

**FX Dynamic Guarantee US\$ Class Series 3 Notes and  
FX Dynamic Guarantee EUR Class Series 3 Notes**

segregated accounts of

**RBS FX Notes (Series 3) Limited**

Unaudited interim financial statements  
For the six months ended 30 June 2010

**FX Dynamic Guarantee US\$ Class Series 3 Notes and FX Dynamic Guarantee  
EUR Class Series 3 Notes**

segregated accounts of RBS FX Notes (Series 3) Limited

Unaudited interim financial statements for the six months ended 30 June 2010

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# **FX Dynamic Guarantee US\$ Class Series 3 Notes and FX Dynamic Guarantee EUR Class Series 3 Notes**

segregated accounts of RBS FX Notes (Series 3) Limited

## **Directors, officers and other information**

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**Directors of the Company**

Roderick M. Forrest  
Nicholas J. Hoskins

**Registered office**

Victoria Place  
31 Victoria Street  
Hamilton HM 10  
Bermuda

**Guarantor**

The Royal Bank of Scotland N.V.  
250 Bishopsgate  
London EC2M 4AA  
United Kingdom

**Administrator, registrar,  
company secretary and  
transfer agent**

Custom House Global Fund Services Limited  
Tigne Towers  
Tigne Street  
Sliema, SLM 3172  
Malta

**Payment bank**

First Caribbean Bank  
De Ruyterkade 61  
P.O. Box 3144  
Curacao  
Netherlands Antilles

**Auditor\***

Doran & Associates  
4<sup>th</sup> Floor, Crescent House  
Harstonge Street  
Limerick  
Ireland

**Legal advisor**

Wakefield Quin Limited  
Victoria Place, 1<sup>st</sup> Floor  
31 Victoria Street  
Hamilton HM 10  
Bermuda

\*These interim financial statements have not been audited or otherwise reviewed by the Company's auditor.

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## **FX Dynamic Guarantee US\$ Class Series 3 Notes and FX Dynamic Guarantee EUR Class Series 3 Notes**

segregated accounts of RBS FX Notes (Series 3) Limited

### **Directors' report**

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The directors of RBS FX Notes (Series 3) Limited (the "Company") present the unaudited interim financial statements of the FX Dynamic Guarantee US\$ Class Series 3 Notes and FX Dynamic Guarantee EUR Class Series 3 Notes, segregated accounts of the Company, (the "Note Accounts") for the six months ended 30 June 2010.

#### **Significant events during the period**

As described in the financial statements for the year ended 31 December 2009, in June 2009 the Note Accounts redeemed out of the Class G and Class H shares of the Master Company and entered stop-trigger trading. The Note Accounts are therefore no longer pursuing their investment objective and have invested in debt instruments with the objective of capital preservation.

There were no significant events or transactions outside of the normal course of business which are material to an understanding of the current interim period.

Related party transactions are detailed in note 4.

#### **Future developments**

The directors anticipate that, notwithstanding the substantial redemptions during the year, the Company will continue to operate until the maturity of the existing Notes in issue, being 23 June 2014. The directors anticipate that the Note Accounts will continue in stop-trigger trading until the maturity of the Notes.

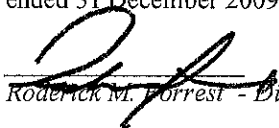
#### **Principal risks and uncertainties**

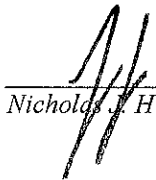
The directors note that the auditors issued a qualified opinion in their audit report accompanying the financial statements for the year ended 31 December 2009. This qualified opinion arose as a result of a limitation of scope arising from the unavailability of certain underlying accounting records.

The directors wish to further draw attention to notes 1 and 2, where the directors disclose that in preparing these unaudited interim financial statements, it has not been possible to present comparative information for the 6 months ended 30 June 2009. The directors have not presented a comparative for the unaudited condensed statements of comprehensive income, the unaudited condensed statements of changes in net assets attributable to noteholders or the unaudited condensed statements of cashflows for the 6 months ended 30 June 2009. The directors have presented a comparative to the unaudited condensed statement of financial position as at 31 December 2009.

Notwithstanding the above, the directors draw attention to the statement of directors' responsibility on page 3, where the directors confirm that to the best of their knowledge the unaudited interim financial statements give a true and fair view of the assets, liabilities, financial position and the profit for the year of the Note Accounts in accordance with International Financial Reporting Standards.

The principal risks and uncertainties to which the Note Accounts are exposed for the remainder of the year do not differ materially from those disclosed in the most recent financial statements for the year ended 31 December 2009.

  
Roderick M. Forrest - Director

  
Nicholas J. Hoskins - Director

\_\_ September 2011

## **FX Dynamic Guarantee US\$ Class Series 3 Notes and FX Dynamic Guarantee EUR Class Series 3 Notes**

segregated accounts of RBS FX Notes (Series 3) Limited

### **Statement of directors' responsibility**

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The directors have assumed responsibility for the preparation of the unaudited interim financial statements. In preparing those unaudited interim financial statements, the directors:

- ensure that the unaudited interim financial statements comply with the Memorandum of Association and Bye-laws and International Financial Reporting Standards subject to any material departures disclosed and explained in the financial statements;
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the unaudited interim financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

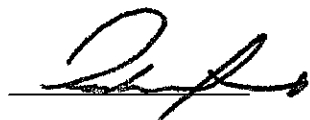
The directors are also required to keep proper accounting records and to manage the company in accordance with its private placing memorandum and articles of association. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

The Company is subject to Bermudan statute in the form of the Segregated Accounts Companies Act 2000, in addition to the listing requirements of NYSE Euronext Amsterdam and the Netherlands Act on Financial Supervision 2006.

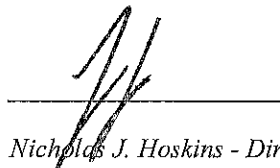
#### **Responsibility statement**

The directors confirm that to the best of their knowledge:

- The unaudited interim financial statements give a true and fair view of the assets, liabilities, profit for the period, and financial position of the Note Accounts in accordance with International Financial Reporting Standards; and
- The directors' report gives a true and fair view of the state of affairs of the Note Accounts as at 30 June 2010, the course of business during the financial half-year then ended, and describes the expected course of business for the remainder of the year.



*Roderick M. Forrest - Director*



*Nicholas J. Hoskins - Director*

\_\_ September 2011

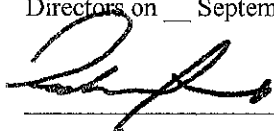
**FX Dynamic Guarantee US\$ Class Series 3 Notes and FX Dynamic Guarantee  
EUR Class Series 3 Notes**

segregated accounts of RBS FX Notes (Series 3) Limited

Unaudited condensed statements of financial position  
as at 30 June 2010

	<b>RBS FX Notes Series III USD 30 June 2010</b>	<b>RBS FX Notes Series III EUR 30 June 2010</b>
	<b>USD</b>	<b>EUR</b>
<b>Assets</b>		
Cash and cash equivalents	413,455	811,830
Investments in debt instruments	6,069,998	6,080,446
Other receivables and prepaid expenses	12,823	61,117
	<hr/>	<hr/>
<b>Total assets</b>	<b>6,496,276</b>	<b>6,953,393</b>
	<hr/>	<hr/>
<b>Liabilities</b>		
Management fee payable	727,604	719,023
Other payables and accruals	34,524	26,571
Administration fee payable	6,281	11,247
	<hr/>	<hr/>
<b>Total liabilities (excluding net assets attributable to noteholders)</b>	<b>768,409</b>	<b>756,841</b>
	<hr/>	<hr/>
<b>Net assets attributable to noteholders</b>	<b>5,727,867</b>	<b>6,196,552</b>
	<hr/>	<hr/>
<b>Net asset value per Note</b>		
Number of Notes in issue	5,728,000	6,009,000
Net asset value per Note	USD 1.0000	EUR 1.0312

The unaudited interim financial statements set out on pages 4 to 12 were approved by the Board of Directors on \_\_ September 2011 and signed on its behalf by:



*Roderick M. Forrest - Director*



*Nicholas J. Hoskins - Director*

*The accompanying notes form an integral part of these unaudited interim financial statements.*

**FX Dynamic Guarantee US\$ Class Series 3 Notes and FX Dynamic Guarantee  
EUR Class Series 3 Notes**

segregated accounts of RBS FX Notes (Series 3) Limited

Unaudited condensed statements of financial position  
as at 31 December 2009

	<b>RBS FX Notes Series III USD 31 December 2009</b>	<b>RBS FX Notes Series III EUR 31 December 2009</b>
	<b>USD</b>	<b>EUR</b>
<b>Assets</b>		
Cash and cash equivalents	885,937	1,174,733
Investments in debt instruments	6,061,735	6,088,708
Other receivables and prepaid expenses	19,367	13,578
	<hr/>	<hr/>
<b>Total assets</b>	<b>6,967,039</b>	<b>7,277,019</b>
	<hr/>	<hr/>
<b>Liabilities</b>		
Management fee payable	742,059	809,876
Guarantee and facilitation fees payable	31,586	29,945
Other payables and accruals	18,553	15,930
	<hr/>	<hr/>
<b>Total liabilities (excluding net assets attributable to noteholders)</b>	<b>792,198</b>	<b>855,751</b>
	<hr/>	<hr/>
<b>Net assets attributable to noteholders</b>	<b>6,174,841</b>	<b>6,421,268</b>
	<hr/>	<hr/>
<b>Net asset value per Note</b>		
Number of Notes in issue	6,518,000	6,521,000
Net asset value per Note	USD 0.9473	EUR 0.9847

*The accompanying notes form an integral part of these unaudited interim financial statements.*

**FX Dynamic Guarantee US\$ Class Series 3 Notes and FX Dynamic Guarantee  
EUR Class Series 3 Notes**

segregated accounts of RBS FX Notes (Series 3) Limited

Unaudited condensed statements of comprehensive income

*for the six months ended 30 June 2010*

	<b>RBS FX Notes Series III USD 30 June 2010*</b>	<b>RBS FX Notes Series III EUR 30 June 2010*</b>
	<b>USD</b>	<b>EUR</b>
<b>Investment income</b>		
Interest income	-	613
Movement in investments held at fair value through profit or loss	348,694	278,929
	<hr/>	<hr/>
<b>Total investment income</b>	<b>348,694</b>	<b>279,542</b>
	<hr/>	<hr/>
<b>Expenses</b>		
Guarantee fee expense/(credit)	18,248	(21,445)
Administration fees	12,825	14,625
Other operating expenses	7,620	8,602
Transaction fees and commissions	4,410	7,804
Audit fees	3,770	3,076
	<hr/>	<hr/>
<b>Total expenses</b>	<b>46,873</b>	<b>12,662</b>
	<hr/>	<hr/>
<b>Change in net assets attributable to noteholders from operations</b>	<b>301,821</b>	<b>266,880</b>
	<hr/>	<hr/>

*\*As detailed in notes 1 and 2, no comparative is presented for the period ended 30 June 2009.*

*The accompanying notes are an integral part of these unaudited interim financial statements.*



**FX Dynamic Guarantee US\$ Class Series 3 Notes and FX Dynamic Guarantee EUR Class Series 3 Notes**

segregated accounts of RBS FX Notes (Series 3) Limited

Unaudited condensed statements of changes in net assets attributable to noteholders  
for the six months ended 30 June 2010

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	<b>RBS FX Notes Series III USD 30 June 2010* USD</b>	<b>RBS FX Notes Series III EUR 30 June 2010* EUR</b>
<b>Operating activities</b>		
Change in net asset attributable to noteholders from operations	301,821	266,880
Redemption of notes during the period	(748,795)	(491,596)
	<hr/>	<hr/>
<b>Decrease in net assets attributable to noteholders during the period</b>	(446,974)	(224,716)
Net assets attributable to noteholders at the beginning of the period	6,174,841	6,421,268
	<hr/>	<hr/>
<b>Net assets attributable to noteholders at the end of the period</b>	<u>5,727,867</u>	<u>6,196,552</u>

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*\*As detailed in notes 1 and 2, no comparative is presented for the period ended 30 June 2009.*

*The accompanying notes are an integral part of these unaudited interim financial statements.*

**FX Dynamic Guarantee US\$ Class Series 3 Notes and FX Dynamic Guarantee  
EUR Class Series 3 Notes**

segregated accounts of RBS FX Notes (Series 3) Limited

**Unaudited condensed statements of cash flows**

*for the six months ended 30 June 2010*

	<b>RBS FX Notes Series III USD 30 June 2010* USD</b>	<b>RBS FX Notes Series III EUR 30 June 2010* EUR</b>
<b>Cash flows from operating activities</b>		
Change in net assets attributable to noteholders from operations	301,821	266,880
<b>Changes in operating assets and liabilities</b>		
(Increase)/decrease in investment in debt instrument	(8,263)	8,262
Decrease/(increase) in other receivables and prepaid expenses	6,544	(47,539)
Decrease in total fees payable	(23,789)	(98,910)
	<hr/>	<hr/>
<b>Net cash provided by operating activities</b>	276,313	128,693
	<hr/>	<hr/>
<b>Financing activities</b>		
Payments on redemption of notes	(748,795)	(491,596)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	(748,795)	(491,596)
	<hr/>	<hr/>
<b>Net decrease in cash and cash equivalents</b>	(472,482)	(362,903)
Cash and cash equivalents at beginning of period	885,937	1,174,733
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of period</b>	413,455	811,830
	<hr/>	<hr/>

*\*As detailed in notes 1 and 2, no comparative is presented for the period ended 30 June 2009.*

*The accompanying notes form an integral part of these unaudited interim financial statements.*

# **FX Dynamic Guarantee US\$ Class Series 3 Notes and FX Dynamic Guarantee EUR Class Series 3 Notes**

segregated accounts of RBS FX Notes (Series 3) Limited

Notes to and forming part of the unaudited interim financial statements for the six months ended 30 June 2010

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## **1 Company information and significant events**

RBS FX Notes (Series 3) Limited, formerly ABN Amro FX Notes (Series 3) Limited, (the “Company”), is a limited liability company incorporated under the laws of Bermuda and registered as a segregated accounts company in accordance with the Segregated Accounts Companies Act 2000 (the “SAC Act”). The Company maintains its registered office in Bermuda. The Company has established two segregated accounts, being the Note Accounts “US\$ Class” and “EUR Class”, which offer two separate classes of Notes denominated in US Dollars (“US\$”) and Euro (“EUR”) respectively. These unaudited interim financial statements are those of the Note Accounts.

The objective of the Company was to achieve medium-term capital gains in the net asset value of the Notes, to be achieved through investing the proceeds of the issue of the Notes in shares of Prime Investments Managed Account Master Limited (the “Master Company”). The Master Company was incorporated in Bermuda on 24 September 2003 with limited liability and registered as a segregated accounts company under the SAC Act.

In respect of the Notes, the Company invested the proceeds of the US\$ Class in the Class G Shares issued by the Master Company and the proceeds of the EUR Class in the Class H Shares issued by the Master Company. The objective of the Master Company in respect of the Class G Fund and the Class H Fund was to achieve medium-term capital gains in the net asset value of the funds through the implementation of a quantitatively driven currency investment process. The Master Company has multiple additional share classes. In June 2009, the Note Accounts redeemed out of the Class G and Class H funds of the Master Company and both classes of Notes entered stop-trigger trading. The Note Accounts are therefore no longer pursuing their investment objective and have invested in debt instruments with the objective of capital preservation.

Royal Bank of Scotland N.V., formerly ABN Amro Bank N.V., (the “Bank”) acts as Guarantor to the Company. The Company appointed Custom House Global Fund Services Limited as the administrator (the “Administrator”) of the Company on 5 August 2010 with an effective date of 1 January 2009 replacing Equity Trust Company (Curaçao) N.V.

The financial statements of the Note Accounts for the year ended 31 December 2009 are the first set to have been approved and filed. No financial statements were prepared in respect of previous periods. The underlying accounting records relating to periods prior to the year ended 31 December 2009 are incomplete and as such it has not been possible to present comparative information in full. Refer to note 2.

At 30 June 2010, the Company had no employees.

The US\$ Class and EUR Class Notes of the Company are listed on NYSE Euronext. The home member state to whose transparency laws the Company is subject is The Netherlands. The competent authority responsible for the ongoing supervision of the Company is The Netherlands Authority for the Financial Markets.

The unaudited interim financial statements have not been audited or reviewed by the Company’s auditor.

The unaudited interim financial statements were approved by the Board of Directors on \_\_ September 2011.

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## **FX Dynamic Guarantee US\$ Class Series 3 Notes and FX Dynamic Guarantee EUR Class Series 3 Notes**

segregated accounts of RBS FX Notes (Series 3) Limited

Notes to and forming part of the unaudited interim financial statements for the six months ended 30 June 2010 (*continued*)

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### **2 Significant accounting policies**

#### **Statement of compliance**

These unaudited interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations adopted by International Accounting Standards Board ("IASB").

The significant accounting policies adopted by the Company are as detailed in the most recent annual financial statements, for the year ended 31 December 2009.

The financial statements for the year ended 31 December 2009 were the first set to have been approved and filed. No financial statements were prepared in respect of previous periods. The underlying accounting records relating to periods prior to the year ended 31 December 2009 are incomplete and as such it was not possible to present comparative information in full in the financial statements for the year ended 31 December 2009.

In preparing these unaudited interim financial statements, it has similarly not been possible to present comparative information for the 6 months ended 30 June 2009. The directors have not presented a comparative for the unaudited condensed statement of comprehensive income, the unaudited condensed statement of changes in net assets attributable to noteholders or the unaudited condensed statement of cashflows for the 6 months ended 30 June 2009. The directors have presented an unaudited condensed statement of financial position as at 30 June 2010, with a comparative as at 31 December 2009.

In this respect the unaudited interim financial statements do not comply in full with IFRS, in particular IAS 34 *Interim Financial Reporting* which requires the inclusion of a comparative statement of comprehensive income, statement of changes in net assets attributable to noteholders and statement of cashflows for the comparable year-to-date period of the immediately preceding financial year.

### **3 Significant events during the period**

There were no significant events or transactions outside of the normal course of business which are material to an understanding of the current interim period.

### **4 Related party transactions**

Royal Bank of Scotland N.V. is a related party of the company and acts as the Guarantor, and earned guarantee fees during the period. The Note Accounts' investments are held in custody by Royal Bank of Scotland N.V., which is also the Guarantor.

The directors of the Company reserve the right to charge all or any of their reasonable fees and expenses to the Company, subject to an annual limit of EUR 5,000 (or equivalent).

There were no other related party transactions.

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## FX Dynamic Guarantee US\$ Class Series 3 Notes and FX Dynamic Guarantee EUR Class Series 3 Notes

segregated accounts of RBS FX Notes (Series 3) Limited

Notes to and forming part of the unaudited interim financial statements for the six months ended 30 June 2010 *(continued)*

### 5 Contingency

The Notes are guaranteed by the London Branch of Royal Bank of Scotland N.V. in respect of 100% of the face value of each Note. The guarantees are only available in respect of the Notes outstanding as at the maturity date and are not applicable to any Notes which are redeemed prior to the maturity date.

### 6 Subsequent events

There were no material subsequent events which necessitate revision of the figures included in the financial statements.

### 7 Reconciliation of audited net asset value to net asset value as reported to the noteholders in the calculation of the dealing net asset value

During the audit of the financial statements for the year ended 31 December 2009, certain audit adjustments were identified and actioned. These adjustments primarily related to the write-back of over-accruals. The below table reconciles the resulting difference between the net asset value as reported to noteholders and the net asset value per the financial statements.

	<b>RBS FX Notes Series III US\$ 31-Dec-09 USD</b>	<b>RBS FX Notes Series III EUR 31-Dec-09 EUR</b>
Net assets per financial statements	6,174,841	6,421,268
Audit adjustments, write-back of over-accruals	(93,807)	(278,662)
<b>Net assets as reported to noteholders</b>	<b>6,081,034</b>	<b>6,142,606</b>
	USD	EUR
<i>A reconciliation of the net asset value per note is as follows:</i>		
Net asset value per note as per the financial statements	0.9473	0.9847
Audit adjustments, write-back of over-accruals	(0.014)	(0.0428)
<b>Net asset value per note as reported to shareholders</b>	<b>0.933</b>	<b>0.9419</b>

**FX Dynamic Guarantee USS Class Series 3 Notes and FX Dynamic Guarantee EUR Class Series 3 Notes**

segregated accounts of RBS FX Notes (Series 3) Limited

Notes to and forming part of the unaudited interim financial statements for the six months ended 30 June 2010 *(continued)*

**7 Reconciliation of audited net asset value to net asset value as reported to the noteholders in the calculation of the dealing net asset value *(continued)***

	<b>RBS FX Notes Series III USD 30-June-10 USD</b>	<b>RBS FX Notes Series III EUR 30-June-10 EUR</b>
Net assets per unaudited interim financial statements	5,727,867	6,196,552
Effect of audit adjustments brought forward	(90,777)	(130,429)
<b>Net assets as reported to noteholders</b>	<b>5,637,090</b>	<b>6,066,123</b>
	USD	EUR
<i>A reconciliation of the net asset value per note is as follows:</i>		
Net asset value per note per unaudited interim financial statements	1.0000	1.0312
Effect of audit adjustments brought forward	(0.0159)	(0.0217)
<b>Net asset value per note as reported to shareholders</b>	<b>0.9841</b>	<b>1.0095</b>

**8 Approval of unaudited interim financial statements**

The unaudited interim financial statements were approved by the Board of Directors on \_\_ September 2011.