
LaunchPAD Programme

Supplementary Prospectus dated 29 September 2010

SECOND 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 Act 1948 to 1980, with registered number SC090312))

(the **Issuer**)

The Royal Bank of Scotland plc LaunchPAD Programme

1. This Supplement dated 29 September 2010 (the **Supplement**) constitutes the second supplement to the base prospectus dated 28 May 2010 in relation to the Issuer's LaunchPAD Programme for the Issuance of Warrants (the **Base Prospectus**) 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.
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 9 August 2010, the Issuer published via the Regulatory News Service a registration document dated 9 August 2010 (the **Registration Document**).
6. On 6 August 2010, The Royal Bank of Scotland Group plc published (via the Regulatory News Service of the London Stock Exchange plc) its Interim Results for the six months ended 30 June 2010 (the **RBSG Interim Results**).

7. On 27 August 2010, the Issuer published (via the Regulatory News Service of the London Stock Exchange plc) the RBS Interim Results 2010 for the six months ended 30 June 2010 (the **RBS Interim Results**).

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

8.1 the Registration Document (which has been 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 9 August 2010 (the “**Registration Document**”) prepared in accordance with Article 5(3) of the Prospectus Directive provided that such Registration Document, as incorporated by reference, shall be amended by (i) deleting the number “SC045551” where it appears on page 38 of the Registration Document and replacing it with “SC090312” and (ii) replacing the “No Significant Change and No Material Adverse Change” section on page 61 of the Registration Document with the following:

“No Significant Change and No Material Adverse Change

There has been no significant change in the trading or financial position of the Issuer Group taken as a whole since 30 June 2010 (the end of the last financial period for which either audited financial information or interim financial information has been published).

There has been no material adverse change in the prospects of the Issuer Group taken as a whole since 31 December 2009 (the last date to which the latest audited published financial information of the Issuer Group was prepared).””;

8.2 the RBSG Interim Results, which have been previously published and filed with the AFM; and

8.3 the RBS Interim Results, which have been previously published and filed with the AFM.

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

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

9.1.1 the registration document dated 10 June 2010 relating to the Issuer; and

9.1.2. the RBSG Interim Management Statement Q1 2010 published via RNS on 7 May 2010;

9.2 the first three paragraphs of the description of the Issuer (set out on pages 5 and 6 of the Base Prospectus) shall, by virtue of this Supplement, be deleted in their entirety and replaced by the following:

“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, 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.**). The Issuer and NatWest are both 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. The Group has a large and 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 £1,582.1 billion and owners' equity of £76.8 billion as at 30 June 2010. The Group's capital ratios as at that date were a total capital ratio of 13.9 per cent., a Core Tier 1 capital ratio of 10.5 per cent. and a Tier 1 capital ratio of 12.8 per cent

As at 31 December 2009, the Issuer had total assets of £1,333.00 billion and shareholder's equity of £55.05 billion. The Issuer's capital ratios as at that date were a total capital ratio of 14.8 per cent. and a Tier 1 capital ratio of 10.5 per cent."

10. The unaudited pro forma financial information contained in the RBSG Interim Results (the **Unaudited Pro Forma Financial Information**), which is incorporated by reference in each of the Prospectuses by virtue of this Supplement, has been prepared for illustrative purposes only and addresses a hypothetical situation. Therefore, the Unaudited Pro Forma Financial Information does not represent the The Royal Bank of Scotland Group plc's actual financial position or results as at and for the periods in respect of which the Unaudited Pro Forma Financial Information has been prepared.
11. Copies of 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/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 +44 131 523 3636.
12. 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.
13. 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.
14. 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