

23 AUGUST 2011

THIRD SUPPLEMENT TO THE BASE PROSPECTUS IN RESPECT OF THE LAUNCHPAD PROGRAMME FOR THE ISSUANCE OF TURBOS DATED 23 AUGUST 2011



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**)

RBS LaunchPAD Programme

1. This Supplement dated 23 August 2011 (the **Supplement**) constitutes the third supplement to the base prospectus dated 27 May 2011 in relation to the Issuer's LaunchPAD Programme for the issuance of Turbos (the **Base Prospectus**) approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**) on 26 May 2011.
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. 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 the 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 (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.
6. In the section entitled "DOCUMENTS INCORPORATED BY REFERENCE" beginning on page 39;

- (i) Section 5 shall be amended by deleting “(xxi) Impairment review on pages 336 to 367”. Subsequent sub-sections shall be renumbered accordingly; and
 - (ii) The paragraph entitled “Material Changes” shall be amended by deleting the website address “<http://markets.rbs.com/EN/Showpage.aspx?pageID=1028>” and replacing it with “<http://markets.rbs.com/bparchive>”.
7. The section entitled “TAXATION” beginning on page 45 shall be amended in section 4 “UNITED STATES”, in the paragraph “Withholding on Dividend Equivalent Payments” beginning on page 52 by deleting the words “an Early Redemption on Account of U.S. Withholding Tax” and replacing them with the words “an early termination in accordance with General Condition 3(b)”.
 8. In the section entitled “SELLING RESTRICTIONS” beginning on page 57, section 4 “UNITED STATES OF AMERICA” shall be amended in the third paragraph by deleting the words “and will be referred to in the relevant Final Terms as a transaction to which the C Rules are not applicable”.
 9. In the section entitled “GENERAL CONDITIONS” beginning on page 86;
 - (i) In section 11 “(ADJUSTMENTS FOR EUROPEAN MONETARY UNION)”, the definition of “Adjustment Date” shall be amended by deleting the words “Original Company” and replacing them with “Original Currency”; and
 - (ii) In section 18 “(EVENTS OF DEFAULT)”, the term “Early Redemption Amount” shall be replaced with “Early Termination Amount” in the definition appearing immediately below sub-section (c).
 10. On the cover page of the pro forma Final Terms, on page 429, the U.S. Securities legend shall be amended by removing the references to 144A and Equity Certificates. Following such amendment, the U.S. Securities legend shall read as follows:

“THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR THE SECURITIES LAWS OF ANY STATE OR POLITICAL SUBDIVISION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO THE REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE U.S. STATE SECURITIES LAWS. THE SECURITIES ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN OFFSHORE TRANSACTIONS THAT MEET THE REQUIREMENTS OF REGULATION S UNDER THE SECURITIES ACT. FURTHERMORE, TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION UNDER THE UNITED STATES COMMODITY EXCHANGE ACT, AS AMENDED.”
 11. On the second page of the pro forma Final Terms beginning on page 429, the following paragraph shall be deleted:

“THE SECURITIES DO NOT CONSTITUTE UNITS OF COLLECTIVE INVESTMENT SCHEMES WITHIN THE MEANING OF THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES (“CISA”) AND ARE NOT SUBJECT TO THE APPROVAL OF, OR SUPERVISION BY THE SWISS FINANCIAL MARKET

SUPERVISORY AUTHORITY (“FINMA”). HOLDERS OF THE SECURITIES ARE EXPOSED TO THE CREDIT RISK OF THE ISSUER.”.

12. In the section entitled “PRODUCT CONDITIONS” beginning on page 100, the following amendments are made:

(i) In the Product Conditions relating to Government Bond Turbo Long Certificates beginning on page 247 and Government Bond Short Certificates beginning on page 265, the definition of “Current Financing Level” shall be amended to include the words “unless otherwise specified in the definition of the relevant Series in the applicable Final Terms”. Following such amendment, the definition shall read as follows:

“**Current Financing Level**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, subject to adjustment in accordance with Product Condition 4, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent, on each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the Financing Level Currency, in accordance with the following formula:

- (a) the Current Financing Level on the previous Reset Date; plus
- (b) Handling Cost; minus
- (c) if such determination is to be made on a Rollover Date, the corresponding Rollover Spread.

The Current Financing Level on the Launch Date is the level specified as such in the definition of the relevant Series in the applicable Final Terms;”

(ii) In the form of Final Terms beginning on page 429, the Final Terms relating to Government Bond Turbo Certificates beginning on page 447, shall be amended by including in a new row, below “Reference Asset”, the following placeholder:

Current Financing Level:	[As specified in Product Condition 1][specify other]
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13. In the section entitled “PRODUCT CONDITIONS” beginning on page 100, in each set of Product Conditions, the definition of “Stop Loss Termination Reference Price” in Product Condition 1 shall be amended by deleting the words “best efforts” and replacing them with the words “reasonable efforts”.
14. 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, at the registered office of the Issuer at 36 St. Andrew Square, Edinburgh EH2 2YB, United Kingdom, telephone +33 131 523 3636.
15. 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 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.

16. 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