



EDGA & EDGX STOCK EXCHANGES			
Regulatory Information Circular			
Circular Number:	2011-144	Contact:	Jeff Rosenstock
Date:	December 13, 2011	Telephone:	(201) 942-8295

**Subject: RBS NASDAQ-100<sup>®</sup> Trendpilot<sup>™</sup> Exchange Traded Notes**

### **Background Information on the Notes**

As more fully explained in the Registration Statement Numbers 333-162219 and 333-162219-01 for The Royal Bank of Scotland plc (the "Issuer"), the RBS NASDAQ-100<sup>®</sup> Trendpilot<sup>™</sup> Exchange Traded Notes ("ETNs" or "Notes") are designed for investors who seek exposure to the RBS NASDAQ-100<sup>®</sup> Trendpilot<sup>™</sup> Index (USD) ("Index"). The ETNs are unsecured and unsubordinated obligations of Issuer, maturing December 13, 2041.

### **Description of the Notes**

The ETNs do not pay interest, and investors should be willing to lose up to 100% of their investment if the Index declines or does not increase in an amount sufficient to offset the investor fee.

The denomination and stated face amount of each ETN is \$25.00. Any ETNs issued in the future may be issued at a price that is higher or lower than the stated face amount, based on the indicative value of the ETNs at that time. The ETNs do not pay any interest during their term and do not guarantee any return of principal at maturity or upon redemption.

The return on the ETNs will be based on the performance of the Index during the term of the ETNs. The Index was created by The Royal Bank of Scotland plc (the "Index Sponsor"), which has contracted with The NASDAQ OMX Group, Inc. (the "Index calculation agent") to calculate the Index, either directly or through a third party. Currently, the Index is calculated by Standard & Poor's ("S&P") on behalf of the Index calculation agent. The level of the Index is reported on Bloomberg under the ticker symbol "TPNDQUT <Index>." The Index provides exposure to either the NASDAQ-100 Total Return Index (the "Benchmark Index") or the yield on a hypothetical notional investment in 3-month U.S. Treasury bills as of the most recent weekly auction (the "Cash Rate"), depending on the relative performance of the Benchmark Index on a simple historical moving average basis. If the closing level of the Benchmark Index is at or above its historical 100-Index business day simple moving average for five consecutive Index business days (which we refer to in this pricing supplement as a "positive trend"), the Index will track the return on the Benchmark Index and will have no exposure to the Cash Rate until two Index business days after a negative trend occurs. Conversely, if the closing level of the Benchmark Index is below its historical 100-Index business day simple moving average for five consecutive Index business days (which we refer to in this pricing supplement as a "negative trend"), then the Index will track the Cash Rate and will have no exposure to the Benchmark Index until two Index business days after the next positive trend occurs.

### **Payment at Maturity**

If the ETNs have not previously been repurchased or redeemed by RBS, at maturity investors will receive a cash payment equal to the daily redemption value of the ETNs on the final valuation.

### **Daily Redemption Value**

The daily redemption value as of the inception date is equal to the stated face amount of \$25.00 per ETN. For any valuation date thereafter, the daily redemption value per ETN is equal to (a) the daily redemption value on the immediately preceding valuation date, multiplied by (b) the index factor on such valuation date, multiplied by (c) the fee factor on such valuation date. RBS Securities Inc. (the "calculation agent") will determine the daily redemption value on each valuation date. If the daily redemption value per ETN equals zero, the ETNs will be automatically accelerated on such day and will cease to be outstanding thereafter. In such event, investors will not receive any payment in respect of their investment and investors will lose their entire investment in the ETNs.

### **Fee Factor/Investor Fee**

The fee factor on any valuation date, including the final valuation date, will be equal to one minus the investor fee, which is the product of (a) the annual investor fee and (b) the day-count fraction.

### **Annual Investor Fee**

The annual investor fee will be equal to 0.60% per annum.

### **Redemption of the ETNs at Issuer's Option**

The Issuer will have the right to redeem, in its sole discretion, the ETNs in whole, but not in part, on any business day from, and including, the initial settlement date to, and including, December 13, 2041. The trading day immediately following the date on which the Issuer delivers the irrevocable redemption notice will be the valuation date applicable to such redemption. Upon any such redemption, investors will receive a cash payment on the applicable redemption date in an amount equal to the daily redemption value on the relevant valuation date. If the Issuer exercises its right to redeem the ETNs, the Issuer will deliver an irrevocable redemption notice to DTC (the holder of the global note) not less than five business days prior to the applicable redemption date. The last day on which the Issuer can deliver a redemption notice is December 6, 2041.

### **Redemption Date**

The redemption date will be specified in the redemption notice and will not be less than five business days after the date of the redemption notice.

### **Principal Risks**

Interested persons are referred to the ETNs' Prospectus for a description of risks associated with an investment in the ETNs. Investors are subject to credit risk of the RBS. Investing in the

ETNs involves a number of risks. Some selected risk considerations include: Market Risk, Index Risk, Oil Market Risk, Concentration Risk, Liquidity Risk, Cash Rate Risk, and Issuer Call Risk.

Please see the Registration Statement for additional risks of an investment in the ETNs at [www.rbs.com/etnus](http://www.rbs.com/etnus).

For a more complete description of the ETNs and the payment at maturity, early repurchase provisions, early repurchase mechanics, valuation, fees and risk factors, consult the prospectus ("Prospectus") at [www.rbs.com](http://www.rbs.com).

### **Prospectus Delivery**

Members are advised to consult the "Supplemental Plan of Distribution" in the Prospectus regarding prospectus delivery requirements.

### **Exchange Rules Applicable to Trading in the Securities**

The ETNs are considered equity securities, thus rendering trading in the Securities subject to the Exchange's existing rules governing the trading of equity securities.

### **Trading Hours**

Trading in the shares on EDGA and EDGX Exchanges (the "Exchanges") is on a UTP basis and is subject to the Exchanges equity trading rules. The shares will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Members trading the shares during the Extended Market Sessions (Pre-opening and Post-closing sessions) are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Extended Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

### **Trading Halts**

The Exchanges will halt trading in the shares of a trust in accordance with Exchange Rules 14.1(c)(4). The grounds for a halt under this Rule include a halt by the primary market because it stops trading the Shares and/or a halt because dissemination of the IIV or applicable currency spot price has ceased, or a halt for other regulatory reasons. In addition, the Exchanges will stop trading the shares of a trust if the primary market de-lists the Shares.

### **Suitability**

Trading in the Shares on the Exchanges will be subject to the provisions of EDGA and EDGX Exchange Rules 3.7. Members recommending transactions in the Shares to customers should make a determination that the recommendation is suitable for the customer. In addition, Members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in Exchange Rules 3.7.

Members also should review FINRA Notice to Members 03-71 for guidance on trading these products. The Notice reminds Members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

### **No-Action Relief Under Federal Securities Regulations**

The Securities and Exchange Commission has issued no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 (the “Exchange Act”), regarding trading in Deutsche Bank AG Exchange-Traded Notes (SEC Letter dated October 12, 2007) and Barclays Bank PLC Exchange-Traded Notes (SEC No-Action Letters dated May 30, 2006 and July 27, 2006) for securities with structures similar to that of the securities described herein (the “Letters”). Members are advised to consult the Letters, available at [www.sec.gov](http://www.sec.gov), for more complete information regarding the matters covered therein.

### **Regulation M Exemptions**

Generally, Rules 101 and 102 of Regulation M is an anti-manipulation regulation that, subject to certain exemptions, prohibits a “distribution participant” and the issuer or selling security holder, in connection with a distribution of securities, from bidding for, purchasing, or attempting to induce any person to bid for or purchase, any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities, and affiliated purchasers of such persons.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 101 of Regulation M against persons who may be deemed to be participating in a distribution of the notes to bid for or purchase the notes during their participation in such distribution.

Rule 102 of Regulation M prohibits issuers, selling security holders, or any affiliated purchaser of such person from bidding for, purchasing, or attempting to induce any person to bid for or purchase a covered security during the applicable restricted period in connection with a distribution of securities effected by or on behalf of an issuer or selling security holder. Rule 100 of Regulation M defines “distribution” to mean any offering of securities that is distinguished from ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 102 of Regulation M against Barclays and its affiliated purchasers who bid for or purchase or redeem notes during the continuous offering of the notes.

### **Section 11(d)(1) of the Exchange Act; Exchange Act Rule 11d1-2**

Section 11(d)(1) of the Exchange Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on

any security which was part of a new issue in the distribution of which he or she participated as a member of a selling syndicate or group within thirty days prior to such transaction.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Section 11(d)(1) of the Exchange Act against broker-dealers who treat the notes, for purposes of Rule 11d1-2, as “securities issued by a registered . . . open-end investment company as defined in the Investment Company Act” and thereby, extend credit or maintain or arrange for the extension or maintenance of credit on the notes that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

**This Regulatory Information Circular is not a statutory Prospectus. Members should consult the Issuer’s Registration Statement, SAI, [Prospectus](#) and the ETNs’ website for relevant information.**

## Appendix A

<b>Ticker</b>	<b>Fund Name</b>	<b>CUSIP</b>
TNDQ	RBS NASDAQ-100 Trendpilot Exchange Traded Notes	78009P143