
LaunchPAD Programme

Supplementary Prospectus dated 8 November 2011

NINTH SUPPLEMENT TO THE BASE PROSPECTUSES IN RESPECT OF THE LAUNCHPAD PROGRAMME FOR THE ISSUANCE OF CERTIFICATES, NOTES, OPEN END CERTIFICATES, REVERSE EXCHANGEABLE SECURITIES, TURBOS AND WARRANTS



THE ROYAL BANK OF SCOTLAND PLC

(Incorporated in The Netherlands with its statutory seat in Amsterdam)

(the “**Issuer**” or “**RBS plc**”)

The Royal Bank of Scotland plc

LaunchPAD Programme

(the “**Programme**”)

- 1** This Supplement dated 8 November 2011 (this “**Supplement**”) constitutes the ninth supplement to each of the base prospectuses dated 27 May 2011 in relation to the Issuer’s LaunchPAD Programme for the issuance of (i) Certificates, (ii) Notes, (iii) Open End Certificates, (iv) Reverse Exchangeable Securities, (v) Turbos and (vi) Warrants approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the “**AFM**”) on 26 May 2011 (the “**Base Prospectuses**” and, each, a “**Base Prospectus**”).
- 2** Each of the Base Prospectuses 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 each of the Base Prospectuses 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, each of the Base Prospectuses and any other supplements thereto issued by the Issuer. Terms defined in the Base Prospectuses have the same meanings 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 any of the Base Prospectuses 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 5 August 2011, the registration document of The Royal Bank of Scotland plc dated 5 August 2011 (the “**Registration Document**”) was published via the Regulatory News Service of the London Stock Exchange plc (“**RNS**”). The Registration Document is incorporated by reference in each of the Base Prospectuses and has previously been filed with the AFM.
- 7 On 4 November 2011, the unaudited “Interim Management Statement Q3 2011” of The Royal Bank of Scotland Group plc (the “**RBSG Interim Management Statement**”) for the third quarter ended 30 September 2011 was published via RNS.
- 8 By virtue of this Supplement, the RBSG Interim Management Statement shall be deemed to be incorporated in, and form part of, each of the Base Prospectuses.
- 9 By virtue of this Supplement, the fourth through to the tenth paragraph (inclusive) of the section of the Registration Document entitled “Introduction” shall no longer be incorporated by reference in any of the Base Prospectuses.
- 10 By virtue of this Supplement, the paragraphs under the sub-section entitled “Ratings” in the section of each of the Base Prospectuses entitled “General Information”, shall be deleted in their entirety and replaced with the following:

“Any rated Securities are expected to be assigned a rating that aligns with the relevant rating measures outlined below. Should there be any exceptions to this, the Issuer will in each case specify details in the Final Terms of the relevant Securities.

Standard & Poor’s Credit Market Services Europe Limited (“**Standard & Poor’s**”) is expected to rate: senior notes issued by RBS with a maturity of one year or more “A+”; senior notes issued by RBS with a maturity of less than one year “A-1”; dated subordinated notes issued by RBS “BBB+”; and undated tier 2 notes issued by RBS “BB+”. Fitch Ratings Limited (“**Fitch**”) is expected to rate: senior notes issued by RBS with a maturity of one year or more “A”; senior notes issued by RBS with a maturity of less than one year “F1”; and dated subordinated notes and undated tier 2 notes issued by RBS will be rated on a case-by-case basis. Moody’s Investors Service Limited (“**Moody’s**”) is expected to rate: senior notes issued by RBS with a maturity of one year or more “A2”; senior notes issued by RBS with a maturity of less than one year “P-1”; and dated subordinated notes and undated tier 2 notes issued by RBS will be rated on a case-by-case basis.

As defined by Standard & Poor’s, an “A” rating means that the ability of the Issuer to meet its financial commitment on the relevant notes issued by it is strong and an “A-1” rating means that the ability of the Issuer to meet its financial commitment on the relevant notes issued by it is strong. A “BBB” rating means that the financial commitment on the relevant notes exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the Issuer to meet its financial commitment on the relevant notes issued by it. A “BB” rating means that the ability of the Issuer to meet its financial commitment on the relevant notes issued by it faces major ongoing uncertainties or exposure to adverse business, financial or economic conditions which could lead to the Issuer’s inadequate capacity to meet its financial commitment on the relevant notes issued by it. As defined by Standard & Poor’s, an addition of a plus (+) or minus (-) sign shows relative standing within the major rating categories.

As defined by Fitch, an “A” rating indicates that the Issuer has a strong capacity for payment of its financial commitments on the relevant notes issued by it. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. As defined by Fitch, an “F1” rating indicates that the Issuer has the strongest capacity for timely payment of its financial commitments on the relevant notes issued by it.

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 “2” indicates that the obligation ranks mid-range in its generic rating category.

The rating definitions set out above constitute third-party information and were obtained in the English language from (i) the publication entitled “Standard & Poor’s Ratings Definitions - 27 April 2011” published by Standard & Poor’s (available at www.standardandpoors.com), (ii) the publication entitled “Rating Symbols and Definitions - July 2011” published by Moody’s (available at www.moody.com) and (iii) the publication entitled “Definitions of Ratings and Other Forms of Opinion - September 2011” published by Fitch (available at www.fitchratings.com). The information found at the websites referred to in the previous sentence does not form part of and is not incorporated by reference into this Base Prospectus. The rating definitions set out above 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.

The credit ratings included and referred to in this Base Prospectus (including documents incorporated by reference herein) have been issued by Standard & Poor’s Credit Market Services Europe Limited, Fitch Ratings Limited and Moody’s Investors Service Limited, each of which is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.”.

- 11** For the avoidance of doubt, section 10 above supersedes the provisions of (i) section 7.4 of the seventh supplement to each of the Base Prospectuses dated 11 October 2011 and (ii) section 8.4 of the eighth supplement to each of the Base Prospectuses dated 14 October 2011, which sections shall, by virtue of this Supplement, no longer apply.
- 12** By virtue of this Supplement, the sub-section entitled “Other securitisation and securities related litigation in the United States” in the section of the Registration Document entitled “Description of The Royal Bank of Scotland plc – Litigation” shall no longer be incorporated by reference in any of the Base Prospectuses.
- 13** By virtue of this Supplement, the sub-section entitled “Litigation” in the section of each of the Base Prospectuses entitled “General Information – Recent Developments” shall be deleted in its entirety and replaced with the following:

“Litigation - Other securitisation and securities related litigation in the United States

Group companies have been named as defendants in their various roles as issuer, depositor and/or underwriter in a number of claims in the United States that relate to the securitisation and securities underwriting businesses. These cases include purported class action suits and actions by individual purchasers of securities. The cases involve the issuance of mortgage-backed securities and/or collateralised debt obligations for more than US\$35 billion of securities issued by over 100 securitisation trusts. Although the allegations vary by claim, in general, plaintiffs in these actions claim that certain disclosures made in connection with the relevant offerings of such securities contained materially false or misleading statements and/or omissions regarding the underwriting standards pursuant to which the mortgage loans underlying the securities were issued.

In many of these actions, the Group has contractual rights to indemnification from the issuers of the securities (where a Group company is underwriter) and/or the underlying mortgage originator (where a Group company is issuer), but certain of those indemnity rights may prove effectively unenforceable where the issuers or originators are defunct or otherwise unable to perform.

Certain other institutional investors have threatened to assert claims against the Group in connection with various mortgage-related offerings. The Group cannot predict with any certainty whether any of these individual investors will pursue these threatened claims.

With respect to all of these mortgage-backed securities related claims, the Group considers that it has substantial and credible legal and factual defences to these claims and will continue to defend them vigorously. The Group cannot predict the outcome of these claims at this stage and is unable reliably to estimate the liability, if any, that may arise, or its effect on the Group's consolidated net assets, operating results or cash flows in any particular period.

In addition to the above, on 2 September 2011, the US Federal Housing Finance Agency ("FHFA") as conservator for the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Company ("Freddie Mac") filed 17 lawsuits in the United States against a number of international banks and individual defendants, including RBSG, certain other Group companies and five individual officers and directors of the Group's subsidiaries.

The lawsuits involve allegations that certain disclosures made in connection with the relevant offering or underwriting of securities contained materially false or misleading statements and/or omissions regarding the underwriting standards pursuant to which the mortgage loans underlying the securities were issued. Group entities are named as defendants in their capacities as issuers and underwriters of securities, not as originators of any underlying mortgage loans. The plaintiffs' claims against the Group are currently unquantified.

The FHFA primary lawsuit against Group entities relates to approximately US\$32 billion of AAA rated RMBS issuance during the period 2005-2008 pursuant to which Group entities acted as sponsor/depositor and/or lead underwriter. The aggregate principal amount has been reduced to approximately US\$14 billion outstanding by repayments and recoveries of approximately US\$18 billion and losses to date of approximately US\$0.2 billion.

FHFA has also filed five lawsuits against each of Ally Financial Group, Countrywide Financial Corporation, JP Morgan, Morgan Stanley and Nomura in relation to some of the offerings where a Group entity acted as underwriter and is named amongst the defendants.

Group entities believe they have a variety of substantial and credible legal and factual defences available to all of the FHFA lawsuits and the Group will defend each of the matters vigorously. Additionally, Group entities potentially have recourse to indemnities from the relevant mortgage originators or sponsors/depositors although the amount and extent of any recovery is uncertain and subject to a number of factors, including the ongoing creditworthiness of the indemnifying party. Given the early stages of these matters, the Group cannot predict the outcome of these claims and is unable reliably to estimate the liability, if any, that may arise or its effect on the Group's consolidated net assets, operating results or cash flows in any particular period."

- 14 For the avoidance of doubt, section 13 above supersedes the provisions of section 6 of (i) the fourth supplement to the Base Prospectuses for the issuance of (a) Open End Certificates and (b) Reverse Exchangeable Securities, and (ii) the fifth supplement to the Base Prospectuses for the issuance of (a) Certificates, (b) Notes, (c) Turbos and (d) Warrants, each dated 9 September 2011, which sections shall, by virtue of this Supplement, no longer apply.
- 15 By virtue of this Supplement, the second paragraph of (i) the sub-section entitled "No Significant Change and No Material Adverse Change" in the section entitled "General Information" and (ii) the sub-section entitled

“No Significant Change and No Material Adverse Change” in the section entitled “Form of Final Terms”, shall be deleted in its entirety and replaced with the following:

“Save in relation to (i) matters referred to on page 22 of the RBS Interim Results 2011 relating to Payment Protection Insurance, in respect of which the Issuer Group has made provisions for therein; and (ii) the effect on revenues of Global Banking and Markets of the current subdued operating environment (see pages 43-45 of the RBSG Interim Management Statement), there has been no material adverse change in the prospects of the Issuer Group taken as a whole since 31 December 2010 (the last date to which the latest audited published financial information of the Issuer Group was prepared).”.

- 16** For the avoidance of doubt, section 15 above supersedes the provisions of the last paragraph of section 9.2 of (i) the third supplement to the Base Prospectuses for the issuance of (a) Open End Certificates and (b) Reverse Exchangeable Securities, and (ii) the fourth supplement to the Base Prospectuses for the issuance of (a) Certificates, (b) Notes, (c) Turbos and (d) Warrants, each dated 9 September 2011, which sections shall, by virtue of this Supplement, no longer apply.
- 17** A copy of this Supplement, the Base Prospectuses and all other supplements thereto and all documents incorporated by reference in the Base Prospectuses are accessible on <http://markets.rbs.com/bparchive> and can be obtained, on request, free of charge, by writing or telephoning, The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, e-mail investor.relations@rbs.com.
- 18** If the documents which are incorporated by reference in each of the Base Prospectuses 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 any 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, each of the Base Prospectuses by virtue of this Supplement.
- 19** To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in any Base Prospectus or any previous supplement to any Base Prospectus, the statements referred to in (a) above will prevail.
- 20** Save as disclosed in any previous supplement to any of the Base Prospectuses or this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectuses (as supplemented at the date hereof) has arisen or has been noted since the publication of the each of the Base Prospectuses.

The Royal Bank of Scotland plc