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**Retro-Finance Programme (Finland)**

**Supplementary Prospectus dated 19 October 2012**

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**FIFTH SUPPLEMENT TO THE BASE PROSPECTUS IN RESPECT OF THE RETRO-FINANCE PROGRAMME (FINLAND) FOR THE ISSUANCE OF NOTES**



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**The Royal Bank of Scotland plc**

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

(the “**Issuer**” and “**RBS**”)

**The Royal Bank of Scotland plc**

**Retro-Finance Programme (Finland)**

(the “**Programme**”)

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- 1** This Supplement dated **19 October** 2012 (this “**Supplement**”) constitutes the fifth supplement to the base prospectus dated 29 June 2012 in relation to the Issuer’s Retro-Finance Programme (Finland) for the issuance of Notes approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the “**AFM**”) on 29 June 2012 (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 financieeltoezicht*).
- 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 financieeltoezicht*), 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 purpose of this Supplement is to amend certain provisions of Additional Condition 3 related to the Redemption following a Deposit Bank Event.

6.1 By virtue of this Supplement, Additional Condition 3(b)(ii) is amended to add the following phrase to the end of the penultimate sentence: (but in any case no later than 30 days following receipt). As amended, Additional Condition 3(b) reads as follows (with changes shown in black-line format):

***Redemption following a Deposit Bank Event:*** Following the occurrence of a Deposit Bank Event, each Security will be redeemed in accordance with the following terms:

- (i) On the Initial Settlement Date, an amount equal to the Pro Rata Proportion multiplied by the Deposit Bank Initial Redemption Amount shall be payable in respect of each Security.
- (ii) If there is any Unrecovered Deposit amount and the Calculation Agent anticipates that further proceeds may be received or recovered by the Issuer from the Deposit Bank in respect of the Deposit Amount during the Deposit Bank Redemption Amount Determination Period, the Issuer shall pay in respect of each Security an amount equal to the Pro Rata Proportion multiplied by the amount of all Recovered Deposit (Interim) (if any, and excluding any Recovered Deposit (Interim) previously paid to Holders under this paragraph (ii)) as soon as reasonably practicable following receipt thereof by the Issuer (but in any case no later than 30 days following receipt). For the avoidance of doubt, notwithstanding that there may be no amount payable by way of Recovered Deposit (Interim) (either during the Deposit Bank Redemption Amount Determination Period or on the Final Settlement Date), the Securities will be deemed to be fully redeemed on the Final Settlement Date.

6.2 By virtue of this Supplement, the final sentence of Additional Condition 3(c) in the section of the Base Prospectus entitled “Additional Terms and Conditions of Retro-Finance Securities” is amended to replace the phrase “may (in the sole and arbitrary discretion of the Issuer)” with “will”. As amended Additional Condition 3(c) reads as follows (with changes shown in black-line format):

***“Extension of the Final Determination Date:*** If the Issuer or any member of the Group receives any formal notification, report or statement from any administrator or liquidator (or equivalent officeholder in any jurisdiction) or from a court or supervisory body or other person of a type referred to in the definition of Bankruptcy indicating that there is a reasonable prospect or probability that further payments or distributions will be made to creditors in general to a class or classes of creditors of which the Issuer is a member, then the Final Determination Date ~~may (in the sole and arbitrary discretion of the Issuer)~~ will by notice thereof to the Holders be extended for a period which the Issuer (in its sole and arbitrary discretion) reasonably thinks is sufficient to allow such payments or distributions to be made.”.

**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> or <http://markets.rbs.com/launchpad> 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.

- 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 and (b) any other statement in 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 been noted since the publication of the Base Prospectus.

**The Royal Bank of Scotland plc**