

SUPPLEMENTARY OFFERING MEMORANDUM DATED DECEMBER 24, 2008



The Royal Bank of Scotland Group plc

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

as Issuer and Guarantor

The Royal Bank of Scotland plc

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

as Issuer

**U.S.\$35,000,000,000 Medium-Term Note Program
Due Six Months or More From Date of Issue**

This Supplement (the "Supplement") to the Offering Memorandum (the "Offering Memorandum") dated June 27, 2008, which comprises, except as set out therein, 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 U.S.\$35,000,000,000 Medium-Term Note Program (the "Program") established by The Royal Bank of Scotland Group plc ("RBSG" or the "Guarantor") and The Royal Bank of Scotland plc ("RBS") (each, an "Issuer" and together, the "Issuers"). Terms defined in the Offering Memorandum have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Memorandum and the documents incorporated by reference therein. This Supplement should also be read and construed in conjunction with the Supplementary Offering Memoranda dated September 29, 2008 and December 1, 2008 which have been previously published and have been approved by the Financial Services Authority (the "FSA") and filed with it and which form part of the Offering Memorandum.

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each of the Issuers and the Guarantor (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.

Ratings Information

The following sentence in the first paragraph of "Ratings Information":

"Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("**Standard & Poor's**") is expected to rate: senior notes issued by RBSG with a maturity of one year or more "A+"; senior notes issued by RBSG with a maturity of less than one year "A-1"; dated subordinated notes issued by RBSG "A"; and both undated tier 2 and tier 1 notes issued by RBSG "BBB+", all with a stable outlook."

shall be deleted and replaced with the following:

“Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. (“**Standard & Poor’s**”) is expected to rate: senior notes issued by RBSG with a maturity of one year or more “A”; senior notes issued by RBSG with a maturity of less than one year “A-1”; dated subordinated notes issued by RBSG “A-”; and both undated tier 2 and tier 1 notes issued by RBSG “BBB”.

The following sentence in the second paragraph of “Ratings Information”:

“Standard & Poor’s is expected to rate: senior notes issued by RBS with a maturity of one year or more “AA-”; senior notes issued by RBS with a maturity of less than one year “A-1+”; dated subordinated notes issued by RBS “A+”; and undated tier 2 notes issued by RBS “A-”, all with a stable outlook.”

Shall be deleted and replaced with the following:

“Standard & Poor’s is expected to rate: senior notes issued by RBS with a maturity of one year or more “A+”; senior notes issued by RBS with a maturity of less than one year “A-1”; dated subordinated notes issued by RBS “A”; and undated tier 2 notes issued by RBS “BBB+”.

Madoff Investment Securities

The Group has announced that it has exposure through trading and collateralised lending to funds of hedge funds invested with Bernard L Madoff Investment Securities LLC. If as a result of the alleged fraud the value of the assets of these hedge funds is nil, the Group’s potential loss could amount to approximately £400 million.

A copy of any or all of the information which is incorporated by reference in the Offering Memorandum can be obtained from the website of RBSG at www.rbs.com and from the London Stock Exchange plc’s website at www.londonstockexchange.com/en-gb/pricesnews/marketnews/.

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 Offering Memorandum, 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 Offering Memorandum has arisen or been noted, as the case may be, since the publication of the Offering Memorandum.

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