

**SUPPLEMENT DATED 8 DECEMBER 2010 TO THE PROSPECTUS DATED 21 MAY 2010, THE PROSPECTUS DATED 18 AUGUST 2010 AND THE PROSPECTUS DATED 23 AUGUST 2010**



**The Royal Bank of Scotland plc**

*(incorporated under the laws of Scotland with limited liability under the Companies Act 1948 to 1980, with registered number SC090312)*

**The Prospectuses listed in the schedule hereto**

This Supplement (this **Supplement**) to the Prospectus dated 21 May 2010, the Prospectus dated 18 August 2010 and the Prospectus dated 23 August 2010 listed in the Schedule hereto (each as supplemented at the date hereof) (the **Prospectuses** and each a **Prospectus**) (each of which comprises a base prospectus), constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the **FSMA**). Terms defined in the Prospectuses have the same meanings when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, each Prospectus and any other supplements to the relevant Prospectus issued by The Royal Bank of Scotland plc (the **Issuer**) as further described in the Schedule hereto.

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.

***Additional proprietary strategy description***

The following description shall, by virtue of this Supplement, be deemed to be added to Schedule 2 of the section headed "Terms and Conditions of the Notes" in each of the Prospectuses:

**"RBS Risk Stabilised TVI 1 Strategy (the **Strategy**)"**

The Strategy is calculated by The Royal Bank of Scotland N.V. (formerly ABN AMRO Bank N.V.), acting through its London Branch, or its successor based on a methodology (the **Strategy Rules**) (which, for the avoidance of doubt, do not form part of this Strategy description) developed by The Royal Bank of Scotland plc (the **Strategy Sponsor**).

The Strategy aims to track a risk-stabilised notional strategy linked to the constituent. This is achieved by varying the exposure to the constituent on a daily basis, depending on the Maximum Realised Volatility of the constituent.

The **Maximum Realised Volatility** is calculated as the maximum Realised Volatility (as defined below) observed over 5 consecutive calculation dates. **Realised Volatility** herein is specifically a measure of how much the daily returns of the constituent have fluctuated around the arithmetic mean of the daily returns of the constituent over a defined time period that comprises the immediately preceding twenty (20) calculation dates.

Exposure to the constituent is reduced if the Maximum Realised Volatility of the constituent increases to an amount equal to or above certain levels. Conversely, exposure to the constituent is increased if the Maximum Realised Volatility of the constituent decreases to certain levels. The dynamic adjusted exposure (**Dynamic Participation**) provides for the Strategy to have exposure to the constituent within a range from a minimum of 0% to a maximum of 150%. The Dynamic Participation is thus determined according to the range that the Maximum Realised Volatility falls within.

The constituent reflects the performance of the Underlying (as defined below) following the deduction of an access cost which represents the costs charged and expenses incurred by the Strategy Sponsor in connection with investing in the Underlying in order to maintain the Strategy. The **Underlying** is a published index, the Trader Vic Index Excess Return (Bloomberg page: TVICER Index).

Information about the past and the future performance of the Strategy and its volatility can be obtained from Bloomberg code: RBSDVCU1.

A copy of the Strategy Rules relating to the Strategy will be available for review from the beginning of the relevant Offer Period (if any) to the Maturity Date upon request at the offices of the Strategy Sponsor at The Royal Bank of Scotland plc, 250 Bishopsgate, London EC2M 4AA. Investors should note that this description of the Strategy Rules is subject to the detailed provisions of the Strategy Rules. In order to obtain the Strategy Rules, an investor may need to give certain non-disclosure representations to the Strategy Sponsor.

Investors should note that the Strategy Rules are subject to change from time to time. In certain circumstances, the Strategy Sponsor can change the method of calculating the Strategy, or may discontinue or suspend calculation or dissemination of the Strategy which could affect the return or principal amount paid on the Notes.

Strategy Sponsor: The Royal Bank of Scotland plc

Disclaimer:

Although the Strategy Sponsor will obtain information for inclusion in or for use in the calculation of the Strategy from sources which the Strategy Sponsor considers reliable, the Strategy Sponsor will not independently verify such information and does not guarantee the accuracy and/or the completeness of the Strategy or any data included therein. The Strategy Sponsor is under no obligation to advise any person of any error in the Strategy.

The Strategy Sponsor makes no express or implied representations or warranties concerning (i) whether or not the Strategy may achieve any particular level or meet or correlate with any particular objective or (ii) the fitness for any purpose of the Strategy.

The Strategy Sponsor accepts no legal liability to any person in connection with its publication and dissemination of the Strategy.

Nothing in this description will:

- (i) exclude or restrict any obligation the Strategy Sponsor may have to any recipient of this description, nor any liability the Strategy Sponsor may incur to any such recipient, under the Financial Services and Markets Act 2000, or the regulatory regime thereunder; or
- (ii) exclude or restrict, to an extent prohibited by law, any duty or liability the Strategy Sponsor may have to any recipient of this description.

The Royal Bank of Scotland plc owns intellectual property rights in the Strategy. Any use of any such intellectual property rights must be with the consent of The Royal Bank of Scotland plc.

The Strategy is not sponsored, endorsed, sold or promoted by Enhanced Alpha Management, L.P. (**EAM**). EAM makes no representation, condition or warranty, express or implied, to the owners of the Strategy or any member of the public regarding the advisability of investing in the strategy manifested in the Trader Vic Index or in the Strategy. EAM's only relationship to The Royal Bank of Scotland plc is the licensing of certain trademarks and trade names of EAM and/or of the Trader Vic Index which was created, compiled, maintained and owned by EAM without regard to the Strategy. EAM has no obligation to take the needs of the owners of the Strategy into consideration in determining, or composing the Trader Vic Index. EAM is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Strategy to be issued or in the determination or calculation of the equation by which the Strategy is to be converted into cash. EAM has no obligation or liability in connection with the administration, marketing or trading of the Strategy.

EAM SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE TRADER VIC INDEX FROM SOURCES THAT EAM CONSIDERS RELIABLE, BUT EAM ACCEPTS NO RESPONSIBILITY FOR, AND SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS THEREIN. EAM DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE TRADER VIC INDEX OR ANY DATA INCLUDED THEREIN. EAM MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM THE USE OF THE TRADER VIC INDEX OR ANY DATA INCLUDED THEREIN. EAM MAKES NO EXPRESS OR IMPLIED WARRANTIES AND EXPRESSLY DISCLAIMS ALL CONDITIONS AND WARRANTIES IMPLIED BY STATUTE, GENERAL LAW OR CUSTOM WITH RESPECT TO THE TRADER VIC INDEX OR ANY DATA INCLUDED THEREIN EXCEPT ANY IMPLIED CONDITION OR WARRANTY THE EXCLUSION OF WHICH WOULD CONTRAVENE ANY STATUTE OR CAUSE ANY PART OF THIS CLAUSE TO BE VOID.”.

Save as disclosed in this Supplement or any document incorporated by reference in each of the Prospectuses by this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in each of the Prospectuses (as supplemented at the date hereof) since the publication of each of the Prospectuses.

An investor should be aware of its rights arising pursuant to Section 87Q(4) of the FSMA.

## SCHEDULE

### List of Prospectuses

#### Structured Note Programme Prospectuses

1. Prospectus dated 21 May 2010 relating to the issue of Principal-Protected and Non-Principal Protected Index, Equity or Currency Linked Notes (Asian Put and Call) as supplemented on 10 June 2010, 9 August 2010, 27 August 2010 and 5 November 2010 (the **Asian Put and Call Prospectus**).
2. Prospectus dated 18 August 2010 relating to the issue of Principal-Protected and Non-Principal Protected Notes (Flexi-Payout), as supplemented on 27 August 2010 and 5 November 2010 (the **Flexi-Payout Prospectus**).
3. Prospectus dated 23 August 2010 relating to the issue of Principal-Protected and Non-Principal Protected Index or Equity Linked Notes, as supplemented on 27 August 2010 and 5 November 2010 (the **Accumulator – Bull and Bear Prospectus**).