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**LaunchPAD Programme**

**Supplementary Prospectus dated 17 June 2011**

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**FIRST SUPPLEMENT TO THE BASE PROSPECTUS IN RESPECT OF THE LAUNCHPAD PROGRAMME FOR THE ISSUANCE OF OPEN END CERTIFICATES**



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**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**

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- 1 This Supplement dated 17 June 2011 (this **Supplement**) constitutes the first supplement to the base prospectus dated 27 May 2011 in relation to the Issuer's LaunchPAD Programme for the issuance of Open End Certificates approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**) on 26 May 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 The purpose of this Supplement is to provide prospective investors in securities issued under the Base Prospectus with the disclosure set out in paragraph 7 below in relation to changes to the United Kingdom Financial Services Authority's (the **Financial Services Authority**) large exposure regime which will be effective from 1 July 2011.
- 7 On 1 July 2011, The Royal Bank of Scotland plc will become subject to changes to the Financial Services Authority's large exposure regime. Under the changes to the large exposure regime, any company which is less than 100% owned by The Royal Bank of Scotland Group plc will be classified as a Connected Counterparty. The Royal Bank of Scotland N.V., which is currently approximately 98% indirectly owned by The Royal Bank of Scotland Group plc, will therefore be classified as a Connected Counterparty, which will result in a breach by The Royal Bank of Scotland plc of the amended rules under the large exposure regime described above.

On 19 April 2011, The Royal Bank of Scotland Group plc announced the proposed transfers of a substantial part of the business activities of The Royal Bank of Scotland N.V. to The Royal Bank of Scotland plc which, subject to certain conditions, are expected to be implemented on a phased basis over a period ending 31 December 2013. Those proposed transfers will also form the basis of a remediation plan which has been agreed with the Financial Services Authority to enable The Royal Bank of Scotland plc over time to become compliant with the changes to the large exposures regime.

The Issuer does not expect this to have a material adverse effect on the Group.

- 8 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/EN/Showpage.aspx?pageID=1028>, on the London Stock Exchange plc's website at [www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html](http://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.
- 9 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.
- 10 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**