, constituting underwriting compensation with respect to ETNs will not exceed 8% of the offering proceeds.

RBSSI’s address is RBS Securities Inc., 600 Washington Boulevard, Stamford, Connecticut 06901.

Conflicts of Interest

RBSSI is an affiliate of ours and RBSG. RBSSI will conduct each offering of ETNs in compliance with the requirements of FINRA Rule 5121 regarding a FINRA member firm’s distribution of securities of an affiliate. Following the initial distribution of any of these ETNs, RBSSI may offer and sell those ETNs in the course of its business as broker-dealer. RBSSI may act as principal or agent in these transactions and will make any sales at varying prices related to prevailing market prices at the time of sale or otherwise. RBSSI may use this pricing supplement and the accompanying prospectus in connection with any of these transactions. RBSSI is not obligated to make a market in any of these ETNs and may discontinue any market-making activities at any time without notice.

RBSSI or an affiliate of RBSSI may enter into one or more hedging transactions with us in connection with this offering of ETNs. See “Use of Proceeds; Hedging” above.

Market-Making Transactions

Broker-dealers may make a market in the ETNs, although none of them are obligated to do so and any of them may stop doing so at any time without notice. This prospectus (as such term includes this pricing supplement and the accompanying prospectus) may be used by such broker-dealers and our affiliates in connection with market-making transactions. In these transactions, broker-dealers may resell an ETN covered by this prospectus that they acquire from other holders after the original offering and sale of the ETNs, or they may sell an ETN covered by this prospectus in short sale transactions.

PS-73

Broker-dealers and other persons are cautioned that some of their activities may result in their being deemed participants in the distribution of the ETNs in a manner that would render them statutory underwriters and subject them to the prospectus delivery and liability provisions of the Securities Act of 1933, as amended (the “Securities Act”). Among other activities, broker-dealers and other persons may make short sales of the ETNs and may cover such short positions by borrowing ETNs from us or our affiliates or by purchasing ETNs from us or our affiliates subject to our obligation to repurchase such ETNs at a later date. As a result of these activities, these market participants may be deemed statutory underwriters. If these activities are commenced, they may be discontinued at any time. A determination of whether a particular market participant is an underwriter must take into account all the facts and circumstances pertaining to the activities of the participant in the particular case, and the example mentioned above should not be considered a complete description of all the activities that would lead to designation as an underwriter and subject a market participant to the prospectus-delivery and liability provisions of the Securities Act. This prospectus will be deemed to cover any short sales of ETNs by market participants who cover their short positions with ETNs borrowed or acquired from us or our affiliates in the manner described above.

PS-74

BENEFIT PLAN INVESTOR CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and Section 4975 of the Internal Revenue Code of 1986, (the “Code”), impose certain requirements on (a) employee benefit plans subject to Title I of ERISA, (b) individual retirement accounts, Keogh plans or other arrangements subject to Section 4975 of the Code, (c) entities whose underlying assets include “plan assets” by reason of any such plan’s or arrangement’s investment therein (we refer to the foregoing collectively as “Plans”) and (d) persons who are fiduciaries with respect to Plans. In addition, certain governmental, church and non-U.S. plans (“Non-ERISA Arrangements”) are not subject to Section 406 of ERISA or Section 4975 of the Code, but may be subject to other laws that are substantially similar to those provisions (each, a “Similar Law”).

In addition to ERISA’s general fiduciary standards, Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of a Plan and persons who have specified relationships to the Plan, i.e., “parties in interest” as defined in ERISA or “disqualified persons” as defined in Section 4975 of the Code (we refer to the foregoing collectively as “parties in interest”) unless statutory or administrative exemptive relief is available. Parties in interest that engage in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under Section 406 of ERISA and Section 4975 of the Code. We, and our current and future affiliates, including RBS Securities Inc., may be parties in interest with respect to many Plans. Thus, a Plan fiduciary considering an investment in the ETNs should also consider whether such an investment might constitute or give rise to a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code. For example, the ETNs may be deemed to represent a direct or indirect sale of property, extension of credit or furnishing of services between us and an investing Plan which would be prohibited if we are a party in interest with respect to the Plan unless exemptive relief were available.

In this regard, each prospective purchaser that is, or is acting on behalf of, a Plan, and proposes to purchase the ETNs, should consider the exemptive relief available under the following prohibited transaction class exemptions, or PTCEs: (A) the in-house asset manager exemption (PTCE 96-23), (B) the insurance company general account exemption (PTCE 95-60), (C) the bank collective investment fund exemption (PTCE 91-38), (D) the insurance company pooled separate account exemption (PTCE 90-1) and (E) the qualified professional asset manager exemption (PTCE 84-14). In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code may provide a limited exemption for the purchase and sale of the ETNs and related lending transactions, provided that neither the issuer of the ETNs nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of the Plan involved in the transaction and provided further that the Plan pays no more, and receives no less, than adequate consideration in connection with the transaction (the so-called “service provider exemption”). There can be no assurance that any of these statutory or class exemptions will be available with respect to transactions involving the ETNs.

Each purchaser or holder of an ETN, and each fiduciary who causes any entity to purchase or hold an ETN, shall be deemed to have represented and warranted, on each day such purchaser or holder holds such ETNs, that either (i) it is neither a Plan nor a Non-ERISA Arrangement and it is not purchasing or holding the ETNs on behalf of or with the assets of any Plan or Non-ERISA arrangement; or (ii) its purchase, holding and subsequent disposition of such ETNs shall not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Code or any provision of Similar Law.

Each purchaser of an ETN will have exclusive responsibility for ensuring that its purchase, holding and subsequent disposition of the ETN does not violate the fiduciary or prohibited transaction rules of ERISA, the Code or any Similar Law. Nothing herein shall be construed as a representation that an investment in the ETNs would meet any or all of the relevant legal requirements with respect to investments by, or is appropriate for, Plans or Non-ERISA Arrangements generally or any particular Plan or Non-ERISA Arrangement.

The ETNs are contractual financial instruments. The financial exposure provided by the ETNs is neither a substitute or proxy for, nor is it intended as a substitute or proxy for, individualized investment management or advice for the benefit of any purchaser or holder of the ETNs. The ETNs have not been designed and shall not be administered in a manner intended to reflect the individualized needs and objectives of any purchaser or holder of the ETNs.

Each purchaser or holder of any ETNs acknowledges and agrees that:

PS-75

- (i) the purchaser or purchaser's fiduciary has made and shall make all investment decisions for the purchaser and the purchaser has not and shall not rely in any way upon us or our affiliates to act as a fiduciary or adviser of the purchaser with respect to (A) the design and terms of the ETNs, (B) the purchaser's investment in the ETNs, or (C) the exercise, or failure to exercise, any rights we have under or with respect to the ETNs;
- (ii) we and our affiliates have and shall act solely for our own account in connection with (A) all transactions relating to the ETNs and (B) all hedging transactions in connection with our obligations under the ETNs;
- (iii) any and all assets and positions relating to hedging transactions by us or our affiliates are assets and positions of those entities and are not assets and positions held for the benefit of any investor;
- (iv) our interests may be adverse to the interests of any purchaser or holder; and
- (v) neither we nor any of our affiliates are fiduciaries or advisers of the purchaser or holder in connection with any such assets, positions or transactions and any information that we or any of our affiliates may provide is not intended to be impartial investment advice.

Fiduciaries of any Plans and Non-ERISA Arrangements should consult their own legal counsel before purchasing the ETNs. We also refer you to the portions of the prospectus addressing restrictions applicable under ERISA, the Code and Similar Law.

PS-76

ANNEX A —
FORM OF OFFER FOR REPURCHASE

To: ETNUSCorpActions@rbs.com

Subject: RBS US Large Cap Trendpilot™ Exchange Traded Notes (the “ETNs”)
CUSIP/ISIN: 78009L308 / US78009L3087

[BODY OF E-MAIL]

The undersigned hereby irrevocably elects to exercise the right to have The Royal Bank of Scotland plc repurchase the following ETNs as described in the pricing supplement relating to the ETNs dated April 1, 2015.

Name of holder: []
Number of ETNs to be repurchased: []*
Applicable valuation date: []**
Contact name: []
Telephone No.: []

Acknowledgement:

I acknowledge that the ETNs specified above will not be repurchased unless all of the requirements specified in the pricing supplement related to the ETNs are satisfied.

Questions regarding the repurchase requirements of your ETNs should be directed to ETNUSCorpActions@rbs.com.

* Unless the minimum repurchase amount has been reduced by RBS plc, the minimum repurchase amount is 20,000 ETNs.

** Subject to adjustment as described in the pricing supplement.

PS-77

ANNEX B —
FORM OF CONFIRMATION OF REPURCHASE

PART A: TO BE COMPLETED BY THE BENEFICIAL OWNER

Dated:

[insert date]

The Royal Bank of Scotland plc (“RBS plc”)
Fax: 1-203-873-3292

Re: RBS US Large Cap Trendpilot™ Exchange Traded Notes (the “ETNs”)
CUSIP/ISIN: 78009L308 / US78009L3087

Ladies and Gentlemen:

The undersigned beneficial owner hereby irrevocably offers to RBS plc the right to repurchase the ETNs, as described in the pricing supplement dated April 1, 2015 relating to the ETNs (the “Pricing Supplement”), in the amounts and on the date set forth below.

Name of beneficial holder:

[insert name of beneficial owner]

The number of ETNs offered for repurchase. Unless the minimum repurchase amount has been reduced by RBS plc, you must offer at least 20,000 ETNs for repurchase at one time for your offer to be valid. The trading day immediately succeeding the date you offered your ETNs for repurchase will be the valuation date applicable to such repurchase.

[insert number of ETNs offered for repurchase by RBS plc]

Applicable valuation date:* , 20

Applicable repurchase date:* , 20

[insert a date that is three business days following the applicable valuation date]

Contact Name:

[insert the name of a person or entity to be contacted with respect to this Confirmation of Repurchase]

Telephone #:

[insert the telephone number at which the contact person or entity can be reached]

* Subject to adjustment as described in the pricing supplement.

PS-78

My ETNs are held in the following DTC Participant's Account (the following information is available from the broker through which you hold your ETNs):

Name:

DTC Account
Number

(and any relevant
sub-account):

Contact Name:

Telephone Number:

Acknowledgement: In addition to any other requirements specified in the Pricing Supplement being satisfied, I acknowledge that the ETNs specified above will not be repurchased unless (i) this Confirmation of Repurchase, as completed and signed by the DTC Participant through which my ETNs are held (the "DTC Participant"), is delivered to RBS plc, (ii) the DTC Participant has booked a "delivery vs. payment" ("DVP") trade on the applicable valuation date facing RBS plc, and (iii) the DTC Participant instructs DTC to deliver the DVP trade to RBS plc as booked for settlement via DTC at or prior to 10:00 a.m., New York City time, on the applicable repurchase date. I also acknowledge that if this Confirmation of Repurchase is received after 5:00 p.m., New York City time, on a business day, I will be deemed to have made this Confirmation of Repurchase on the following business day.

The undersigned acknowledges that RBS plc will not be responsible for any failure by the DTC Participant through which such undersigned's ETNs are held to fulfill the requirements for repurchase set forth above.

[Beneficial Holder]

PART B OF THIS NOTICE IS TO BE COMPLETED BY THE DTC PARTICIPANT IN WHOSE ACCOUNT THE ETNs ARE HELD AND DELIVERED TO RBS PLC BY 5:00 P.M., NEW YORK CITY TIME, ON THE BUSINESS DAY IMMEDIATELY PRECEDING THE APPLICABLE VALUATION DATE

PS-79

PART B: TO BE COMPLETED BY BROKER

BROKER'S CONFIRMATION OF REPURCHASE

Dated:

[insert date]

The Royal Bank of Scotland plc ("RBS plc")

Re: RBS US Large Cap Trendpilot™ Exchange Traded Notes (the "ETNs")
CUSIP/ISIN: 78009L308 / US78009L3087

Ladies and Gentlemen:

The undersigned holder of ETNs hereby irrevocably offers to RBS plc for repurchase, on the repurchase date of _____, * with respect to the number of the ETNs indicated below as described in the pricing supplement dated April 1, 2015 relating to the ETNs (the "Pricing Supplement"). Terms not defined herein have the meanings given to such terms in the Pricing Supplement.

The undersigned certifies to you that it will (i) book a delivery vs. payment trade on the applicable valuation date of _____, * with respect to the stated face amount of ETNs specified below at a price per ETN equal to the daily redemption value, facing The Royal Bank of Scotland plc, DTC #425 and (ii) deliver the trade as booked for settlement via DTC at or prior to 10:00 a.m., New York City time, on the repurchase date.

Very truly yours,

[NAME OF DTC PARTICIPANT HOLDER]

Contact Name:

Title:

Telephone:

Fax:

E-mail:

The number of ETNs offered for repurchase. Unless the minimum repurchase amount has been reduced by RBS plc, you must offer at least 20,000 ETNs for repurchase at one time for your offer to be valid. The trading day immediately succeeding the date you offered your ETNs for repurchase will be the valuation date applicable to such repurchase.

DTC # (and any relevant sub-account):

SIGNATURES

* Subject to adjustment as described in the Pricing Supplement.

PS-80

We have not authorized anyone to provide information other than 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. We are offering to sell the ETNs and seeking offers to buy the ETNs only in jurisdictions where offers and sales are permitted. Neither the delivery of this pricing supplement nor the accompanying prospectus, nor any sale made hereunder and thereunder will, under any circumstances, create any implication that there has been no change in the affairs of The Royal Bank of Scotland plc or The Royal Bank of Scotland Group plc since the date of the pricing supplement or that the information contained or incorporated by reference in the accompanying prospectus is correct as of any time subsequent to the date of such information.

THE ROYAL BANK OF SCOTLAND plc

RBS NotesSM

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

14,000,000 ETNs
RBS US Large Cap TrendpilotTM
Exchange Traded Notes

PRICING SUPPLEMENT
DATED APRIL 1, 2015
(TO PROSPECTUS DATED
MARCH 31, 2015)

RBS Securities Inc.

TABLE OF CONTENTS

PRICING SUPPLEMENT	Page
About This Pricing Supplement	PS-1
Where You Can Find Additional Information	PS-2

Summary	PS-3
Risk Factors	PS-18
Hypothetical Examples	PS-31
The Index	PS-36
Valuation of the ETNs	PS-48
Specific Terms of the ETNs	PS-50
Clearance and Settlement	PS-62
Validity of the ETNs	PS-66
Use of Proceeds; Hedging	PS-64
United Kingdom Taxation Considerations	PS-68
U.S. Federal Income Tax Consequences	PS-70
Plan of Distribution (Conflicts of Interest)	PS-73
Benefit Plan Investor Considerations	PS-75
Annex A–Form of Offer for Repurchase	PS-77
Annex B–Form of Confirmation of Repurchase	PS-78
PROSPECTUS	Page
About this Prospectus	1
Use of Proceeds	2
The Royal Bank of Scotland Group plc	2
The Royal Bank of Scotland plc	2
Description of Debt Securities	2
Description of Dollar Preference Shares	13
Description of Dollar Preference Share American Depositary Shares	20
Description of Contingent Convertible Securities	25
Description of Certain Provisions Relating to Debt Securities and Contingent Convertible Securities	32
Description of Ordinary Shares	38
Description of Ordinary Share American Depositary Shares	45
Plan of Distribution	51
Legal Opinions	52
Experts	53
Enforcement of Civil Liabilities	53
Where You Can Find More Information	53
Incorporation of Documents by Reference	54
Cautionary Statement on Forward-Looking Statements	54
