



## **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**

# **US\$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, the 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 US\$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.

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.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Memorandum. This Supplement should also be read and construed in conjunction with the Supplementary Offering Memorandum dated July 7, 2008, which has been previously published and has been approved by the UK Financial Services Authority (the "FSA") and filed with it and which forms part of the Offering Memorandum.

*RBSG Interim results as at and for the six month period ended June 30, 2008*

On August 8, 2008, RBSG released its unaudited Interim Results 2008 for the half year ended June 30, 2008 (the "RBSG Interim Results"). The RBSG Interim Results have been published via the Regulatory News Service of the London Stock Exchange plc and have been approved by the Financial Services Authority (the "FSA") or filed with it.

The RBSG Interim Results include: (i) Presentation of Information (excluding the section entitled "Pro forma results") (page 4); (ii) the section entitled "ABN AMRO integration" of the Group Chief Executive's Review on page 9; (iii) the section entitled "Outlook" of the Group Chief Executive's Review on page 11; (iv) Credit Market Exposures (pages 42-43); (v) the statutory results of RBSG in respect of the six months ended June 30, 2008 and the notes thereon, together with the related financial review and balance sheet overview, independent review report of Deloitte & Touche, regulatory ratios and other additional disclosures, as well as the principal risks and uncertainties for the Group in the second half of 2008, all as set on pages 63-80 and 86-92; and (vi) Appendix 2 – Credit market and related exposures – additional information (items (i) to (vi) together referred to herein as the "RBSG Interim Information").

By virtue of this Supplement, the RBSG Interim Information is incorporated in, and forms part of, the Offering Memorandum. Any information included in the RBSG Interim Results which is not included within the aforementioned RBSG Interim Information is given for information purposes only and is not incorporated by reference in this Supplement.

*RBSG Pro Forma Financial Information*

The pro forma financial information contained in Appendix 1 to this Supplement shall, by virtue of this Supplement, be incorporated in, and form part of, the Offering Memorandum.

*RBS Interim results as at and for the six month period ended June 30, 2008*

On September 2, 2008, RBS announced its unaudited Results for the half year ended June 30, 2008 (such announcement, save for the section entitled "Statement of directors' responsibilities" on page 17, being referred to herein as the "RBS Interim

Results”). The RBS Interim Results have been published via the Regulatory News Service of the London Stock Exchange plc and have been approved by the FSA or filed with it.

By virtue of this Supplement, the RBS Interim Results are incorporated in, and form part of, the Offering Memorandum.

*Amendments to “Documents Incorporated by Reference”*

Paragraph (h) in the “Documents Incorporated by Reference” section on page 4 of the Offering Memorandum is hereby deleted in its entirety; and

Paragraph (i) in the “Documents Incorporated by Reference” section on page 4 of the Offering Memorandum is hereby deleted in its entirety and replaced by “any interim report on Form 6-K that is specifically incorporated by reference in RBSG’s then current registration statement on Form F-3 providing for the offering of securities on a delayed or continuous basis pursuant to Rule 415 under the Securities Act.”.

*Disincorporation of the Update*

Those parts of the Update which are currently incorporated by reference into the Offering Memorandum, by virtue of this Supplement are no longer incorporated in, and do not form a part of, the Offering Memorandum.

*Disincorporation of Certain Information from Rights Issue Prospectus*

The following information included in the Rights Issue Prospectus, which is currently incorporated by reference into the Offering Memorandum, by virtue of this Supplement is no longer incorporated in, and does not form a part of, the Prospectus: (i) the first two paragraphs of page 11 and the section “Risks Related to RBS” on pages 11-15; (ii) the section “Directors, Company Secretary, Registered Office and Advisers” on pages 22-23; (iii) paragraph 3 (Credit market exposures) of Part I (Letter from the Chairman of RBS) on pages 26-27; (iv) paragraph 7 (Current trading and prospects) of Part I (Letter from the Chairman of RBS) on pages 29-31; (v) Part IV (Information on RBS) on pages 63-65; (vi) paragraph 1 (Business performance and operating and financial review) of Part V (Overview of Business Performance and Operating and Financial Review of RBS) on page 66; (vii) paragraph 2 (Capitalisation and Indebtedness) of Part V (Overview of Business Performance and Operating and Financial Review of RBS) on pages 66-67; (viii) paragraph 6 (Directors of the Company) of Part XII (Additional Information) on pages 101-107; (ix) paragraph 16 (Litigation) of Part XII (Additional Information) on pages 128-129; (x) paragraph 17 (Investigations) of Part XII (Additional Information) on pages 129-131; (xi) paragraph 22 (Working Capital) of Part XII (Additional Information) on page 134; and (xii) paragraph 23 (No Significant Change) of Part XII (Additional Information) on page 134.

*Amendment to Risk Factors*

The fifth sentence beginning “For capital planning purposes...” in the section “Risk Factors - The Group’s future earnings and financial condition could be affected by depressed asset valuations resulting from poor market conditions” on pages 14-15 of the Offering Memorandum will be deleted in its entirety.

*Change to Directors of RBSG*

On August 27, 2008, RBSG announced that Stephen Hester, John McFarlane and Arthur Ryan had been appointed Non-Executive Directors of RBSG with effect from October 1, 2008. RBSG also announced that Lawrence Kingsbaker Fish and Charles John Koch will retire as Non-Executive Directors ahead of the Annual General Meeting of RBSG in April 2009.

Stephen Hester is Chief Executive of The British Land Company PLC. He was formerly Chief Operating Officer and Finance Director of Abbey National plc and Chief Financial Officer of Credit Suisse First Boston. John McFarlane was formerly Chief Executive Officer of Australia and New Zealand Banking Group Limited, Group Executive Director of Standard Chartered plc and Managing Director of Citicorp Investment Bank Limited in London. Arthur Ryan was formerly Chief Executive Officer, President and Chairman of Prudential Financial, Inc. and President, Chief Operating Officer and Vice-Chairman of Chase Manhattan Bank.

*Amendment to “Recent Developments”*

The following paragraph shall be inserted after the section “Description of The Royal Bank of Scotland Group – Angel Trains” on page 27 of the Offering Memorandum:

*“Tesco Personal Finance*

On July 28, 2008, RBSG announced that it had agreed to sell its 50 per cent. shareholding in Tesco Personal Finance (“TPF”) to its joint venture partner, Tesco plc for a cash consideration of £950 million, subject to transaction adjustments. As part of this transaction, RBSG will continue to provide certain commercial services to TPF post completion. The sale is subject to regulatory approvals and completion is expected to take place before the end of 2008.”

*Amendments to “General Information”*

The sixth paragraph beginning “Save as regards...” in the “General Information” section on page 90 of the Offering Memorandum is hereby deleted in its entirety and replaced with the following:

Save as regards (i) the write-downs in respect of credit market exposures in the first six months of 2008 described on pages 42-43 and in Appendix II of the RBSG Interim Information and as described in the RBS Interim Results, both of which are incorporated by reference herein; (ii) the results of the Group in the first six months of 2008 as disclosed on pages 63-80 of the RBSG Interim Information (which is incorporated by reference herein) and in the pro forma financial information set out in Appendix 1 and the results of RBS and its subsidiaries as described in the RBS Interim Results (which are incorporated by reference herein); (iii) the ongoing restructuring and integration of ABN AMRO described on page 9 of the RBSG Interim Information which is incorporated by

reference herein; (iv) the outlook of the Group as discussed on page 11 of the RBSG Interim Information which is incorporated by reference herein; (v) the principal risks and uncertainties for the Group and RBS and its subsidiaries for the second half of 2008 as set out on page 92 of the RBSG Interim Information and as set out on page 16 of the RBS Interim Results, both of which are incorporated by reference herein; and (vi) the completion of the rights issue and the issue by RBS of one billion ordinary shares to RBSG (as discussed on page 23 in 'Description of The Royal Bank of Scotland Group' herein), there has been no significant change in the trading or financial position of the Group and RBS and its subsidiaries taken as a whole since June 30, 2008 (the last date on which the Group and RBS and its subsidiaries taken as a whole published audited or interim financial information) and no material adverse change in the prospects of the Group and RBS and its subsidiaries taken as a whole since December 31, 2007 (the date to which the latest audited published financial information of each of the Group and RBS and its subsidiaries taken as a whole was prepared)."

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

If the document which is incorporated by reference in this Supplement itself incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference in, or attached to, this Supplement.

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

Save as disclosed in this Supplement or in any document incorporated by reference in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Offering Memorandum and/or the Base Prospectus 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.

## APPENDIX 1

### UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

#### Unaudited pro forma condensed combined financial information

##### *Acquisition of ABN AMRO*

On October 17, 2007, RFS Holdings B.V. ("RFS Holdings"), a company jointly owned by the Consortium Banks and controlled by RBSG, completed the acquisition of ABN AMRO. RFS Holdings is in the process of implementing an orderly separation of the business units of ABN AMRO, with RBSG retaining the following ABN AMRO business units, as set out in the Consortium and Shareholders' Agreement dated May 28, 2007, among RBSG, Fortis N.V. and Fortis SA/NV (together, "Fortis"), Banco Santander S.A. and RFS Holdings, as amended from time to time (the "CSA"):

- continuing businesses of Business Unit ("BU") North America;
- BU Global Clients (excluding Brazil);
- Wholesale clients in the Netherlands (including former Dutch wholesale clients) and Latin America (excluding Brazil);
- BU Asia (excluding Saudi Hollandi); and
- BU Europe (excluding Antonveneta).

As established in the CSA, the following businesses have been or will be transferred to the other Consortium Banks:

- BU Netherlands (excluding wholesale clients);
- BU Private Clients;
- BU Asset Management (transferred to Fortis on April 3, 2008);
- BU Latin America (excluding wholesale and global clients businesses other than in Brazil) (transferred to Santander on July 24, 2008, excluding businesses in Paraguay and Uruguay); and
- Antonveneta (sold to Monte dei Paschi di Siena on May 30, 2008).

Certain other assets, BU Private Equity and Group Functions, will continue to be shared by the Consortium Banks, until disposal.

RFS Holdings is fully consolidated in RBSG's financial statements.

##### *Basis of preparation*

The unaudited pro forma condensed combined financial information is being provided to give a better understanding of what the results of operations and financial position of the Group might have looked like had the transfers of businesses to the other Consortium Banks occurred in respect of the unaudited pro forma condensed combined income statement (the "pro forma income statement") on January 1, 2008. In respect of the unaudited pro forma condensed combined balance sheet (the "pro forma balance sheet") it has been assumed that the acquisition of minority interests (see below) and the transfers of businesses to the other Consortium Banks occurred on June 30, 2008.

The unaudited pro forma condensed combined financial information (the "pro forma financial information") has been prepared solely for illustrative purposes and is not necessarily indicative of the combined results of operations or financial position of the Group that might have been achieved had the acquisition and transfers occurred on the dates indicated, nor is it necessarily indicative of the results of operations or financial position that may, or may be expected to, be achieved in the future. Due to its

nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position or results. The pro forma financial information has not been prepared in accordance with the requirements of Article 11 of Regulation S-X under the U.S. Securities Act of 1933. No account has been taken within the pro forma financial information of any synergy or efficiency benefits that may or may not be expected to occur as a result of the acquisition of ABN AMRO.

The pro forma financial information has been prepared using the purchase method of accounting, after giving effect to the pro forma adjustments described in the unaudited pro forma financial information and also reflects the transfer of businesses (but not shared assets) to the other Consortium Banks, as established in the CSA. The pro forma financial information also incorporates the proposed acquisition of minority interests – 0.965 per cent. ordinary shares and American depository shares, 13.9 per cent. formerly convertible preference shares and 0.25 per cent. financing preference shares of ABN AMRO not already owned by RFS Holdings at June 30, 2008 – expected to be completed before the end of 2008 under the Dutch squeeze-out procedures following the ruling of the Dutch Enterprise Chamber on May 15, 2008. The information below should be read together with the financial statements of RBSG.

**Unaudited pro forma condensed combined income statement for the six months ended 30 June 2008**

	RBSG <sup>(1)</sup>	Adjustments		Pro forma RBSG <sup>(4)</sup>
		Acquisition of minority interests <sup>(2)</sup>	Transfers to Fortis and Santander <sup>(3)</sup>	
		<i>£m</i>		
Net interest income	8,582	(5)	(1,391)	7,186
Net fees and commissions	3,729	–	(515)	3,214
Income from trading activities	(3,373)	–	(71)	(3,444)
Insurance premium income (net)	3,156	–	(295)	2,861
Other operating income	1,635	–	(129)	1,506
Non-interest income	5,147	–	(1,010)	4,137
Total income	13,729	(5)	(2,401)	11,323
Operating expenses	(10,571)	–	1,596	(8,975)
Profit before other operating charges and impairment losses	3,158	(5)	(805)	2,348
Insurance claims (net)	(2,189)	–	262	(1,927)
Impairment losses	(1,661)	–	183	(1,478)
Operating profit before tax	(692)	(5)	(360)	(1,057)
Tax	333	1	88	422
Profit from continuing operations	(359)	(4)	(272)	(635)
Attributable to:				
Minority interests	177	–	(272)	(95)
Other owners	225	–	–	225
Ordinary shareholders	(761)	(4)	–	(765)
	(359)	(4)	(272)	(635)
Per 25p ordinary share (pence):				

	RBSG <sup>(1)</sup>	Adjustments		Pro forma RBSG <sup>(4)</sup>
		Acquisition of minority interests <sup>(2)</sup>	Transfers to Fortis and Santander <sup>(3)</sup>	
		<i>£m</i>		
Basic (continuing operations)	(6.2)			(6.3)
Diluted (continuing operations)	(6.2)			(6.3)
Number of shares (million):				
Weighted average ordinary shares	12,197			12,197
Weighted average diluted ordinary shares	12,197			12,197

Notes:

- (1) The financial information for RBSG has been extracted from its unaudited interim results for the six months ended 30 June 2008 announced on 8 August 2008. Details of the acquisition of ABN AMRO are included in Note 35 of RBSG's audited Annual Report and Accounts 2007.
- (2) Acquisition of minority interests reflects interest payable of £5m for the period 1 January 2008 to 30 June 2008 on £205m of debt securities issued by RBSG to fund its share of the purchase of ABN AMRO's outstanding ordinary and preference shares under the squeeze-out procedures described in the "Basis of preparation" above less the related tax effect of £1m.
- (3) Businesses transferred or to be transferred to Fortis and Santander, as set out in the CSA. This information has been extracted from unaudited management information as at 30 June 2008 without material adjustment.
- (4) RBSG financial information including the effect of the ABN AMRO businesses to be retained by RBSG, as set out in the CSA.

**Unaudited pro forma condensed combined balance sheet as at 30 June 2008**

	RBSG <sup>(1)</sup>	Adjustments		Pro forma RBSG <sup>(4)</sup>
		Acquisition of minority interests <sup>(2)</sup>	Transfers to Fortis and Santander <sup>(3)</sup>	
		<i>£m</i>		
<b>Assets</b>				
Cash and balances at central banks	35,580	–	(367)	35,213
Loans and advances to banks	152,292	–	(655)	151,637
Loans and advances to customers	807,867	–	(117,478)	690,389
Securities	295,428	–	(15,026)	280,402
Derivatives	483,281	–	(325)	482,956
Intangible assets	43,471	280	(15,807)	27,944
Property, plant and equipment	16,172	–	(1,511)	14,661
Other assets	51,117	–	(1,380)	49,737
Assets of disposal groups	63,537	–	(57,808)	5,729
<b>Total assets</b>	<b>1,948,745</b>	<b>280</b>	<b>(210,357)</b>	<b>1,738,668</b>
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	Adjustments			Pro forma RBSG <sup>(4)</sup>
	RBSG <sup>(1)</sup>	Acquisition of minority interests <sup>(2)</sup>	Transfers to Fortis and Santander <sup>(3)</sup>	
	<i>£m</i>			
<b>Liabilities</b>				
Deposits by banks	245,184	–	5,782	250,966
Customer accounts	643,622	–	(107,956)	535,666
Debt securities in issue	274,719	205	(25,306)	249,618
Settlement balances and short positions	84,083	–	(10)	84,073
Derivatives	475,731	–	(83)	475,648
Subordinated liabilities	39,661	(2)	(3,162)	36,497
Other liabilities	37,273	–	(2,036)	35,237
Liabilities of disposal groups	44,779	–	(41,204)	3,575
<b>Total liabilities</b>	<b>1,845,052</b>	<b>203</b>	<b>(173,975)</b>	<b>1,671,280</b>
<b>Net assets</b>	<b>103,693</b>	<b>77</b>	<b>(36,382)</b>	<b>67,388</b>
Minority interests	42,056	77	(36,382)	5,751
Equity owners	61,637	–	–	61,637
<b>Total equity</b>	<b>103,693</b>	<b>77</b>	<b>(36,382)</b>	<b>67,388</b>

Notes:

- (1) The financial information for RBSG has been extracted from its unaudited interim results for the six months ended 30 June 2008 announced on 8 August 2008. Details of the acquisition of ABN AMRO are included in Note 35 of RBSG's audited Annual Report and Accounts 2007.
- (2) Acquisition of minority interests reflects the purchase of ABN AMRO's outstanding ordinary and preference shares under the squeeze-out procedures described in the "Basis of preparation" above and comprise:
  - (a) goodwill of £280m arising from the acquisition of 0.965 per cent. of ABN AMRO's ordinary shares, recorded as minority interests at 30 June 2008 (see 2(d) below), for a cash consideration of £533m, based on a price of €37.88 for each ABN AMRO ordinary share as stipulated by the Dutch Enterprise Chamber in its ruling of 15 May 2008;
  - (b) RBSG's share of the cash consideration of the acquisition of minority interests (representing ordinary shares of £204m and preference shares of £1m). This is assumed to be funded by the issue of debt securities,;
  - (c) acquisition of preference shares for a cash consideration of £2m; and
  - (d) elimination of the minority interest in the outstanding shares of ABN AMRO, £253m offset by an increase in the minority interests of Fortis and Santander in RFS Holdings of £330m.
- (3) Businesses transferred or to be transferred to Fortis and Santander, as set out in the CSA. This information has been extracted from unaudited management information as at 30 June 2008 without material adjustment.
- (4) RBSG financial information including the effect of the ABN AMRO businesses to be retained by RBSG, as set out in the CSA.