**LaunchPAD Programme**

**Supplementary Prospectus dated 12 May 2011**

# ELEVENTH SUPPLEMENT TO THE BASE PROSPECTUS IN RESPECT OF THE LAUNCHPAD PROGRAMME FOR THE ISSUANCE OF OPEN END CERTIFICATES

**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**

**1** This Supplement dated 12 May 2011 (this **Supplement**) constitutes the eleventh supplement to the base prospectus dated 28 May 2010 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 28 May 2010 (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.

**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** On 25 February 2011, the Issuer published via the Regulatory News Service of the London Stock Exchange plc (**RNS**), a registration document dated 25 February 2011 (the **Registration Document**). The Registration

Document has previously been filed with the AFM and is incorporated by reference in the Base Prospectus by virtue of a supplementary prospectus dated 28 February 2011.

**7** On 6 May 2011, The Royal Bank of Scotland Group plc published via RNS, its unaudited Interim Management Statement Q1 2011 (the **RBSG Interim Management Statement**). The RBSG Interim Management Statement has previously been filed with the AFM.

**8** By virtue of this Supplement, the following changes shall be deemed to be made to the Registration Document for the purposes of being incorporated by reference in the Base Prospectus:

8.1 the third paragraph under the sub-section of "Investigations" headed "Payment Protection Insurance" on page 42 shall be deemed to be deleted and replaced by the following:

"Following unsuccessful negotiations with the industry, the Financial Services Authority (the "**FSA**") issued consultation papers on PPI complaint handling and redress in September 2009 and again in March 2010. The FSA published its final policy statement on 10 August 2010 and instructed firms to implement the measures contained in it by 1 December 2010. The new rules impose significant changes with respect to the handling of mis-selling PPI complaints. On 8 October 2010, the British Bankers' Association (the "**BBA**") filed an application for judicial review of the FSA's policy statement and of related guidance issued by the Financial Ombudsman Service (the "**FOS**"). The application was heard in January 2011. On 20 April 2011, the High Court issued a judgment in favour of the FSA and the FOS. The BBA announced on 9 May 2011 that it would not appeal that judgment and the Group supports this position. On 9 May 2011, the Group announced that, although the costs of PPI redress and its administration are subject to a degree of uncertainty, the Group will record an additional provision of £850 million in the second quarter of 2011. To date, the Group has paid compensation to customers of approximately £100 million and the Group has an existing provision of approximately £100 million.

The Group is currently discussing with the FSA how the FSA's policy statement should be implemented and what its requirements are. As part of these discussions, the Group will review its PPI complaint handling processes to ensure that redress is offered to any customers identified as having suffered detriment."; and

8.2 each of the paragraphs under the heading "No Significant Change and No Material Adverse Change" on page 61 shall be deemed to be deleted and replaced with the following:

"Save in relation to the matters referred to in the sub-section of "Investigations" headed "Payment Protection Insurance":

(a) there has been no significant change in the trading or financial position of the Issuer and its subsidiaries consolidated in accordance with International Financial Reporting Standards (the "**Issuer Group**") taken as a whole since 31 December 2010 (the end of the last financial period for which either audited financial information or interim financial information of the Issuer Group has been published); and

(b) 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).".

**9** By virtue of this Supplement, the RBSG Interim Management Statement shall be deemed to be incorporated in, and form part of, the Base Prospectus.

**10** 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 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.

**11** 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.

**12** 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.

**13** 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**