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**Retro-Finance Programme (Finland)**

**Supplementary Prospectus dated 25 June 2012**

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**ELEVENTH SUPPLEMENT TO THE BASE PROSPECTUS IN RESPECT OF THE RETRO-FINANCE PROGRAMME (FINLAND) FOR THE ISSUANCE OF NOTES**



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**The Royal Bank of Scotland plc**

*(incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980,  
registered number SC090312)  
(the “Issuer” and “RBS”)*

**The Royal Bank of Scotland plc**

**Retro-Finance Programme (Finland)**

**(the “Programme”)**

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- 1 This Supplement dated 25 June 2012 (this “**Supplement**”) constitutes the eleventh supplement to the base prospectus dated 15 September 2011 in relation to the Issuer’s Retro-Finance Programme (Finland) for the issuance of Notes approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the “**AFM**”) on 15 September 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. Terms defined in the Base Prospectus have the same meaning when used in this Supplement.
- 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 2012, the registration document of The Royal Bank of Scotland plc dated 24 February 2012 (the “**Registration Document**”) was published via the Regulatory News Service of the London Stock Exchange plc. The Registration Document is incorporated by reference in the Base Prospectus and has previously been filed with the AFM.
- 7 By virtue of this Supplement, the following information within the section entitled “Introduction” in the Registration Document shall no longer be incorporated by reference in the Base Prospectus:
  - 7.1 the final sentence of the fourth paragraph of such section, which begins with the words “Moody’s Investors Service Limited”;
  - 7.2 the seventh paragraph of such section, which begins with the words “As defined by Moody’s”; and
  - 7.3 limb (ii) of the eighth paragraph of such section, which begins with the words “the ratings definitions set out above”.
- 8 By virtue of this Supplement, the following shall be inserted as a new sub-section entitled “Ratings” in the section entitled “General Information” in the Base Prospectus:

“Moody’s Investors Service Limited (“**Moody’s**”) is expected to rate: senior notes issued by RBS with a maturity of one year or more “A3”; senior notes issued by RBS with a maturity of less than one year “P-2”; and dated subordinated notes and undated tier 2 notes issued by RBS will be rated on a case-by-case basis.

As defined by Moody’s, an “A” rating means the capacity of the Issuer to meet its obligations on the relevant notes issued by it is considered to be upper-medium grade subject to low credit risk. As defined by Moody’s, the addition of a “3” indicates that the obligation ranks in the lower end of its generic rating category. As defined by Moody’s, a “P-2” rating means that the Issuer has a strong ability to repay its short-term debt obligations on the relevant notes issued by it.

The rating definitions set out above constitute third-party information and were obtained in the English language from the publication entitled “Rating Symbols and Definitions - June 2012” published by Moody’s (available at [www.moodys.com](http://www.moodys.com)).

The rating definitions set out in this Base Prospectus have been accurately reproduced from the sources identified above and, so far as RBS is aware and is able to ascertain from information published by the third parties referred to above, no facts have been omitted which would render the ratings definitions set out above inaccurate or misleading.

A rating is not a recommendation to buy, sell or hold securities and may be subject to change, suspension or withdrawal at any time by the assigning rating agency.”.

- 9 The amendments described in paragraphs 7 and 8 above arise following an announcement by Moody’s on 21 June 2012 of revisions to the expected ratings of notes issued by RBS and those of certain other global banks and securities firms, reflecting changes in the Moody’s rating methodology to assess global capital markets business models and its broader concerns about the additional pressures arising from a difficult Euro-zone operating environment. The Group (as defined in the Base Prospectus) believes the impacts of this downgrade are manageable, bearing in mind its £153 billion liquidity portfolio. The amount of collateral that may have to be posted by the Group following this downgrade by Moody’s is estimated to be £9 billion as of 31 May 2012.

- 10** By virtue of this Supplement, the final sentence of the sub-section entitled “Recent Developments – Proposals – Dutch Scheme” in the section entitled “General Information” in the Base Prospectus which begins with the words “Subject to these matters” shall be deleted in its entirety and replaced by the following:

“On 18 June 2012, the Court of Session in Scotland made an order, inter alia, approving the completion of the Merger for the purposes of Article 11 of Directive 2005/56/EC of the European Parliament and the Council of the European Union. It is expected that the Dutch Scheme will take effect on 9 July 2012.”.

- 11** A copy of this Supplement, the Base Prospectus and all other supplements thereto and all documents incorporated by reference in the Base Prospectus are accessible on <http://markets.rbs.com/bparchive> or <http://markets.rbs.com/launchpad> 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.
- 12** To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in the Base Prospectus, the statements referred to in (a) above will prevail.
- 13** Save as disclosed in any previous supplement to the Base Prospectus or 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**