

ROYAL BANK OF SCOTLAND PLC

Form 424B5

December 28, 2012

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	Amount of	
	Maximum Aggregate Offering Price	Registration Fee (1)
Notes	\$682,000.00	\$93.02

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933.

Final Pricing Supplement No. 148
to Product Prospectus Supplement No. DN-2
dated September 28, 2012
and Prospectus dated September 28, 2012

Filed pursuant to Rule 424(b)(5)
Registration Statement Nos. 333-184147 and
333-184147-01
December 27, 2012

The Royal Bank of Scotland plc (Issuer)
The Royal Bank of Scotland Group plc (Guarantor)

\$682,000
RBS Digital Notes with Fixed Buffer
Linked to the Russell 2000® Index

\$1,000 Original Offering Price per RBS Digital Note with Fixed Buffer

Dates:

Pricing Date: December 27, 2012
Settlement Date: December 31, 2012
Maturity Date: January 4, 2016

CUSIP / ISIN No.: 78009PDJ7 / US78009PDJ75

n If the level of the Russell 2000® Index remains unchanged or increases from the Initial Value to the Final Value, at maturity, you will be entitled to receive a cash payment per security equal to the Original Offering Price plus a Digital Return of 24.00% over the Original Offering Price.

n If the level of the Russell 2000® Index decreases by no more than the 20.00% Buffer Amount from the Initial Value to the Final Value, you will be entitled to receive at maturity an amount per security equal to the Original Offering Price.

n You will have full downside exposure at maturity to any decrease in the level of the Russell 2000® Index in excess of the 20.00% Buffer Amount from the Initial Value to the Final Value. Potential for substantial loss if the level of the Russell 2000® Index falls below the Buffer Value.

n No upside participation at maturity in any increase in the level of the Russell 2000® Index. 100% repayment of face value at maturity

only if the level of the Russell 2000® Index does not decrease from the Initial Value by more than the 20.00% Buffer Amount.

n Payment at maturity is subject to the creditworthiness of The Royal Bank of Scotland plc, as the issuer, and The Royal Bank of Scotland Group plc, as the guarantor of the issuer's obligations under the securities.

n 3-year term (approximately).

n No periodic interest payments.

n No listing on any securities exchange.

The RBS Digital Notes with Fixed Buffer Linked to the Russell 2000® Index due January 4, 2016 (together with the related guarantees, the "securities") involve risks not associated with an investment in conventional debt securities. See "Risk Factors" on page PS-6 of this pricing supplement and beginning on page S-15 of Product Prospectus Supplement No. DN-2 (the "product supplement").

The securities are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other government agency.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved the securities, or determined if this pricing supplement, the product supplement or the prospectus are truthful or complete. Any representation to the contrary is a criminal offense.

	Per security	Total
Original Offering Price (1)	\$ 1,000.00	\$ 682,000.00
Underwriting discount	\$ 27.00	\$ 18,414.00
Proceeds, before expenses, to The Royal Bank of Scotland plc	\$ 973.00	\$ 663,586.00

(1) The value you might expect to receive if you were able to resell the securities on the pricing date is less than the Original Offering Price. This is because the Original Offering Price includes the underwriting discount set forth above and also reflects our cost of hedging our obligations under the securities. For additional information, see "Risk Factors—The value of your securities on the pricing date is less than the Original Offering Price due to the underwriting discount and our cost of hedging, both of which can be expected to be reflected in secondary market prices" on page S-19 of the product supplement. The Original Offering Price also does not include fees that you may be charged if you buy the securities through your registered investment advisers for managed fee-based accounts.

RBS Securities Inc.
December 27, 2012

THE ROYAL BANK OF SCOTLAND PLC
RBS Digital Notes with Fixed Buffer
Linked to the Russell 2000® Index due January 4, 2016

Summary

The RBS Digital Notes with Fixed Buffer Linked to the Russell 2000® Index due January 4, 2016 (together with the related guarantees, each, a “security” and collectively, the “securities”) are senior unsecured obligations issued by us, The Royal Bank of Scotland plc, and are fully and unconditionally guaranteed by our parent company, The Royal Bank of Scotland Group plc. The securities will rank equally with all of our senior unsecured indebtedness from time to time outstanding, and any payments due on the securities, including any repayment of your investment, will be subject to the ability of RBS, as the issuer of the securities, and RBSG, as the guarantor of the issuer’s obligations under the securities, to pay their respective obligations as they become due. If the level of the Russell 2000® Index (the “Underlying Equity Index”) remains unchanged or increases from the Initial Value to the Final Value, at maturity, you will be entitled to receive a cash payment per security equal to the Original Offering Price plus a Digital Return. If the level of the Russell 2000® Index decreases by no more than the Buffer Amount from the Initial Value to the Final Value, you will be entitled to receive at maturity an amount per security equal to the Original Offering Price. You will have full downside exposure at maturity to any decrease in the level of the Russell 2000® Index in excess of the Buffer Amount from the Initial Value to the Final Value. Investors will not receive any interest payments, the return on the securities will never exceed the Digital Return, and the Payment at Maturity will never exceed the Maximum Payment per Security. Investors must be willing to accept the risk of losing some or substantially all of their investment.

Capitalized terms used but not defined in this pricing supplement have the meanings set forth in the product supplement.

Key Terms

Issuer:	The Royal Bank of Scotland plc (“RBS”)
Guarantor:	The Royal Bank of Scotland Group plc (“RBSG”)
Original Offering Price:	\$1,000 per security
Term:	3 years (approximately)
Underlying Equity Index:	The Russell 2000® Index (Bloomberg ticker: RTY)
Initial Value:	837.40
Final Value:	The closing level of the Underlying Equity Index on the Valuation Date.
Reference Return:	Measures the percentage increase or decrease in the level of the Underlying Equity Index from the Initial Value to the Final Value, and will be equal to:
	$\frac{\text{Final Value} - \text{Initial Value}}{\text{Initial Value}}$

Digital Return:	24.00% over the Original Offering Price per security. The Digital Return represents a return over the full term of the security and not an annualized return.
Maximum Payment per Security:	\$1,240.00 per security.
Buffer Amount (%):	20.00% (representing a protection against any decrease in the level of the Underlying Equity Index up to the Buffer Value).
Buffer Value:	669.92, equal to 80.00% of the Initial Value, rounded to two decimal places.
Valuation Date:	December 29, 2015, the third scheduled Market Measure Business Day before the Maturity Date. If a Market Disruption Event occurs or is continuing on the scheduled Valuation Date or if the scheduled Valuation Date is not a Market Measure Business Day, the Valuation Date will be postponed as described in the accompanying product supplement under “Description of the Securities—The Initial Value and the Final Value” and “Description of the Securities—Market Disruption Events.”
Maturity Date:	January 4, 2016. If the Valuation Date is postponed, the Maturity Date will be the third business day following the Valuation Date, as postponed.
Payment at Maturity:	On the Maturity Date, you will be entitled to receive a cash payment per security determined by the Calculation Agent as described on the following page.
Calculation Agent:	RBS Securities Inc., an affiliate of RBS

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Determining the Payment at Maturity

On the Maturity Date, you will be entitled to receive a cash payment per security calculated as follows:

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Examples of Payment at Maturity Calculations

Set forth below are four hypothetical examples of Payment at Maturity calculations (rounded to two decimal places), reflecting the following values and data:

- the Digital Return of 24.00%;
- the Maximum Payment per Security of \$1,240.00;
- the Initial Value of 837.40;
- the Buffer Amount of 20.00% (representing protection against any decrease in the level of the Underlying Equity Index up to the Buffer Value); and
- the Buffer Value of 669.92 (80.00% of the Initial Value, rounded to two decimal places).

Any payment at maturity is subject to the ability of RBS, as the issuer of the securities, and RBSG, as the guarantor of the issuer's obligations under the securities, to pay their respective obligations as they become due.

EXAMPLE 1 — The hypothetical Final Value is 418.70 (which is 50.00% below the Initial Value), representing a decrease in the level of the Underlying Equity Index by more than the Buffer Amount:

$$\text{Reference Return} = \frac{418.70 - 837.40}{837.40} = -50.00\%$$

$$\text{Payment at Maturity (per security)} = \$1,000 + [\$1,000 \times (-50.00\% + 20.00\%)] = \$700.00 \text{ (i.e., a 30.00\% loss).}$$

If the level of the Underlying Equity Index has decreased from the Initial Value to the Final Value by a percentage that is greater than the Buffer Amount (i.e., if the Final Value is less than the Buffer Value), your investment will be fully exposed to any decline of the Underlying Equity Index beyond the Buffer Amount, and you could lose some or a significant portion (up to 80.00% of the Original Offering Price) of your investment.

EXAMPLE 2 — The hypothetical Final Value is 753.66 (which is 10.00% below the Initial Value), representing a decrease in the level of the Underlying Equity Index by a percentage that is not greater than the Buffer Amount:

$$\text{Reference Return} = \frac{753.66 - 837.40}{837.40} = -10.00\%$$

$$\text{Payment at Maturity (per security)} = \$1,000.00 \text{ (i.e., a 0.00\% return).}$$

If the level of the Underlying Equity Index has decreased from the Initial Value to the Final Value by a percentage that is not greater than the Buffer Amount (i.e., if the Final Value is less than the Initial Value, but is equal to or greater than the Buffer Value), the Payment at Maturity will equal the \$1,000 Original Offering Price.

EXAMPLE 3 — The hypothetical Final Value is 921.14 (which is 10.00% above the Initial Value):

$$\text{Reference Return} = \frac{921.14 - 837.40}{837.40} = 10.00\%$$

Payment at Maturity (per security) = \$1,240.00 (i.e., a 24.00% return).

If the level of the Underlying Equity Index has remained unchanged or increased from the Initial Value to the Final Value, the Payment at Maturity will equal the Maximum Payment per Security.

EXAMPLE 4 — The hypothetical Final Value is 1,256.10 (which is 50.00% above the Initial Value):

$$\text{Reference Return} = \frac{1,256.10 - 837.40}{837.40} = 50.00\%$$

Payment at Maturity (per security) = \$1,240.00 (i.e., a 24.00% return).

If the level of the Underlying Equity Index has remained unchanged or increased from the Initial Value to the Final Value, the Payment at Maturity will equal the Maximum Payment per Security. In no event will the Payment at Maturity exceed the Maximum Payment per Security regardless of the magnitude of any increase in the value of the Underlying Equity Index and your return, if any, will be limited to the Digital Return.

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Hypothetical Payout Profile and Payment at Maturity

For purposes of illustration only, the Hypothetical Payout Profile and Hypothetical Payment at Maturity below reflect the hypothetical returns at maturity and hypothetical payments at maturity per security for a range of hypothetical Final Values of the Underlying Equity Index from +100.00% to -100.00%. Because the Underlying Equity Index is a price return index, the hypothetical Final Values presented below will not include any income generated by dividends paid on the stocks included in the Underlying Equity Index, which you would otherwise be entitled to receive if you invested in those stocks directly.

The graph and chart reflect the Digital Return of 24.00% over the Original Offering Price per security, the Maximum Payment per Security of \$1,240.00, the Initial Value of 837.40, the Buffer Amount of 20.00% and the Buffer Value of 669.92 (80.00% of the Initial Value, rounded to two decimal places). The actual Payment at Maturity that you are entitled to receive and the resulting return on your investment will depend on the actual Final Value, which will be determined on the Valuation Date.

Any payment at maturity is subject to the ability of RBS, as the issuer of the securities, and RBSG, as the guarantor of the issuer's obligations under the securities, to pay their respective obligations as they become due.

HYPOTHETICAL PAYOUT PROFILE

This graph reflects the hypothetical returns on the securities at maturity. The green line reflects the hypothetical returns on the securities, while the dotted line reflects the return of a hypothetical direct investment in the stocks included in the Underlying Equity Index, excluding dividends.

HYPOTHETICAL PAYMENT AT MATURITY

Final Value	Reference Return	Return on the Securities	Payment at Maturity per Security
1,674.80	100.00%	24.00%	\$1,240.00
1,591.06	90.00%	24.00%	\$1,240.00
1,507.32	80.00%	24.00%	\$1,240.00
1,423.58	70.00%	24.00%	\$1,240.00
1,339.84	60.00%	24.00%	\$1,240.00
1,256.10	50.00%	24.00%	\$1,240.00
1,172.36	40.00%	24.00%	\$1,240.00

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1,088.62	30.00%	24.00%	\$1,240.00
1,038.38	24.00%	24.00%	\$1,240.00
1,004.88	20.00%	24.00%	\$1,240.00
921.14	10.00%	24.00%	\$1,240.00
879.27	5.00%	24.00%	\$1,240.00
837.40	0.00%	24.00%	\$1,240.00
795.53	-5.00%	0.00%	\$1,000.00
753.66	-10.00%	0.00%	\$1,000.00
669.92	-20.00%	0.00%	\$1,000.00
586.18	-30.00%	-10.00%	\$900.00
502.44	-40.00%	-20.00%	\$800.00
418.70	-50.00%	-30.00%	\$700.00
334.96	-60.00%	-40.00%	\$600.00
251.22	-70.00%	-50.00%	\$500.00
167.48	-80.00%	-60.00%	\$400.00
83.74	-90.00%	-70.00%	\$300.00
0.00	-100.00%	-80.00%	\$200.00

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Risk Factors

There are important differences between the securities and a conventional debt security. An investment in the securities involves significant risks, including those listed below. You should carefully review the more detailed explanation of risks relating to the securities in the “Risk Factors” sections beginning on page S-15 of the product supplement. We also urge you to consult with your investment, legal, accounting, tax, and other advisors before you invest in the securities.

- The securities are not conventional debt securities—they do not pay interest and there is no principal protection; you may lose some or a significant portion of your investment in the securities.
- The credit risk of The Royal Bank of Scotland plc and The Royal Bank of Scotland Group plc, and their credit ratings and their credit spreads may adversely affect the value of the securities prior to maturity, and all payments on the securities will be subject to the ability of RBS and RBSG to pay their respective obligations as they become due.
- The return on your initial investment is limited to the Digital Return and your Payment at Maturity is limited to the Maximum Payment per Security.
- The Payment at Maturity will depend on the Maximum Payment per Security and the Final Value, which is determined only on a valuation date shortly before the maturity date.
- The securities will not be listed on any securities exchange and there may be little or no secondary market for the securities.
- The value of the securities prior to maturity will be influenced by many unpredictable factors, and may be less than the Original Offering Price.
- Prior to maturity, an increase in the level of the Underlying Equity Index may not increase the value of your securities.
- The value of your securities on the pricing date is less than the Original Offering Price due to the underwriting discount and our cost of hedging, both of which can be expected to be reflected in secondary market prices.
- There are potential conflicts of interest between us and our affiliates and you, and we and our affiliates may take actions that are not in your interest.
- The U.S. federal income tax consequences of an investment in the securities are uncertain.
- An investment in the securities is not the same as a direct investment in the Underlying Equity Index or in the securities that comprise the Underlying Equity Index.
- Adjustments to the Underlying Equity Index could adversely affect the securities.

- We do not control any issuer whose securities comprise the Underlying Equity Index and we are not responsible for any of their disclosure.

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