

5 October 2011

The Royal Bank of Scotland plc

(Incorporated in Scotland with limited liability under the
Companies Acts 1948 to 1980, registered number SCO90312)

200 Call Warrants linked to the performance of an Inflation Index (GBP) (the “Instruments”)

Issue Price: GBP 9,500 per Instrument

under the Certificate and Warrant Programme

Terms used herein shall be deemed to be defined as such for the purposes of the base prospectus relating to Exercisable Certificates/Warrants and Redeemable Certificates dated 1 April 2011 (the “**Base Prospectus**”), as supplemented from time to time which constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of each Series of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus as so supplemented. Full information on the Issuer and each Series of the Instruments described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. The Base Prospectus and each supplementary prospectus are available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html> and copies may be obtained, free of charge, during normal business hours from the registered office of the Issuer and from the specified offices of each of the Certificate and Warrants Agents.

The terms and conditions applicable to the Instruments are (1) the terms and conditions (the “**Conditions**”) set out in the prospectus dated 23 September 2011 relating to the Issuer’s Certificate and Warrant Programme (the “**Programme Prospectus**”) and (2) the terms and conditions (the “**Product Conditions**”) set out in the Base Prospectus (which incorporates by reference the provisions referred to in (1) above), as completed by these Final Terms. References to the Base Prospectus and the Programme Prospectus are to them as supplemented at the date of these Final Terms.

In the event of any inconsistency between these Final Terms and the Conditions and/or the Product Conditions, these Final Terms will govern.

So far as the Issuer is aware, no person other than the Issuer in its separate capacities as Issuer and, if applicable, Calculation Agent, involved in the issue of the Instruments has an interest material to the offer.

PART A – CONTRACTUAL TERMS

Clearing Agents:	Euroclear UK and Ireland Limited
Launch Date:	Not Applicable
As, if and when issued trading:	Not Applicable
Issue Date:	6 October 2011
Listing:	London Stock Exchange
Listing Date:	6 October 2011
Admission to trading:	Application shall be made for the Instruments to be admitted to trading on the regulated market of the London Stock Exchange with effect from 6 October 2011
Additional Provisions:	If the Issuer applies for the Instruments to be admitted to the Official List of an EU Member State and/or admitted to trading on a regulated market at any time following the end of the offer period for the Instruments, the Issuer shall be entitled to amend these Final Terms (without the consent of any Instrument holder) so as to provide that references to the Base Prospectus (the Existing Prospectus) shall be read as references to the Base Prospectus as supplemented, amended, updated and/or replaced as at the date of application for admission to the Official List and/or trading (save that the terms and conditions applicable to the Instruments shall be those contained in the Existing Prospectus).

INFLATION INDEX INSTRUMENTS

Series: Call Warrants linked to the performance of an Inflation Index Series RT10

Issue Price: GBP9,500 per Instrument

Number of Warrants being issued: 200

Nominal Amount: GBP10,000

Additional Market Disruption Events: None

Automatic Exercise: Automatic Exercise: Exercise Notice by Cut-Off Date

Cash Amount: The Cash Amount per Instrument shall be payable on the Settlement Date and shall be determined by the Calculation Agent in accordance with the following formula:

- 1) If the Underlying Performance is less than 100.00 per cent.;

$$\text{Nominal Amount} \times 100.00 \text{ per cent} \times (\text{Underlying Performance} - \text{Exercise Price})$$

OR
- 2) If the Underlying Performance is equal to or greater than 100.00 per cent.:

$$\text{Nominal Amount} \times [1 + \{ (\text{Participation} \times (\text{Underlying Performance} - 1)) \}]$$

Where:

“Exercise Price” means 0.001%;

“Initial Reference Price” means an amount equal to the Level of the Inflation Index for the Valuation Month in 2011, published by the UK Office for National Statistics (the **“Index Sponsor”**), as displayed on Bloomberg page: UKRPI <Index> (or such other page as may replace that page, or such other information service as may replace that page, or such other information service as may be selected by the Calculation Agent, acting in its sole and absolute discretion, for the purpose of displaying the index) as determined by or on behalf of the Calculation Agent without regard to any subsequent published correction;

“Participation” means 146.00 per cent;

“Underlying Performance” will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Final Reference Price} / \text{Initial Reference Price};$$

The Underlying Performance shall be rounded down to three decimal places;

i	Underlying	W	Barrier Level	Leverage
1	UK RPI Index (GBP) (Bloomberg page: UKRPI <Index>)	100%	Not Applicable	Not Applicable

“Valuation Month” means August

Coupon: Not Applicable

Issuer Call: Not Applicable

Cash Settled Instruments:	Applicable
Exercise Time:	Not Applicable
Expiration Date:	6 October 2021
European Style:	Applicable
Inflation Index:	UK Retail Price Index published on a monthly basis by the Index Sponsor, as displayed on Bloomberg page UKRPI <Index> (non seasonally adjusted)
Integral Multiple:	1
Minimum Exercise Number:	Not Applicable
Maximum Exercise Number:	Not Applicable
Pricing Date(s):	Not Applicable
Final Reference Price:	Means an amount equal to the Level of the Inflation Index for the Valuation Month in 2021, published by the Index Sponsor, as displayed on Bloomberg page: UKRPI <Index> (or such other page as may replace that page, or such other information service as may replace that page, or such other information service as may be selected by the Calculation Agent, acting in its sole and absolute discretion, for the purpose of displaying the index) as determined by or on behalf of the Calculation Agent without regard to any subsequent published correction
Settlement Currency:	GBP
Fixed Exchange Rate:	Not Applicable
Relevant Currency:	The Settlement Currency
Strike Currency:	Not Applicable
Settlement Date:	6 October 2021
Strike Price:	Not Applicable
Commission Fees:	<p>Fees will be paid by the Issuer on 8 October 2012, 7 October 2013, 6 October 2014, 6 October 2015, 6 October 2016, 6 October 2017, 8 October 2018, 7 October 2019, 6 October 2020 and the Settlement Date in accordance with the following formula:</p> <p><i>Nominal Amount x Number of Warrants being issued x 0.3%</i></p>
Valuation Date(s):	Not Applicable
Amendments to Conditions and/or Product Conditions:	<p>References to particular share indices are included only to indicate the basis upon which growth is calculated, not to indicate any association between RBS and the third party index provider, or endorsement of the product by the Index provider.</p> <p>The Instruments are not in any way sponsored, sold or promoted by any relevant stock market, relevant index, related exchange or index sponsor, and they make no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the relevant stock market, relevant index or related exchange stands at any particular time on any particular day or otherwise. They shall not be liable (whether in negligence or otherwise) to any person for any error in the relevant stock market, relevant index or related exchange and shall not be under any obligation to advise any person of any error therein</p>
Amendments to the Offering Procedure for the Instruments:	Not Applicable
ISIN:	GB00B6HYZN49

SEDOL:

B6HYZN4

Other Securities Code:

Common Code 51443578

PART B – OTHER INFORMATION

INFORMATION ON THE UNDERLYING

Subscription Period:

Not Applicable

Page where information about the past and future performance of the Underlying can be obtained:

Bloomberg page: "UKRPI<Index>"

TERMS AND CONDITIONS OF THE OFFER

Offering Jurisdiction: Not Applicable

Offer Price: Not Applicable

Total amount of the offer. If the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: Not Applicable

Conditions (in addition to those specified in the Base Prospectus) to which the offer is subject: Not Applicable

Right to cancel - Minimum Number of Instruments: Not Applicable

The time period during which the offer will be open: Not Applicable

Description of the application process Not Applicable

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants Not Applicable

Details of the minimum and/or maximum amount of application: Not Applicable

Details of the method and time limits for paying up and delivering the Instruments: Not Applicable

Manner in and date on which results of the offer are to be made public: Not Applicable

Categories of potential investors to which the Instruments are offered and whether tranche(s) have been reserved for certain countries: Not Applicable

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: Not Applicable

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: Not Applicable

Name(s) and address(es), to the extent known to the Issuer, of the placers (**Distributor(s)**) in the various countries where the offer takes place. Not Applicable

Market Making Arrangements: No

The issuer will not enter into any contracts with any person to make a market in the Instruments. The relevant Distributor will under normal market conditions provide on a daily basis a purchase price and, if possible, a sale price. Such prices will only be valid on the relevant date. The purchase price will be determined at the sole discretion of the relevant Distributor and may not reflect the market value of the Instruments. The relevant Distributor has no contractual obligation to the Issuer to provide a purchase price and may discontinue the provision of purchase prices at any time.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of The Royal Bank of Scotland plc

By:.....

Duly authorised