**LaunchPAD Programme**

**Supplementary Prospectus dated 28 February 2011**

# SIXTH SUPPLEMENT TO THE BASE PROSPECTUS IN RESPECT OF THE LAUNCHPAD PROGRAMME FOR THE ISSUANCE OF WARRANTS

**The Royal Bank of Scotland plc**

(*incorporated under the laws of Scotland with limited liability under the Companies Acts 1948 to 1980, with registered number SC090312*)

(the **Issuer**)

**The Royal Bank of Scotland plc LaunchPAD Programme**

**1** This Supplement dated 28 February 2011 (the **Supplement**) constitutes the sixth supplement to the base prospectus dated 28 May 2010 in relation to the Issuer's LaunchPAD Programme for the Issuance of Warrants approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**) on 28 May 2010, as supplemented on 21 July 2010, 29 September 2010, 8 December 2010, 20 January 2011 and 23 February 2011 (the **Base Prospectus**).

**2** The Base Prospectus was approved as a base prospectus pursuant to Directive 2003/71/EC (the **Prospectus Directive**) by the AFM. This Supplement constitutes a supplemental prospectus to the Base Prospectus for the purposes of Article 5:23 of the Financial Supervision Act (*Wet op het financieel toezicht*).

**3** This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and any other supplements thereto issued by the Issuer.

**4** In accordance with Article 5:23(6) of the Financial Supervision Act (*Wet op het financieel toezicht*), investors who have agreed to purchase or subscribe for securities issued under the Base Prospectus before this Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances.

**5** The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

**6** On 24 February 2011, The Royal Bank of Scotland Group plc (**RBSG**) published via the Regulatory News Service of the London Stock Exchange plc (**RNS**) its unaudited annual results for the year ended 31 December 2010 (the **RBSG Annual Results 2010**).

**7** On 25 February 2011, the Issuer published via RNS, a registration document dated 25 February 2011 (the **Registration Document**).

**8** The following documents shall, by virtue of this Supplement, be deemed to be incorporated in, and form part of, the Base Prospectus:

8.1 the RBSG Annual Results 2010, which have been previously published and filed with the AFM;

8.2 the Registration Document (which has been previously published and filed with the AFM) and, as a consequence, a new first paragraph shall be added to part 1 of the "Documents Incorporated by Reference" section of the Base Prospectus as follows: "The Issuer's registration document dated 25 February 2011 (the "**Registration Document**") prepared in accordance with Article 5(3) of the Prospectus Directive."; and

8.3 the section of the 2009 annual report and accounts of RBSG, which was published via RNS on 18 March 2010 entitled "Impairment review" on pages 302 to 303.

**9** The following amendments are made to the Base Prospectus as a result of the publication (and incorporation by reference in the Base Prospectus, by virtue of this Supplement) of the RBSG Annual Results 2010 and the Registration Document:

9.1 the paragraphs under the sub-section headed "Issuer" in the section headed "Summary" shall be deleted in their entirety and replaced with the paragraphs set out in Schedule 1 to this Supplement;

9.2 the bullet point risk factors under the heading "Risks Relating to the Issuer" in the section headed "Summary" shall be deleted in their entirety and replaced with the bullet point risk factors set out in Schedule 2 to this Supplement; and

9.3 the following documents incorporated by reference in the Base Prospectus shall, by virtue of this Supplement, no longer be so incorporated:

9.3.1 the registration document of the Issuer dated 9 August 2010, which was published via RNS on 9 August 2010;

9.3.2 plc the Interim Results for the six months ended 30 June 2010 of The Royal Bank of Scotland Group plc, which were published via RNS on 6 August 2010;

9.3.3 the Interim Management Statement for the third quarter ended 30 September 2010 of The Royal Bank of Scotland Group plc, which was published via RNS on 5 November 2010;

9.3.4 the section of the Shareholder Circular titled "Part II – Capital Resources and Liquidity Management" on pages 89 to 94, published by RBSG on 27 November 2009; and

9.3.5 the press release of RBSG headed "Royal Bank of Scotland Group PLC – Final Settlement Reached With US Dept of Justice" published via RNS on 11 May 2010.

**10** Copies of the Base Prospectus and all documents incorporated by reference in the Base Prospectus are accessible on www.investors.rbs.com, on the London Stock Exchange plc's website at www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html and can be obtained from the registered office of the Issuer at 36 St. Andrew Square, Edinburgh EH2 2YB, United Kingdom, telephone +33 131 523 3636.

**11** If the documents which are incorporated by reference in the Base Prospectus by virtue of this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Base Prospectus for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference in, or attached to, the Base Prospectus by virtue of this Supplement.

**12** To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference in the Base Prospectus by virtue of this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements referred to in (a) above will prevail.

**13** Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus (as supplemented at the date hereof) has arisen or been noted since the publication of the Base Prospectus.

**The Royal Bank of Scotland plc**

## SCHEDULE 1

**Issuer:** The Royal Bank of Scotland plc (the "**Issuer**" or "**RBS**")

The Issuer is a public limited company incorporated in Scotland. The Issuer (together with its subsidiaries, the "**Issuer Group**") is a wholly owned subsidiary of The Royal Bank of Scotland Group plc ("**RBSG**" (RBSG together with its subsidiaries consolidated in accordance with International Financial Reporting Standards, the "**Group**")). RBSG is the holding company of a large global banking and financial services group. Headquartered in Edinburgh, the Group operates in the United Kingdom, the United States and internationally through its three principal subsidiaries, the Issuer, National Westminster Bank Public Limited Company ("**NatWest**") and The Royal Bank of Scotland N.V. (**RBS N.V.**). Both the Issuer and NatWest are major United Kingdom clearing banks. RBS N.V. is a bank regulated by the Dutch Central Bank. In the United States, the Group's subsidiary, Citizens Financial Group, Inc., is a large commercial banking organisation. Globally, the Group has a diversified customer base and provides a wide range of products and services to personal, commercial and large corporate and institutional customers.

The Group had total assets of £1,453.6 billion and owners' equity of £75.1 billion as at 31 December 2010. As at 31 December 2010, the Group's capital ratios were a total capital ratio of 14.0 per cent., a Core Tier 1 capital ratio of 10.7 per cent. and a Tier 1 capital ratio of 12.9 per cent.

The Issuer Group had total assets of £1,422.2 billion and owner's equity of £58.1 billion as at 30 June 2010. As at 30 June 2010, the Issuer Group's capital ratios were a total capital ratio of 14.0 per cent., a Core Tier 1 capital ratio of 8.5 per cent. and a Tier 1 capital ratio of 10.3 per cent.

On 17 October 2007, RFS Holdings B.V. ("**RFS Holdings**"), which at the time was owned by RBSG, Fortis N.V., Fortis S.A./N.V., Fortis Bank Nederland (Holding) N.V. and Banco Santander, S.A. ("**Santander**"), completed the acquisition of ABN AMRO Holding N.V., which was renamed RBS Holdings N.V. on 1 April 2010 when the shares in ABN AMRO Bank N.V. were transferred to ABN AMRO Group N.V., a holding company for the interests of the Dutch State. This marked a substantial completion of the restructuring of the activities of ABN AMRO Holding N.V. in accordance with the agreement between RBSG, the Dutch State and Santander (the "**Consortium Members**"). RBS Holdings N.V. has one direct subsidiary, RBS N.V., a fully operational bank within the Group, which is independently rated and regulated by the Dutch Central Bank.

On 31 December 2010, the share capital of RFS Holdings was amended, such that approximately 98 per cent. of RFS Holdings' issued share capital is now held by RBSG, with the remainder being held by Santander and the Dutch State. Ultimately it is expected that RFS Holdings will become a wholly-owned subsidiary of RBSG.

**SCHEDULE 2**

- RBSG and its United Kingdom bank subsidiaries may face the risk of full nationalisation or other resolution procedures under the Banking Act 2009.
- The Group's businesses, earnings and financial condition have been and will continue to be affected by the global economy and instability in the global financial markets.
- The Group is subject to a variety of risks as a result of implementing the State Aid restructuring plan and is prohibited from making discretionary dividend or coupon payments on existing hybrid capital instruments (including preference shares and B Shares) which may impair the Group's ability to raise new Tier 1 capital.
- The Group's ability to implement its strategic plan depends on the success of the Group's refocus on its core strengths and its balance sheet reduction programme.
- Lack of liquidity is a risk to the Group's business and its ability to access sources of liquidity has been, and will continue to be, constrained.
- The financial performance of the Group has been materially affected by deteriorations in borrower credit quality and it may continue to be impacted by any further deteriorations including as a result of prevailing economic and market conditions, and legal and regulatory developments.
- The actual or perceived failure or worsening credit of the Group's counterparties has adversely affected and could continue to adversely affect the Group.
- The Group's earnings and financial condition have been, and its future earnings and financial condition may continue to be, materially affected by depressed asset valuations resulting from poor market conditions.
- The value or effectiveness of any credit protection that the Group has purchased from monoline and other insurers and other market counterparties (including credit derivative product companies) depends on the value of the underlying assets and the financial condition of the insurers and such counterparties.
- Changes in interest rates, foreign exchange rates, credit spreads, bond, equity and commodity prices, basis, volatility and correlation risks and other market factors have significantly affected and will continue to affect the Group's business and results of operations.
- The Group's borrowing costs, its access to the debt capital markets and its liquidity depend significantly on its and the United Kingdom Government's credit ratings.
- The Group's business performance could be adversely affected if its capital is not managed effectively or as a result of changes to capital adequacy and liquidity requirements.
- The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgements and estimates that may change over time or may ultimately not turn out to be accurate.
- The Group operates in markets that are highly competitive and consolidating. If the Group is unable to perform effectively, its business and results of operations will be adversely affected.
- As a condition to HM Treasury support, RBSG has agreed to certain undertakings which may serve to limit the Group's operations.

- The Group could fail to attract or retain senior management, which may include members of the Board, or other key employees, and it may suffer if it does not maintain good employee relations.
- Each of the Group's businesses is subject to substantial regulation and oversight. Significant regulatory developments could have an adverse effect on how the Group conducts its business and on its results of operations and financial condition.
- The Group is and may be subject to litigation and regulatory investigations that may impact its business.
- The Group's results have been and could be further materially adversely affected in the event of goodwill impairment.
- The Group may be required to make further contributions to its pension schemes if the value of pension fund assets is not sufficient to cover potential obligations.
- Operational risks are inherent in the Group's operations.
- The Group is exposed to the risk of changes in tax legislation and its interpretation and to increases in the rate of corporate and other taxes in the jurisdictions in which it operates.
- HM Treasury (or UKFI on its behalf) may be able to exercise a significant degree of influence over the Group.
- The offer or sale by the United Kingdom Government of all or a portion of its stake in RBSG could affect the market price of the Securities and related securities.
- The Group's operations have inherent reputational risk.
- In the United Kingdom and in other jurisdictions, the Group is responsible for contributing to compensation schemes in respect of banks and other authorised financial services firms that are unable to meet their obligations to customers.
- The Group's business and earnings may be adversely affected by geopolitical conditions.
- The restructuring plan for RBS Holdings N.V. is complex and may not realise the anticipated benefits for the Group.
- The recoverability and regulatory capital treatment of certain deferred tax assets recognised by the Group depends on the Group's ability to generate sufficient future taxable profits and there being no adverse changes to tax legislation, regulatory requirements or accounting standards.
- RBS has entered into a credit derivative and a financial guarantee contract with RBS N. V. which may adversely affect the Issuer Group's results.
- The Group's participation in the APS is costly and may not produce the benefits expected and the occurrence of associated risks may have a material adverse impact on the Group's business, capital position, financial condition and results of operations.
- If the Group is unable to issue the Contingent B Shares to HM Treasury, it may have a material adverse impact on the Group's capital position, liquidity, operating results and future prospects.
- There are limits on APS coverage and uncovered exposures and risks may have a material adverse impact on the Group's business, financial condition, capital position, liquidity and results of operations.

- The extensive governance, asset management and information requirements under the Scheme Conditions and any changes or modifications to the Scheme Conditions may have a negative impact on the expected benefits of the Contracts and may have an adverse impact on the Group.
- Any changes to the expected regulatory capital treatment of the APS, the B Shares and the Contingent B Shares may negatively impact the Group's capital position.
- The costs of the APS may be greater than the benefits received.
- Participation in the APS may result in greater tax liabilities for the Group and the loss of potential tax benefits.
- There are significant costs associated with termination of the Group's participation in the APS.
- Under certain circumstances, the Group cannot be assured that assets of RBS Holdings N.V. (and certain other entities) will continue to be covered under the APS, either as a result of a withdrawal of such assets or as a result of a breach of the relevant obligations.
- Any conversion of the B Shares, in combination with any future purchase by HM Treasury of Ordinary Shares, would increase HM Treasury's ownership interest in RBSG, and could result in the delisting of RBSG from the Official List.
- Participation in the APS may give rise to litigation and regulatory risk.