LaunchPAD programme

Supplementary Prospectus dated 21 July 2010

FIRST SUPPLEMENT TO THE BASE PROSPECTUS IN RESPECT OF THE LAUNCHPAD PROGRAMME FOR THE ISSUANCE OF TURBOS

The Royal Bank of Scotland plc
(incorporated under the laws of Scotland with limited liability under the Companies Act 1948 to 1980, with registered number SC090312))
(the **Issuer**)

The Royal Bank of Scotland plc LaunchPAD Programme

1. This Supplement dated 21 July 2010 (the **Supplement**) constitutes the first supplement to the base prospectus dated 28 May 2010 in relation to the Issuer's LaunchPAD Programme for the Issuance of Turbos (the **Base Prospectus**) approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**) on 28 May 2010.

2. The Base Prospectus was approved as a base prospectus pursuant to Directive 2003/71/EC 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. The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having 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.

5. On 10 June 2010, the Issuer published via the Regulatory News Service a registration document dated 10 June 2010 (the **Registration Document**).

6. A copy of the Registration Document has been filed with the AFM and, by virtue of this Supplement, the Registration Document is incorporated into, and forms part of, the Base Prospectus.

7. The following amendments are made to the Base Prospectus as a result of the publication of the Registration Document:

7.1 the following documents incorporated by reference in the Base Prospectus and set out on pages 35, 40 and 41 therein shall, by virtue of this Supplement, no longer be incorporated:

7.1.1 the registration document dated 10 March 2010 relating to the Issuer (and, as a consequence, the first paragraph of part 1 of the "Documents Incorporated By Reference" section on page 35 of the Base Prospectus shall also be deleted);

7.1.2. the section "Part IV – Additional Information – 9 Material contracts" on pages 111 to 118 of the Shareholder Circular;

7.1.3 all of the previously incorporated sections of the prospectus published on 16 March 2009 in connection with RBSG's placing and open offer of 16,909,716,385 ordinary shares, which comprises a prospectus prepared in accordance with the Prospectus Rules of the UK Listing Authority; and

7.1.4 the following press releases of RBSG, which were published via the RNS on 25 March 2010 headed:

1. "The Royal Bank of Scotland Group plc - Convertible Preference Share, Employee Deferral Plan and Liability Management"; and

2. "The Royal Bank of Scotland Group plc and National Westminster Bank Public Limited Company Announce a Proposed Liability Management Exercise".

7.2 the following risk factors shall, by virtue of this Supplement, be deleted where they appear in the Base Prospectus:

7.2.1 the summary risk factor which starts "*The performance of the Group may be affected by economic conditions impacting euro-zone member states*" on page 7;

7.2.2 the risk factor headed "*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*" on pages 20 to 22;

7.2.3 the risk factor headed "*As a condition to HM Treasury support, RBSG has agreed to certain undertakings which may serve to limit the Group's operations*" on pages 22 and 23;

7.2.4 the risk factor headed "*The restructuring proposals for RBS Holdings N.V. (previously ABN AMRO Holding N.V.) are complex and may not realise the anticipated benefits for the Group*" on page 23; and

7.2.5 the risk factor headed "*RBS has entered into a credit derivative and a financial guarantee contract with The Royal Bank of Scotland N.V. which may adversely affect the Issuer Group's results*" on pages 23 and 24.

7.3 the following summary risk factors shall, by virtue of this Supplement, be added to the "Risk Factors" section in the "Summary" on pages 7 to 12 of the Base Prospectus:

7.3.1 "*The special resolution regime, as part of which substantial powers have been granted to HM Treasury, the Bank of England and the Financial Services Authority, may be triggered prior to the insolvency of RBS or RBSG*";

7.3.2 "*Various actions may be taken in relation to any securities issued by RBS without the consent of the holders thereof*";

7.3.3 "*Contractual arrangements between RBS, the Issuer Group companies and/or the bridge bank or private sector purchaser may be created, modified or cancelled*";

7.3.4 *"A partial transfer of RBS's business may result in a deterioration of its creditworthiness"*; and

7.3.5 "*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*".

8. The following additional amendments are made to the Base Prospectus:

8.1 the subsection headed "Litigation" on page 65 shall be deleted;

8.2 subsection 3 of the "Documents Incorporated By Reference" section shall be deleted and replaced by the following:

"3. The annual report and accounts of the Issuer (including the audited consolidated annual financial statements of the Issuer, together with the audit report thereon) for the financial year ended 31 December 2008 (excluding the section headed "Risk Factors" on pages 4 to 11).";

8.3 subsection 5 of the "Documents Incorporated By Reference" section shall be deleted and replaced by the following:

"5. the annual report and accounts of the Issuer (including the audited consolidated annual financial statements of the Issuer, together with the audit report thereon) for the financial year ended 31 December 2009 (excluding the section headed "Risk Factors" on pages 5 to 23) which were published via the Regulatory News Service of the London Stock Exchange plc (the "**RNS**") on 9 April 2010."

9. Copies of all documents incorporated by reference in the Base Prospectus are accessible on www.rbs.com, on the London Stock Exchange plc's website at www.londonstockexchange.com/en-gb/pricesnews/marketnews and can be obtained from the registered office of the Issuer at 36 St. Andrew Square, Edinburgh EH2 2YB, United Kingdom, telephone +44 131 523 363.

10. 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.

11. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

12. Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

The Royal Bank of Scotland plc