

ROYAL BANK OF SCOTLAND GROUP PLC
Form FWP
June 22, 2007

*Filed pursuant to Rule 433
Registration Statement No. 333-123972*

FINAL TERMSHEET

Issuer: The Royal Bank of Scotland Group plc

Transaction Size: US\$950,000,000 (38 million Shares)

Securities Issued: Category II Non-cumulative Dollar Preference Shares, Series S, to be delivered in the form of American Depositary Shares, with one American Depositary Share representing one Non-cumulative Dollar Preference Share

Expected Issue Ratings: Aa3 (Moody's) / A (Standard & Poor's) / AA (Fitch)

Maturity: Perpetual

Pricing Date: June 22, 2007

Settlement Date: June 28, 2007

Dividends: Non-cumulative dividends will be payable at a rate of US\$1.65 annually per Series S Preference Share, dividends payable for the initial long dividend period will be US\$0.4217 per Series S Preference Share. Dividends will accrue from the date of original issuance and will be payable when, as and if declared by the board of directors of the Group.

First Call Date: June 30, 2012

Call Features: The Series S Preference Shares are callable, at the option of the Company, in whole or in part from time to time, on any business day that falls on or after June 30, 2012 upon not less than 30 nor more than 60 days' notice prior to the date fixed for redemption thereof, at the redemption price of US\$25 per Series S Preference Share plus accrued and unpaid dividends otherwise payable for the then-current quarterly dividend period accrued to the date fixed for redemption. Redemption of the Series S Preference Shares may be subject to the prior consent of the FSA.

Dividend Payment Dates: Payable quarterly in arrears on March 31, June 30, September 30 and December 31

First Dividend Payment Date: September 30, 2007

Re-offer Issue Price: 100% or US\$25.00 per Series S Preference Share

Fees: US\$0.7875 per Series S Preference Share (US\$0.50 for sales to certain institutions)

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All-in Price:	US\$24.2125 per Series S Preference Share (US\$24.50 for sales to certain institutions)
Concession and Reallowance	US\$0.50/US\$0.45
Total Proceeds (To be Wired):	US\$920,075,000
Liquidation Preference:	US\$25.00
Physical Bookrunner:	Merrill Lynch, Pierce, Fenner & Smith Incorporated
Joint Bookrunner:	Greenwich Capital Markets, Inc. and Wachovia Capital Markets, LLC

Co-Managers:	Morgan Stanley & Co. Incorporated UBS Securities LLC
Junior-Managers:	Banc of America Securities LLC Lehman Brothers Inc. RBC Dain Rauscher Inc.
Listing:	NYSE (expected)
Distribution:	SEC registered
Settlement:	DTC and its participants, including Euroclear and Clearstream
CUSIP	780097 739
ISIN	US7800977396

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The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Merrill Lynch toll-free: 866-500-5408 or Wachovia toll-free: 1-866-289-1262.