

FX Dynamic Guarantee USD 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 2012

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

segregated accounts of RBS FX Notes (Series 3) Limited

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Unaudited interim financial statements for the six months ended 30 June 2012

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## **FX Dynamic Guarantee USD 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 USD Class Series 3 Notes and FX Dynamic Guarantee EUR Class Series 3 Notes (the "Note Accounts"), segregated accounts of the Company, for the six months ended 30 June 2012.

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

Any significant events or transactions outside of the normal course of business which are material to an understanding of the current interim period are disclosed in note 3.

Related party transactions are detailed in note 4.

#### **Future developments**

The directors anticipate that the Note Accounts 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 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 annual financial statements.



*Rodrick M. Forrest - Director*



*Nicholas J. Hoskins - Director*

4 December 2012

**FX Dynamic Guarantee USD 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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<b>Directors of the Company</b>	Roderick M. Forrest Nicholas J. Hoskins
<b>Registered office</b>	Victoria Place 31 Victoria Street Hamilton HM 10 Bermuda
<b>Guarantor</b>	The Royal Bank of Scotland N.V. 250 Bishopsgate London EC2M 4AA United Kingdom
<b>Administrator, registrar and transfer agent</b>	Custom House Global Fund Services Limited Tigne Towers Tigne Street Sliema, SLM 3172 Malta
<b>Payment bank</b>	<i>(from May 2012)</i> The Royal Bank of Scotland International Limited Royal Bank House, 2 Victoria St Douglas, Isle of Man IM99 1NJ United Kingdom  <i>(until May 2012)</i> First Caribbean Bank De Ruyterkade 61 P.O. Box 3144 Curacao Netherlands Antilles
<b>Auditor*</b>	Doran & Associates 4 <sup>th</sup> Floor, Crescent House Harstonge Street Limerick Ireland
<b>Company Secretary and legal advisor</b>	MQ Services Ltd 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 USD 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' responsibilities**

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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.

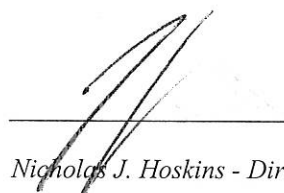
#### **Responsibility statement**

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 or loss 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 2012, 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*

4 December 2012

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

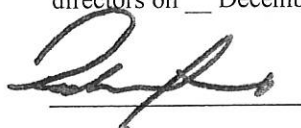
segregated accounts of RBS FX Notes (Series 3) Limited

**Unaudited condensed statement of financial position**


as at 30 June 2012

	<b>RBS FX Notes Series III USD 30 June 2012 USD</b>	<b>RBS FX Notes Series III USD 31 December 2011 USD</b>	<b>RBS FX Notes Series III USD 30 June 2011 USD</b>
<b>Assets</b>			
Cash and cash equivalents	234,550	208,713	245,403
Investments in debt instruments	3,655,900	3,877,694	4,094,583
Other receivables and prepaid expenses	5,535	30,962	7,203
<b>Total assets</b>	<b>3,895,985</b>	<b>4,117,369</b>	<b>4,347,189</b>
<b>Liabilities</b>			
Management fee payable	227,604	227,604	227,604
Guarantee and facilitation fee payable	63,925	45,337	13,450
Other payables and accruals	21,340	25,689	16,628
Audit fee payable	20,238	-	14,448
<b>Total liabilities (excluding net assets attributable to Noteholders)</b>	<b>333,107</b>	<b>298,630</b>	<b>272,130</b>
<b>Net assets attributable to Noteholders</b>	<b>3,562,878</b>	<b>3,818,739</b>	<b>4,075,059</b>
<b>Net asset value per Note</b>			
Number of Notes in issue	3,514,000	3,759,000	4,029,000
Net asset value per Note	USD 1.0139	USD 1.0159	USD 1.0114

The unaudited interim financial statements set out on pages 4 to 15 were approved by the board of directors on \_\_ December 2012 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 USD Class Series 3 Notes and FX Dynamic  
Guarantee EUR Class Series 3 Notes**

segregated accounts of RBS FX Notes (Series 3) Limited

Unaudited condensed statement of financial position  
as at 30 June 2012

	<b>RBS FX Notes Series III EUR 30 June 2012 EUR</b>	<b>RBS FX Notes Series III EUR 31 December 2011 EUR</b>	<b>RBS FX Notes Series III EUR 30 June 2011 EUR</b>
<b>Assets</b>			
Cash and cash equivalents	59,546	325,970	354,802
Investments in debt instruments	2,496,797	2,487,116	4,173,715
Other receivables and prepaid expenses	164,365	160,006	7,151
	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	<b>2,720,708</b>	<b>2,973,092</b>	<b>4,535,668</b>
	<hr/>	<hr/>	<hr/>
<b>Liabilities</b>			
Other payables and accruals	44,801	295,092	290,741
Management fee payable	219,023	219,033	219,023
Guarantee and facilitation fee payable	57,128	44,451	28,358
	<hr/>	<hr/>	<hr/>
<b>Total liabilities (excluding net assets attributable to Noteholders)</b>	<b>320,962</b>	<b>558,576</b>	<b>538,122</b>
	<hr/>	<hr/>	<hr/>
<b>Net assets attributable to Noteholders</b>	<b>2,399,746</b>	<b>2,414,516</b>	<b>3,997,546</b>
	<hr/>	<hr/>	<hr/>
<b>Net asset value per Note</b>			
Number of Notes in issue	2,419,000	2,444,000	4,259,000
Net asset value per Note	EUR 0.9920	EUR 0.9879	EUR 0.9386

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

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

segregated accounts of RBS FX Notes (Series 3) Limited

Unaudited condensed statement of comprehensive income  
for the six months ended 30 June 2012

	<b>RBS FX Notes Series III USD 30 June 2012 USD</b>	<b>RBS FX Notes Series III USD 30 June 2011 USD</b>
<b>Investment income</b>		
Movement in investments held at fair value through profit or loss	33,387	77,633
<b>Total investment income</b>	33,387	77,633
<b>Expenses</b>		
Guarantee and facilitation fee	18,588	11,326
Corporate secretarial fee	7,500	9,045
Audit fee	6,860	11,928
Administration fee	6,250	6,250
Other operating expenses	2,246	5,460
<b>Total expenses</b>	41,444	44,009
<b>Change in net assets attributable to Noteholders from operations</b>	(8,057)	33,624

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



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

segregated accounts of RBS FX Notes (Series 3) Limited

Unaudited condensed statement of comprehensive income  
for the six months ended 30 June 2012

	RBS FX Notes Series III EUR 30 June 2012 EUR	RBS FX Notes Series III EUR 30 June 2011 EUR
<b>Investment income</b>		
Movement in investments held at fair value through profit or loss	39,728	(7,858)
<b>Total investment income/ (deficit)</b>	39,728	(7,858)
<b>Expenses</b>		
Guarantee and facilitation fee	12,678	28,358
Corporate secretarial fee	5,715	4,707
Audit fee	5,250	8,733
Administration fee	4,763	4,395
Other operating expenses	1,525	4,549
<b>Total expenses</b>	29,931	50,742
<b>Change in net assets attributable to Noteholders from operations</b>	9,797	(58,600)

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

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

segregated accounts of RBS FX Notes (Series 3) Limited

Unaudited condensed statement of changes in net assets attributable to Noteholders  
for the six months ended 30 June 2012

	<b>RBS FX Notes Series III USD 30 June 2012 USD</b>	<b>RBS FX Notes Series III USD 30 June 2011 USD</b>
<b>Operating activities</b>		
Change in net asset attributable to Noteholders from operations	(8,057)	33,624
Redemption of Notes during the period	(247,804)	(528,207)
<b>Decrease in net assets attributable to Noteholders during the period</b>	<b>(255,861)</b>	<b>(494,583)</b>
Net assets attributable to Noteholders at the beginning of the period*	3,818,739	4,569,642
<b>Net assets attributable to Noteholders at the end of the period</b>	<b>3,562,878</b>	<b>4,075,059</b>

\*The beginning of the period is 1 January 2012 and 1 January 2011 respectively.

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

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

segregated accounts of RBS FX Notes (Series 3) Limited

Unaudited condensed statement of changes in net assets attributable to Noteholders  
for the six months ended 30 June 2012

	RBS FX Notes Series III EUR 30 June 2012 EUR	RBS FX Notes Series III EUR 30 June 2011 EUR
<b>Operating activities</b>		
Change in net asset attributable to Noteholders from operations	9,797	(58,600)
Redemption of Notes during the period	(24,567)	(849,440)
<b>Decrease in net assets attributable to Noteholders during the period</b>	<b>(14,770)</b>	<b>(908,040)</b>
Net assets attributable to Noteholders at the beginning of the period*	2,414,516	4,905,586
<b>Net assets attributable to Noteholders at the end of the period</b>	<b>2,399,746</b>	<b>3,997,546</b>

\*The beginning of the period is 1 January 2012 and 1 January 2011 respectively.

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

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

segregated accounts of RBS FX Notes (Series 3) Limited

**Unaudited condensed statement of cash flows**

*for the six months ended 30 June 2012*

	<b>RBS FX Notes Series III USD 30 June 12 USD</b>	<b>RBS FX Notes Series III USD 30 June 2011 USD</b>
<b>Cash flows from operating activities</b>		
Change in net assets attributable to Noteholders from operations	(8,057)	33,624
<b>Changes in operating assets and liabilities</b>		
Decrease in investment in debt instruments	221,794	1,059,240
Decrease in other receivables and prepaid expenses	25,427	5,921
Increase in total fees payable	34,477	(514,440)
<b>Net cash provided by operating activities</b>	<b>273,641</b>	<b>584,345</b>
<b>Financing activities</b>		
Payments on redemption of Notes	(247,804)	(528,207)
<b>Net cash used in financing activities</b>	<b>(247,804)</b>	<b>(528,207)</b>
<b>Net increase in cash and cash equivalents</b>	<b>25,837</b>	<b>56,138</b>
Cash and cash equivalents at beginning of period*	208,713	189,265
<b>Cash and cash equivalents at end of period</b>	<b>234,550</b>	<b>245,403</b>

*\*The beginning of the period is 1 January 2012 and 1 January 2011 respectively.*

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

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

segregated accounts of RBS FX Notes (Series 3) Limited

**Unaudited condensed statement of cash flows**

*for the six months ended 30 June 2012*

	<b>RBS FX Notes Series III EUR 30 June 2012 EUR</b>	<b>RBS FX Notes Series III EUR 30 June 2011 EUR</b>
<b>Cash flows from operating activities</b>		
Change in net assets attributable to Noteholders from operations	9,797	(58,600)
<b>Changes in operating assets and liabilities</b>		
(Increase)/decrease in investment in debt instrument	(9,681)	1,474,635
(Increase)/decrease in other receivables and prepaid expenses	(4,359)	3,267
Decrease in total fees payable	(237,614)	(501,145)
<b>Net cash (used in)/provided by operating activities</b>	<b>(241,857)</b>	<b>918,157</b>
<b>Financing activities</b>		
Payments on redemption of Notes	(24,567)	(849,440)
<b>Net cash used in financing activities</b>	<b>(24,567)</b>	<b>(849,440)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(266,424)</b>	<b>68,717</b>
Cash and cash equivalents at beginning of period*	325,970	286,085
<b>Cash and cash equivalents at end of period</b>	<b>59,546</b>	<b>354,802</b>

*\*The beginning of the period is 1 January 2012 and 1 January 2011 respectively.*

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

## **FX Dynamic Guarantee USD 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 2012

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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 “USD Class” and “EUR Class”, which offer two separate classes of Notes denominated in US Dollars (“USD”) 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 USD 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 on the occurrence of a stop trading trigger event. 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. (the “Guarantor”) acts as Guarantor to the Company. Custom House Global Fund Services Limited acts as the administrator (the “Administrator”) of the Company.

At 30 June 2012 and 2011, the Company had no employees.

The USD 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 4 December 2012.

## **FX Dynamic Guarantee USD 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 2012 (*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 accounting policies have been applied consistently by the Company and are consistent with those used in the most recent annual financial statements.

The significant accounting policies adopted by the Company are as detailed in the most recent annual financial statements.

Although a stop trading trigger event occurred in June 2009, the Directors have prepared the financial statements on a going concern basis as no formal decision has been taken in respect of the winding up or closure of the Company.

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

In January 2012 the Company's payment bank, First Caribbean Bank, froze all payments from the Company's bank account. First Caribbean Bank took this action following an internal audit which revealed that it did not hold the necessary due diligence documentation on the Company. The Directors of the company wrote to shareholders advising them of a potential delay in the payment of redemptions. In May 2012 the account was unfrozen and the Company transferred its account to Royal Bank of Scotland International.

### **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). The directors fees are including within corporate secretarial fees in the statement of comprehensive income.

There were no other related party transactions.

### **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.

# FX Dynamic Guarantee USD 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 2012 (*continued*)

## 6 Reconciliation of audited net asset value to net asset value as reported to the Noteholders in the calculation of the dealing net asset value

The below table reconciles the resulting difference between the net asset value as reported to Noteholders and the net asset value per the unaudited interim financial statements for the six month period ended 30 June 2012, for the year ended 31 December 2011 and for the six month period ended 30 June 2011.

	RBS FX Notes Series III USD 30 June 2012 USD	RBS FX Notes Series III EUR 30 June 2012 EUR
Net assets per unaudited interim financial statements	3,562,878	2,399,746
Effect of adjustments	(24,344)	(18,425)
<b>Net assets as reported to Noteholders</b>	<b>3,538,534</b>	<b>2,381,321</b>

*A reconciliation of the net asset value per Note is as follows:*

Net asset value per Note per unaudited interim financial statements	1.0139	0.9920
Effect of adjustments	(0.0069)	(0.0076)
<b>Net asset value per Note as reported to Noteholders</b>	<b>1.0070</b>	<b>0.9844</b>

	31 Dec 2011 USD	31 Dec 2011 EUR
Net assets presented as comparative	3,818,739	2,414,516
Effect of adjustments	(24,343)	(18,425)
<b>Net assets as reported to Noteholders</b>	<b>3,794,396</b>	<b>2,396,091</b>

*A reconciliation of the net asset value per Note is as follows:*

Net asset value per Note presented as comparative	1.0159	0.9879
Effect of adjustments	(0.0065)	(0.0075)
<b>Net asset value per Note as reported to Noteholders</b>	<b>1.0094</b>	<b>0.9804</b>



## FX Dynamic Guarantee USD 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 2012 *(continued)*

### 6 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)*

	RBS FX Notes Series III USD 30 June 2011 USD	RBS FX Notes Series III EUR 30 June 2011 EUR
Net assets per unaudited interim financial statements	4,075,059	3,997,546
Effect of adjustments	(35,890)	238,780
<b>Net assets as reported to Noteholders</b>	<b>4,039,169</b>	<b>4,236,326</b>

*A reconciliation of the net asset value per Note is as follows:*

Net asset value per Note per unaudited interim financial statements	1.1143	0.9386
Effect of adjustments	(0.1118)	0.0561
<b>Net asset value per Note as reported to Noteholders</b>	<b>1.0025</b>	<b>0.9947</b>

### 8 Subsequent events

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

### 9 Approval of unaudited interim financial statements

The unaudited interim financial statements were approved by the board of directors on 4 December 2012.



Total Shareholders Equity

Total Shareholders Equity