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**LaunchPAD Programme**

**Supplementary Prospectus dated 21 November 2011**

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**TENTH SUPPLEMENT TO THE BASE PROSPECTUS IN RESPECT OF THE LAUNCHPAD PROGRAMME FOR THE ISSUANCE OF NOTES DATED 27 MAY 2011**



**THE ROYAL BANK OF SCOTLAND PLC**

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

**The Royal Bank of Scotland plc**

**LaunchPAD Programme**

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- 1** This Supplement dated 21 November 2011 (this “**Supplement**”) constitutes the tenth supplement to the base prospectus dated 27 May 2011 in relation to the Issuer’s LaunchPAD Programme for the issuance of Notes 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 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 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 Issuer proposes to accommodate the issuance of Securities denominated in CNY. Accordingly, the following amendments are made to the Base Prospectus:

(a) in the section entitled "**Risk Factors**" beginning on page 27:

- (i) in paragraph (d) under the risk factor entitled "The value of Securities may fluctuate" commencing on page 29, the following sentence shall be included at the end of such paragraph:

"If the Securities are denominated in the lawful currency of the People's Republic of China (which for the purpose of this document, excludes the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan) ("**CNY**"), please also refer to the risk factor entitled "Risks in relation to Securities denominated in CNY only.""; and

- (ii) after the risk factor entitled "Modification, waivers and substitution" on page 36, a new risk factor shall be included as follows:

***"Risks in relation to Securities denominated in CNY only***

*CNY is not freely convertible and may adversely affect the liquidity of the Securities*

CNY is not freely convertible at present. The government of the People's Republic of China (which for the purpose of this document, excludes the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan) ("**PRC**") continues to regulate conversion between CNY and foreign currencies, including the Hong Kong dollar, despite the significant reduction over the years by the PRC government of its control over routine foreign exchange transactions under current accounts. The People's Bank of China ("**PBOC**") has established a clearing and settlement system pursuant to the Settlement Agreement on the Clearing of CNY Business between PBOC and Bank of China (Hong Kong) Limited. However, the current size of CNY and CNY denominated financial assets in Hong Kong is limited, and its growth is subject to many constraints which are corollary of PRC laws and regulations on foreign exchange and may adversely affect the liquidity of the Securities.

*CNY currency risk*

Except in limited circumstances, all payments of CNY under the Securities will be made solely by transfer to a CNY bank account maintained in Hong Kong in accordance with the prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in bank notes or by transfer to a bank account in the PRC or anywhere else outside Hong Kong). CNY is not freely convertible at present, and conversion of CNY through banks in Hong Kong is subject to certain restrictions. In particular, for personal investors, currently conversions of CNY conducted through CNY deposit accounts are subject to a daily limit (as of the date of this Supplement, such limit being up to CNY20,000 per person per day), and investors may have to allow time for conversion of CNY from/to another currency of an amount exceeding such daily limit.

In addition, there can be no assurance that access to CNY funds for the purposes of making payments under the Securities or generally may remain or will not become restricted. If it becomes impossible to convert CNY from/to another freely convertible currency, or transfer CNY between accounts in Hong Kong, or the general CNY exchange market in Hong Kong becomes illiquid, any payment of CNY under the Securities may be delayed or the Issuer may make such payments in another currency using an exchange rate determined by the Calculation Agent, or the Issuer may redeem the Securities.

*Investment in the Securities is subject to exchange rate risk*

The value of CNY against the Hong Kong dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. The Issuer will make all CNY payments under the Securities in CNY. As a result, the value of such payments in CNY (in Hong Kong dollar or other applicable foreign currency terms) may vary with the prevailing exchange rates in the marketplace. If the value of CNY depreciates against the Hong Kong dollar or other foreign currencies, the value of an investor's investment in Hong Kong dollar or other applicable foreign currency terms will decline.

*Interest rate risk*

The value of CNY payments under the Securities may be susceptible to interest rate fluctuations, including Chinese CNY Repo Rates and/or the Shanghai Interbank Offered Rate (SHIBOR).

*Offshore CNY Currency Event*

If any one of CNY Non-Transferability, CNY Inconvertibility or CNY Illiquidity exists on a payment date, the Calculation Agent may make such adjustments and/or determinations or take such actions in relation to the Securities, in its sole and absolute discretion, as set out in the Conditions, where:

**CNY Non-Transferability** means the occurrence of any event that makes it impossible, impracticable or illegal for the Issuer and/or any of its affiliates to transfer CNY: (i) between accounts inside Hong Kong; (ii) from an account inside Hong Kong to an account outside Hong Kong and outside the PRC; or (iii) from an account outside Hong Kong and outside the PRC to an account inside Hong Kong;

**CNY Inconvertibility** mean the occurrence of any event that makes it impossible, impracticable or illegal for the Issuer and/or any of its affiliates to convert any amount as may be required to be paid by the Issuer under the Securities on any payment date or such other amount as may be determined by the Calculation Agent in its sole and absolute discretion at the general CNY exchange market in Hong Kong; and

**CNY Illiquidity** means the occurrence of any event that makes it impossible, impracticable or illegal for the Issuer and/or any of its affiliates to obtain a firm quote of an offer price in respect of an amount in CNY equal to any amount which the Issuer considers necessary to discharge its obligations under the Securities.”.

(b) in the section entitled "Selling Restrictions" beginning on page 55, after the selling restriction entitled "Switzerland" in paragraph 11 on page 67, a new selling restriction shall be included as follows:

“12. The People's Republic of China

Each dealer and each distributor of an issue will represent and agree that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Securities in the People's Republic of China (excluding the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan) ("PRC") as part of the initial distribution of the Securities.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

The Issuer does not represent that this Base Prospectus may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such

distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any Securities or distribution of this document in the PRC. Accordingly, the Securities are not being offered or sold within the PRC by means of this Base Prospectus or any other document. Neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.”;

- 7 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> 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](mailto:investor.relations@rbs.com).
- 8 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.
- 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 or any previous supplement to the Base Prospectus, the statements referred to in (a) above will prevail.
- 10 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 has been noted since the publication of the Base Prospectus.

**The Royal Bank of Scotland plc**