

SUPPLEMENTARY PROSPECTUS DATED 7 July 2008



The Royal Bank of Scotland Group plc

(Incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980, registered number SC045551)

and

The Royal Bank of Scotland Group plc

(Incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980, registered number SC090312)

£50,000,000,000

Euro Medium Term Note Programme

This Supplement (the "**Supplement**") to the Prospectus (the "**Prospectus**") dated 17 June 2008, 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**") and is prepared in connection with the £50,000,000,000 Euro Medium Term Note Programme (the "**Programme**") established by The Royal Bank of Scotland Group plc ("**RBSG**") and The Royal Bank of Scotland plc ("**RBS**") (each, an "**Issuer**" and together, the "**Issuers**"). Terms defined in the Prospectus have the same meaning when used in this Supplement.

Each Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each Issuer (each having 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.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus.

Amendment to the expected rating of certain Notes issued by RBSG and RBS

On 27 June 2008, Moody's Investors Service Limited ("**Moody's**") downgraded its ratings in respect of certain securities issued by RBSG and RBS pursuant to the Programme. By virtue of this Supplement, the sentence "In relation to RBSG, where a Tranche of Notes is rated by Moody's Investors Service Limited ("**Moody's**")", it is expected to be rated "Aa1" for Ordinary Notes with a maturity of one year or more, "Aa2" for both Dated Subordinated Notes and Undated Tier 2 Notes, "Aa3" for Tier 1 Notes and "P-1" for Ordinary Notes with a maturity of less than one year" contained in the fourth paragraph on page 2 of the Prospectus is hereby deleted and replaced with the following wording:

"In relation to RBSG, where a Tranche of Notes is rated by Moody's Investors Service Limited ("**Moody's**")", it is expected to be rated "Aa2" for Ordinary Notes with a maturity of one year or more, "Aa3" for Dated Subordinated Notes, "Aa3" for Undated Tier 2 Notes, "A1" for Tier 1 Notes and "P-1" for Ordinary Notes with a maturity of less than one year."

By virtue of this Supplement, the sentence "In relation to RBS, where a Tranche of Notes is rated by Moody's, it is expected to be rated "Aaa" for Ordinary Notes with a maturity of one year or more, "Aa1" for both Dated Subordinated Notes and Undated Tier 2 Notes and "P-1" for Ordinary Notes

with a maturity of less than one year” contained in the fifth paragraph beginning on page 2 of the Prospectus is hereby deleted and replaced with the following wording:

“In relation to RBS, where a Tranche of Notes is rated by Moody’s, it is expected to be rated “Aa1” for Ordinary Notes with a maturity of one year or more, “Aa2” for both Dated Subordinated Notes and Undated Tier 2 Notes and “P-1” for Ordinary Notes with a maturity of less than one year.”

By virtue of this Supplement, the wording “As defined by Moody’s, an “Aaa” rating means that the capacity of the relevant Issuer to meet its obligations on the Notes are of the highest quality, with minimal credit risk. and an “Aa” rating means that the capacity of the relevant Issuer to meet its obligations on the Notes are of high quality and subject to very low credit risk” contained in the third paragraph beginning on page 3 of the Prospectus is hereby deleted and replaced with the following wording:

“As defined by Moody’s, an “Aa” rating means that the capacity of the relevant Issuer to meet its obligations on the Notes are of high quality and subject to very low credit risk. An “A” rating means the capacity of the relevant Issuer to meet its obligations on the Notes are considered upper-medium grade and are subject to low credit risk.”

Amendment to the risk factor: “The Group’s borrowing costs and its access to the debt capital markets depends significantly on its credit ratings”

By virtue of this Supplement, the wording “On 22nd April 2008, Standard & Poor’s rating service affirmed the long-term rating of the Group as “AA-” with a negative outlook. However, on that same day, Moody’s rating service announced that it was placing the long-term ratings of NatWest, RBS, the subsidiaries of Citizens and the Group under review for possible downgrade and Fitch Ratings downgraded the Group to “AA” with a stable outlook” contained in the fifth paragraph beginning on page 20 of the Prospectus is hereby deleted and replaced with the following wording:

“On 22 April 2008, Fitch downgraded RBSG to “AA” with a stable outlook. On 19 June 2008, Standard & Poor’s affirmed the long-term rating of RBSG as “AA-” with a negative outlook. On 27 June 2008, Moody’s downgraded, *inter alia*, the senior debt and deposit rating of RBSG to “Aa2” and downgraded the senior debt and deposit rating of RBS to “Aa1”. On 27 June 2008, Moody’s also downgraded Subordinated Notes issued by RBSG to “Aa3” and Subordinated Notes issued by RBS to “Aa2”.”

To the extent that there is any inconsistency between any statement in this Supplement and any other statement in or incorporated by reference in the Prospectus, the statements in this Supplement will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

Investors should be aware of their rights under Section 87Q(4) of the FSMA.