
LaunchPAD Programme

Supplementary Prospectus dated 8 May 2014

**TWELFTH SUPPLEMENT TO THE BASE PROSPECTUS IN RESPECT OF THE
LAUNCHPAD PROGRAMME FOR THE ISSUANCE OF TURBOS**



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

LaunchPAD Programme

(the “Programme”)

- 1** This supplement dated 8 May 2014 (this “**Supplement**”) constitutes the twelfth supplement to the base prospectus dated 24 May 2013 in relation to the Issuer’s LaunchPAD Programme for the issuance of Turbos approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the “**AFM**”) on 24 May 2013 (the “**Base Prospectus**”).
- 2** The Base Prospectus was approved as a base prospectus pursuant to Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU) (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 On 9 April 2014, The Royal Bank of Scotland Group plc (“**RBSG**”) published via the Regulatory News Service of the London Stock Exchange plc (“**RNS**”) a press release entitled “RBS announces an agreement with HMT to provide for the future retirement of the Dividend Access Share and revised State aid terms” (the “**9 April RNS**”).
- 7 On 25 April 2014, RBS published via RNS its annual report and accounts for the year ended 31 December 2013 (the “**2013 Annual Report and Accounts of RBS**”).
- 8 On 25 April 2014, RBSG published via RNS its annual report and accounts for the year ended 31 December 2013 (the “**2013 Annual Report and Accounts of RBSG**”).
- 9 On 2 May 2014, RBSG published via RNS its unaudited Interim Management Statement Q1 2014 (the “**RBSG Interim Management Statement**”).
- 10 On 2 May 2014, RBSG published via RNS a press release entitled “Board Change” (the “**2 May RNS**”).
- 11 By virtue of this Supplement, the following documents or sections of a document, as the case may be, shall be deemed to be incorporated in, and form part of, the Base Prospectus:
 - 11.1 the 9 April RNS;
 - 11.2 the 2013 Annual Report and Accounts of RBS (excluding the sections headed “Financial review – Risk factors” on pages 7 to 8 and “Additional information – Risk factors” on pages 331 to 346);
 - 11.3 the following sections of the 2013 Annual Report and Accounts of RBSG:
 - (i) Independent auditor’s report on pages 366 to 369;
 - (ii) Consolidated income statement on page 370;
 - (iii) Consolidated statement of comprehensive income on page 371;
 - (iv) Consolidated balance sheet as at 31 December 2013 on page 372;
 - (v) Consolidated statement of changes in equity on pages 373 to 375;
 - (vi) Consolidated cash flow statement on page 376;
 - (vii) Accounting policies on pages 377 to 390;
 - (viii) Notes on the consolidated accounts on pages 391 to 496;
 - (ix) Parent company financial statements and notes on pages 497 to 507;
 - (x) 2013 Financial Results on pages 2 to 5;
 - (xi) Our business model and strategy on pages 8 to 10;
 - (xii) RBS at a glance on pages 11 to 19;
 - (xiii) Chairman’s statement on pages 22 to 23;
 - (xiv) Chief Executive’s review on pages 24 to 27;
 - (xv) Economic and monetary environment on page 28;

- (xvi) Business review on pages 100 to 173;
- (xvii) Risk and Balance Sheet Management on pages 174 to 364;
- (xviii) Letter from the Chairman on pages 36 to 37;
- (xix) Our governance structure on page 38;
- (xx) Corporate governance on pages 45 to 49;
- (xxi) Directors' remuneration report on pages 66 to 86;
- (xxii) Other Remuneration Disclosures on pages 87 to 90;
- (xxiii) Compliance report on pages 91 to 92;
- (xxiv) Report of the Directors on pages 93 to 98;
- (xxv) Statement of directors' responsibilities on page 99;
- (xxvi) Financial Summary on pages 509 to 519;
- (xxvii) Exchange rates on page 519;
- (xxviii) Supervision on page 520;
- (xxix) Description of property and equipment on page 520;
- (xxx) Major shareholders on page 521;
- (xxxi) Material contracts on pages 521 to 522;
- (xxxii) Abbreviations and acronyms on page 548; and
- (xxxiii) Glossary of terms on pages 549 to 556;

11.4 the RBSG Interim Management Statement; and

11.5 the 2 May RNS.

12 The following amendments are made to the Base Prospectus as a result of the publication (and incorporation by reference into the Base Prospectus, by virtue of this Supplement) of the 2013 Annual Report and Accounts of RBS, the 2013 Annual Report and Accounts of RBSG and the RBSG Interim Management Statement:

- 12.1 the sub-section entitled "B.12 Selected historical key financial information of the Issuer" in the section entitled "Summary" of the Base Prospectus shall be deleted in its entirety and replaced by the paragraphs set out in Schedule 1;
- 12.2 the paragraphs under the heading "No Significant Change and No Material Adverse Change" in (i) the section of the Base Prospectus entitled "General Information" and (ii) the annex headed "Swiss Annex" to the section of the Base Prospectus headed "Form of Final Terms", shall be deleted in their entirety and replaced in each case with the paragraphs set out in Schedule 2;
- 12.3 a new paragraph as set out in Schedule 3 entitled "Assets, owners' equity and capital ratios" shall be inserted in the sub-section entitled "Recent Developments" under the section entitled "General Information" of the Base Prospectus;
- 12.4 the following documents (or sections of documents, as the case may be) shall no longer be incorporated by reference:

- 12.4.1 all sections previously incorporated by reference of the 2011 annual report and accounts of RBSG, which were published via RNS on 9 March 2012;
 - 12.4.2 all sections previously incorporated by reference of the 2011 annual report and accounts of RBS, which were published via RNS on 26 March 2012;
 - 12.4.3 the unaudited Interim Results 2013 of RBS for the six months ended 30 June 2013, which were published via RNS on 30 August 2013;
 - 12.4.4 the preliminary unaudited Annual Results 2013 of RBSG for the year ended 31 December 2013, which were published via RNS on 27 February 2014;
 - 12.4.5 the sub-section entitled “Assets, owners’ equity and capital ratios” in the section entitled “Description of The Royal Bank of Scotland plc” of the registration document of RBS dated 7 March 2014, which was published via RNS on 7 March 2014.
- 13** By virtue of paragraphs 11 and 12.4 of this Supplement, the documents or sections of a document, as the case may be, (which shall exclude, for the avoidance of doubt, any terms and conditions incorporated from previous base prospectuses or supplements thereto) listed in the section of the Base Prospectus headed “Documents Incorporated by Reference” shall be deleted in their entirety and replaced with the documents set out in Schedule 4.
- 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> or <http://markets.rbs.com/launchpad> 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.
- 15** 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.
- 16** To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in the Base Prospectus or any previous supplement to the Base Prospectus, the statements referred to in (a) above will prevail.
- 17** 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

Schedule 1

B.12	Selected historical key financial information of the Issuer:	Year ended 31 December	
		2013 £m (audited)	2012 £m (audited)
	Operating profit/(loss) before tax	(6,761)	(3,524)
	Tax charge	(503)	(336)
	Profit/(loss) for the period	(7,264)	(3,860)
		Year ended 31 December	
		2013 £m (audited)	2012 £m (audited)
	Called-up share capital	6,609	6,609
	Reserves	42,177	52,679
	Owners' equity	48,786	59,288
	Non-controlling interests	79	137
	Subordinated liabilities	33,134	33,851
	Capital resources	81,999	93,276
		Year ended 31 December	
		2013 £m (audited)	2012 £m (audited)
	Deposits	537,467	621,457
	Loans and advances to customers and banks	505,583	576,904
	Total assets	1,019,934	1,284,274
	No material adverse change in prospects:	There has been no material adverse change in the prospects of the Group taken as a whole since 31 December 2013 (the date of the last published audited financial information of the Group).	
	Significant change in financial or trading position:	There has been no significant change in the trading or financial position of the Group taken as a whole since 31 December 2013 (the end of the last financial period for which audited financial information of the Group has been published).	

Schedule 2

There has been no significant change in the trading or financial position of the Group taken as a whole since 31 December 2013 (the end of the last financial period for which audited financial information of the Group has been published).

There has been no material adverse change in the prospects of the Group taken as a whole since 31 December 2013 (the date of the last published audited financial information of the Group).

Schedule 3

Assets, owners' equity and capital ratios

The RBS Group had total assets of £1,028 billion and owners' equity of £59 billion as at 31 December 2013. The RBS Group's capital ratios as at 31 December 2013 were a total capital ratio of 16.5 per cent., a Core Tier 1 capital ratio of 10.9 per cent. and a Tier 1 capital ratio of 13.1 per cent. On a fully loaded Basel III basis, the RBS Group's Core Tier 1 ratio was 8.6 per cent. as at 31 December 2013.

The Group had total assets of £1,020 billion and owners' equity of £49 billion as at 31 December 2013. As at 31 December 2013, the Group's capital ratios were a total capital ratio of 17.4 per cent., a Core Tier 1 capital ratio of 9.8 per cent. and a Tier 1 capital ratio of 11.4 per cent.

Schedule 4

1. the registration document of the Issuer dated 7 March 2014, which was published via the Regulatory News Service of the London Stock Exchange plc (“RNS”) on 7 March 2014, excluding:
 - (i) the following provisions set out in the section entitled “Introduction” beginning on page 1 therein:
 - a) the last sentence of the fourth paragraph of such section, which begins with the words “Moody’s Investors Service Limited”;
 - b) the seventh paragraph of such section, which begins with the words “As defined by Moody’s”; and
 - c) limb (ii) of the eighth paragraph of such section, which begins with the words “the publication entitled “Rating Symbols and Definitions – September 2013”; and
 - (ii) the sub-section entitled “Assets, owners’ equity and capital ratios” in the section entitled “Description of The Royal Bank of Scotland plc”.
2. the Annual Report and Accounts of the Issuer (including the audited consolidated annual financial statements of the Issuer, together with the audit report thereon) for the financial year ended 31 December 2013 (excluding the sections headed “Financial Review - Risk Factors” on pages 7 to 8 and “Additional Information – Risk Factors” on pages 331 to 346) which was published via RNS on 25 April 2014.
3. the Annual Report and Accounts of the Issuer (including the audited consolidated annual financial statements of the Issuer, together with the audit report thereon) for the financial year ended 31 December 2012 (excluding the sections headed “Financial Review - Risk Factors” on page 7 and “Additional Information – Risk Factors” on pages 323 to 335) which was published via RNS on 5 April 2013.
4. the unaudited “Interim Management Statement Q1 2014” of RBSG for the first quarter ended 31 March 2014, which was published via RNS on 2 May 2014.
5. the following sections of the 2013 Annual Report and Accounts of RBSG, which were published via RNS on 25 April 2014:
 - (i) Independent auditor’s report on pages 366 to 369;
 - (ii) Consolidated income statement on page 370;
 - (iii) Consolidated statement of comprehensive income on page 371;
 - (iv) Consolidated balance sheet as at 31 December 2013 on page 372;
 - (v) Consolidated statement of changes in equity on pages 373 to 375;
 - (vi) Consolidated cash flow statement on page 376;
 - (vii) Accounting policies on pages 377 to 390;
 - (viii) Notes on the consolidated accounts on pages 391 to 496;
 - (ix) Parent company financial statements and notes on pages 497 to 507;
 - (x) 2013 Financial Results on pages 2 to 5;
 - (xi) Our business model and strategy on pages 8 to 10;

- (xii) RBS at a glance on pages 11 to 19;
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 - (xviii) Letter from the Chairman on pages 36 to 37;
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 - (xxii) Other Remuneration Disclosures on pages 87 to 90;
 - (xxiii) Compliance report on pages 91 to 92;
 - (xxiv) Report of the Directors on pages 93 to 98;
 - (xxv) Statement of directors' responsibilities on page 99;
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 - (xxvii) Exchange rates on page 519;
 - (xxviii) Supervision on page 520;
 - (xxix) Description of property and equipment on page 520;
 - (xxx) Major shareholders on page 521;
 - (xxxi) Material contracts on pages 521 to 522;
 - (xxxii) Abbreviations and acronyms on page 548; and
 - (xxxiii) Glossary of terms on pages 549 to 556.
6. the following sections of the 2012 Annual Report and Accounts of RBSG, which were published via RNS on 27 March 2013:
- (i) Independent auditor's report on page 352;
 - (ii) Consolidated income statement on page 353;
 - (iii) Consolidated statement of comprehensive income on page 354;
 - (iv) Consolidated balance sheet as at 31 December 2012 on page 355;
 - (v) Consolidated statement of changes in equity on pages 356 to 358;
 - (vi) Consolidated cash flow statement on page 359;
 - (vii) Accounting policies on pages 360 to 372;
 - (viii) Notes on the consolidated accounts on pages 373 to 474;

- (ix) Parent company financial statements and notes on pages 475 to 486;
 - (x) Essential reading – 2012 Financial Results on page 2;
 - (xi) Chairman’s statement on pages 10 to 11;
 - (xii) Group Chief Executive’s review on pages 12 to 13;
 - (xiii) Our key targets on page 15;
 - (xiv) Our business and our strategy on pages 16 to 20;
 - (xv) Divisional review on pages 21 to 32;
 - (xvi) Business review on pages 36 to 293;
 - (xvii) Corporate governance on pages 303 to 308;
 - (xviii) Letter from the Chair of the Group Performance and Remuneration Committee on pages 320 to 321;
 - (xix) Directors’ remuneration report on pages 322 to 342;
 - (xx) Compliance report on pages 343 to 344;
 - (xxi) Report of the Directors on pages 345 to 349;
 - (xxii) Statement of directors’ responsibilities
 - (xxiii) Financial Summary on pages 488 to 497;
 - (xxiv) Exchange rates on page 498;
 - (xxv) Economic and monetary environment on page 499;
 - (xxvi) Supervision on page 500;
 - (xxvii) Description of property and equipment on page 501;
 - (xxviii) Major shareholders on page 501;
 - (xxix) Material contracts on pages 501 to 502; and
 - (xxx) Glossary of terms on pages 528 to 535.
7. The press release entitled “Disposal of its Structured Retail Investor Products and Equity Derivatives Business”, which was published by RBSG via RNS on 19 February 2014.
 8. The press release entitled “Ewen Stevenson appointed as RBS Chief Finance Officer”, which was published by RBSG via RNS on 4 April 2014.
 9. The press release entitled “RBS announces an agreement with HMT to provide for the future retirement of the Dividend Access Share and revised State aid terms”, which was published by RBSG via RNS on 9 April 2014.
 10. The press release entitled “Board Change”, which was published by RBSG via RNS on 2 May 2014.