PROSPECTUS

THE ROYAL BANK OF SCOTLAND N.V.
(previously named ABN AMRO Bank N.V.)
(*incorporated in The Netherlands with its statutory seat in Amsterdam*)

PROSPECTUS RELATING TO

EUR 172,000,000 – 8 YEARS 100% Capital Protected Securities Linked to a basket of 50 world shares

(ISIN XS0226751419**)**

The Issue price of EUR 172,000,000 8 years 100% Capital Protected Securities linked to a basket of 50 shares (ISIN XS0226751419) (hereafter referred to as the "**Securities**") issued by The Royal Bank of Scotland N.V. (previously named ABN AMRO Bank N.V.) (the "**Issuer**" or "**RBS N.V.**") on 30 September 2005 was EUR 1,000.00 per Security. This document is a prospectus for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and constitutes the Prospectus relating to the issue of Securities and should be read in conjunction with all documents that are deemed to be incorporated herein by reference and shall be read and construed on the basis that such documents are incorporated in and form part of the Prospectus. Full information on the Securities and the Issuer is only available on the basis of the combination of this Prospectus and the Registration Document. As set out in "*Documents Incorporated by Reference*", the Registration Document is deemed to be incorporated in and forms a part of this Prospectus. Any Securities issued on or after the date of this Prospectus are issued on the basis of the provisions described herein.

The Securities are in bearer form and in the denomination of EUR 1,000. The Securities were initially in the form of a Global Note (the "**Global Note**"), which were deposited on or around the Issue Date (as defined below) with a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). The Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Securities in definitive form in the denomination of EUR 1,000 with no interest coupons attached. See "*Summary of Provisions Relating to the Securities in Global Form*".

Prospective purchasers of the Securities should ensure that they understand fully the nature of the Securities and the extent of their exposure to the risks associated with the Securities. The market price and / or value of the Securities may be volatile and holders of the Securities (the "**Holders**" and "**Holder**" shall be construed accordingly) may not receive any return on the value of their investment. Prospective purchasers need to consider the suitability of an investment in the Securities in light of

their own financial, fiscal, regulatory and other circumstances. A discussion of principal risk factors that could affect Holders are contained in the section headed "*Risk Factors*" but this Prospectus does - not describe all of the risks of an investment in the Securities. Please refer to the sections headed "*Risk Factors*" in the Prospectus and in the Registration Document for a more complete explanation of the risks associated with an investment in the Securities.

No person has been authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Where information has been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Application will be made to Luxembourg Stock Exchange ("**Luxembourg Stock Exchange**") for the Securities to be admitted to trading and listed on the regulated market of the Luxembourg Stock Exchange. References in this Prospectus to the Securities being "**listed**" (and all related references) shall mean that application will be made for the Securities to be admitted to trading on the regulated market of Luxembourg Stock Exchange which is a regulated market for the purpose of Directive 93/22/EC (the "**Investment Services Directive**"). At the date of this Prospectus the Securities were not admitted for listing on any exchange.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Securities. Neither the delivery of this document nor any information provided in the course of a transaction in the Securities shall, in any circumstances, be construed as a recommendation by the Issuer to enter into any transaction with respect to the Securities. Each prospective investor contemplating a purchase of the Securities should make its own independent investigation of the risks associated with a transaction involving the Securities.

An investment in the Securities is only suitable for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The delivery of this document does not at any time imply that there has been no change in the affairs of the Issuer since the date of this Prospectus. The Issuer does not intend to provide any post-issuance information.

The Issuer does not represent that this document may be lawfully distributed, or that Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, which would permit a public offering of the Securities or possession or distribution of this Prospectus or any offering material in relation to the Securities in any jurisdiction where action for that purpose is required, save in the Netherlands, where this Prospectus has been approved by the competent local

authority in accordance with the Prospectus Directive and in Luxembourg, where this Prospectus will be notified to the competent authority in accordance with the Prospectus Directive. No offers, sales or deliveries of any Securities, or distribution of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligation on the Issuer. For a description of certain restrictions on offers, sales and deliveries of Securities and the distribution of this document and other offering material relating to the Securities please refer to "*Selling Restrictions*" in this Prospectus.

All references in this Prospectus to "**EUR**" in this Prospectus refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

The Royal Bank of Scotland N.V.

ISIN: XS0226751419

The date of this Prospectus is 13 October, 2011

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SUMMARY

This summary must be read as an introduction to this Prospectus and any decision to invest in the Securities should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. No civil liability attaches to the Issuer in respect of this Summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a Member State of the European Economic Area (an "EEA State"), the plaintiff may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Words and expressions defined elsewhere in this Prospectus shall have the same meanings in this summary.

Issuer	The Royal Bank of Scotland N.V. (previously named ABN AMRO Bank N.V.) (the "**Issuer**" or "**RBS N.V.**"), acting through its London Branch of 250 Bishopsgate, London, EC2M 4AA. The Royal Bank of Scotland plc is expected to become the issuer of the Securities pursuant to Part VII of the UK Financial Services and Markets Act 2000 ("the Part VII Scheme") (unless the Securities have been exercised, redeemed or repurchased and cancelled prior to the implementation of the Part VII Scheme). Please refer to the section entitled "Proposed transfer of activities" as provided in this section below, the section entitled "Proposed Transfers" in the section "Essential Characteristics of the Issuer" and the section entitled "Proposed Transfers" in the General Information section.
History and Incorporation	RBS N.V. is a public limited liability company incorporated under Dutch law on 7 February 1825. RBS N.V. is registered in the Trade Register of Amsterdam under number 33002587. RBS N.V.'s registered office is at Gustav Mahlerlaan 350 17A90, 1082 ME Amsterdam, The Netherlands. RBS N.V. is a wholly-owned subsidiary of RBS Holdings N.V. (formerly named ABN AMRO Holding N.V.) ("**RBS Holdings**"), which is a public limited liability company incorporated under Dutch law on 30 May 1990. The registered office of RBS Holdings is at Gustav Mahlerlaan 350 17A90, 1082 ME Amsterdam, The Netherlands. RBS Holdings has one subsidiary, RBS N.V., and RBS N.V. has various subsidiaries. As used herein, the "**Group**" refers to RBS Holdings and its consolidated subsidiaries. The term "**RBSG**" refers to The Royal Bank of Scotland Group plc and the "**RBSG Group**" refers to RBSG and its subsidiaries consolidated in accordance with International Financial Reporting Standards. The term "**RBS**" refers to The Royal Bank of Scotland plc and the RBS Group refers to RBS and its subsidiaries consolidated in

accordance with International Financial Reporting Standards.

Overview

The Issuer is a bank licensed by the Dutch Central Bank (*De Nederlandsche Bank*).

The Issuer operates on a significant scale across Europe, Middle East and Africa (EMEA), the Americas and Asia.

The Group had total assets of €200.4 billion and owner's equity of €4.95 billion as at 31 December 2010. As at 31 December 2010, the Group's capital ratios were a total capital ratio of 15.8 per cent., a Core Tier 1 capital ratio of 8.7 per cent. and a Tier 1 capital ratio of 11.0 per cent.

RBS Holdings and RBS N.V. form part of the RBSG Group. RBSG is the holding company of a large global banking and financial services group. Headquartered in Edinburgh, the RBSG Group operates in the United Kingdom, the United States and internationally through its three principal subsidiaries, RBS, National Westminster Bank Public Limited Company ("**NatWest**") and RBS N.V.. Both RBS and NatWest are major United Kingdom clearing banks. In the United States, the RBSG Group's subsidiary Citizens is a large commercial banking organisation. Globally, the Group has a diversified customer base and provides a wide range of products and services to personal, commercial and large corporate and institutional customers.

The RBSG Group had total assets of £1,446.0 billion and owners' equity of £74.7 billion as at 30 June 2011. As at 30 June 2011, the RBSG Group's capital ratios were a total capital ratio of 14.4 per cent., a Core Tier 1 capital ratio of 11.1 per cent. and a Tier 1 capital ratio of 13.5 per cent.

The RBS Group had total assets of £1,299.7 billion and owners' equity of £56.9 billion as at 30 June 2011. As at 30 June 2011, the RBS Group's capital ratios were a total capital ratio of 14.0 per cent., a Core Tier 1 capital ratio of 8.7 per cent. and a Tier 1 capital ratio of 10.6 per cent."; and

The Group had total consolidated assets of €206.7 billion as at 30 June 2011. As at 30 June 2011, the Group's Tier 1 and Core Tier 1 capital ratios were 9.6 per cent. and 7.4 per cent., respectively.

Group Organisational Structure

RBS N.V. comprises the following four segments:

- Global Banking & Markets ("**GBM**"): The GBM segment represents the business providing an extensive range of debt and equity financing, risk management and investment services as a leading banking partner to major corporations and financial institutions around the world. The GBM business within the Group is organised along four principal business lines: Global Lending, Equities, Short Term Markets & Funding, and Local Markets.

- Global Transaction Services ("**GTS**"): GTS provides global transaction services, offering Global Trade Finance, Transaction Banking and International Cash Management.

- Central Items: The Central Items segment includes group and corporate functions, such as treasury, capital management and finance, risk management, legal, communications and human resources. Central Items manages the Group's capital resources, statutory and regulatory obligations and provides services to the branch network.

- Non-Core Segment: The Non-Core segment contains a range of businesses and asset portfolios managed separately that the Group intends to run off or dispose of, in line with the RBSG Group strategy for Non-Core assets. It also includes the remaining assets and liabilities in RBS N.V. that have not yet been sold, wound down or alternatively transferred by the Consortium Members (as defined below), in which each of the Consortium Members has a joint and indirect interest.

Global Banking & Markets, Global Transaction Services and Central Items comprise the Group's Core segments.

These RBS N.V. businesses are part of global business units of the RBS Group that operate across multiple legal entities. The strategy of RBS N.V. is part of the overall business strategy of the RBSG Group. RBS Holdings has been restructured into Core and Non-Core components. The RBSG Group expects to substantially run down or dispose of the businesses, assets and portfolios within the Non-Core division by 2013 and has completed the sale of businesses in Latin America, Asia, Europe and the Middle East.

Separation from the ABN AMRO group

On 17 October 2007, RFS Holdings B.V. ("**RFS Holdings**"), which at the time was owned by RBSG, Fortis N.V., Fortis S.A./N.V., Fortis Bank Nederland (Holding) N.V. and Banco Santander, S.A. ("**Santander**"), completed the acquisition of ABN AMRO Holding N.V., which was renamed RBS Holdings N.V. on 1 April 2010 when the shares in ABN AMRO Bank N.V. were transferred to ABN AMRO Group N.V., a holding company for the interests of the State of The Netherlands (the "**Dutch State**"). This marked a substantial completion of the restructuring of the activities of ABN AMRO Holding N.V. in accordance with the agreement between RBSG, the Dutch State and Santander (the "**Consortium Members**"). RBS Holdings has one direct subsidiary, RBS N.V., a fully operational bank within the Group, which is independently rated and regulated by the Dutch Central Bank.

On 31 December 2010, the share capital of RFS Holdings was amended, such that approximately 98 per cent. of RFS Holdings' issued share capital is now held by RBSG, with the remainder being held by Santander and the Dutch State. Ultimately it is expected that RFS Holdings will become a wholly-owned subsidiary of RBSG.

Proposed transfer of activities:

On 19 April 2011, the Boards of RBSG, RBS, RBS Holdings and RBS N.V. announced that they had approved the proposed transfers of a substantial part of the business activities of RBS N.V. to RBS (the "Proposed Transfers"), subject, amongst other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures.

It was also announced that it was expected that the Proposed Transfers would be implemented on a phased basis over a period ending 31 December 2013 and that a large part of the Proposed Transfers (including the transfers of certain securities issued by RBS N.V.) was expected to have taken place by the end of 2012. Where available and practicable, statutory transfer schemes will be used to implement the Proposed Transfers. Subject to internal approvals, it is expected that these will include a banking business transfer scheme in respect of eligible business carried on by RBS N.V. pursuant to the Part VII Scheme. Implementation of the Part VII Scheme was subject (amongst other matters) to court and regulatory approval. In advance of that, certain disclosure relating to RBS has been incorporated by reference in this Prospectus.

On 21 July 2011, RBS and RBS N.V. announced details of the RBS N.V. securities in respect of which RBS is expected to become the issuer as a result of the Part VII Scheme. It has been indicated that RBS is expected to become the issuer of the Securities described in this Prospectus as a result of the Part VII Scheme (subject to the Securities not having been exercised, redeemed or repurchased and cancelled prior to the implementation of the Part VII Scheme).

On 22 July 2011, RBS and RBS N.V. announced that they presented a petition to the Court of Session in Scotland (the Court) on 21 July 2011 for an order under Part VII of the UK Financial Services and Markets Act 2000 to sanction the Part VII Scheme. Subject to regulatory approval and provided the Court makes an order sanctioning the Part VII Scheme, it is expected that the Part VII Scheme will become effective on 17 October 2011 or such other date as RBS and RBS N.V. may agree in writing. The boards of RBS and RBS N.V. also announced on 22 July 2011 (i) the proposed amendments to be made to the terms of securities in respect of which RBS is expected to become the issuer as a result of the Part VII Scheme (the Part VII Securities) and to agreements RBS N.V. has entered into related to such securities in order to give effect to the Part VII Scheme and, amongst other matters, to mitigate certain potential adverse effects on holders of securities of RBS N.V. and (ii) certain restrictions

which are proposed to be placed on RBS in relation to the Part VII Securities.

On 23 September, 2011, RBS and RBS N.V. announced that the Court of Session in Scotland had pronounced an order under Part VII of the UK Financial Services and Markets Act 2000 sanctioning the implementation of a banking business transfer scheme whereby the Securities (amongst others) would be transferred to The Royal Bank of Scotland plc pursuant to the Part VII Scheme. The Part VII Scheme is expected to take effect on 17 October 2011.

Risk Factors relating to the Issuer

• The Group is reliant on the RBSG Group. Prospective investors should note that the Group is subject to certain risks specific to the RBSG Group including, without limitation, instability in the global financial markets, lack of liquidity, depressed asset valuations, geopolitical conditions, full nationalisation and other resolution procedures under the Banking Act 2009 and risks related to the entry into the asset protection scheme.

• The Group's businesses and performance can be negatively affected by actual or perceived global economic and financial market conditions and by other geopolitical risks.

• An extensive restructuring and balance sheet reduction programme of the RBSG Group is ongoing and may adversely affect the Group's business, results of operations, financial condition, capital ratios and liquidity and may also negatively impact the value of securities issued by RBS Holdings and RBS N.V..

• The execution and/or any delay in the execution (or non-completion) of the approved proposed transfers of a substantial part of the business activities of RBS N.V. to RBS may have a material adverse effect on the Group and may also negatively impact the value of securities issued by RBS Holdings and RBS N.V..

• Lack of liquidity is a risk to the Group's business and there is a risk that the Group's ability to access sources of liquidity and funding could become constrained.

• The financial performance of the Group has been materially affected by deteriorations in borrower and counterparty credit quality and it may continue to be impacted by any further deteriorations, including as a result of prevailing economic and market conditions, and legal and regulatory developments.

• The Group's earnings and financial condition have been, and its future earnings and financial condition may continue to be, materially affected by depressed asset valuations resulting from poor market conditions.

• Changes in interest rates, foreign exchange rates, credit spreads, bond, equity and commodity prices, basis, volatility and correlation risks and other market factors have significantly affected and will continue to affect the Group's business and results of operations.

• The Group's borrowing costs, its access to the debt capital markets and its liquidity depend significantly on its credit ratings.

• The Group's business performance could be adversely affected if its capital is not managed effectively or as a result of changes to capital adequacy and liquidity requirements.

• The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgements and estimates that may change over time or may ultimately not turn out to be accurate.

• The Group operates in markets that are highly competitive and its business and results of operations may be adversely affected.

• As a condition to the RBSG Group receiving HM Treasury support, the Group is prohibited from making discretionary coupon payments on, and exercising call options in relation to, certain of its existing hybrid capital instruments, which may impair the Group's ability to raise new capital through the issuance of Securities.

• The Group could fail to attract or retain senior management, which may include members of the Group's Supervisory Board and Managing Board, or other key employees, and it may suffer if it does not maintain good employee relations.

• Each of the Group's businesses is subject to substantial regulation and oversight. Significant regulatory developments, including changes in tax law, could have an adverse effect on how the Group conducts its business and on its results of operations and financial condition.

• The Group is and may be subject to litigation and regulatory investigations that may impact its business.

• The Group may be required to make further contributions to its pension schemes if the value of pension fund assets is not sufficient to cover potential obligations.

• The Group is subject to enforcement risks relating to the United States Department of Justice's criminal investigation of its dollar clearing activities.

• The legal demerger of ABN AMRO Bank N.V. (as it was then named) has resulted in a cross liability that changes the legal recourse available to investors.

• Operational risks are inherent in the Group's businesses.

• The Group’s operations have inherent reputational risk.

• The recoverability and regulatory capital treatment of certain deferred tax assets recognised by the Group depends on the Group's ability to generate sufficient future taxable profits and there being no adverse changes to tax legislation, regulatory requirements or accounting standards.

• Risks relating to the Asset Protection Scheme and the Contracts.

• The extensive governance, asset management and information requirements under the Scheme Conditions, which the Group is required to comply with, or to ensure that RBS can comply with, pursuant to the Contracts may have an adverse impact on the Group. In addition, any changes or modifications to the Scheme Conditions may have a negative impact on the expected benefits of the Contracts and may have an adverse impact on the Group.

• Any changes to the expected regulatory capital treatment of the Contracts may negatively impact the Group’s capital position.

• Fulfilling the disclosure obligations of the Group under the Contracts may give rise to litigation and regulatory risk.

In relation to RBS

- RBSG and its United Kingdom bank subsidiaries may face the risk of full nationalisation or other resolution procedures under the Banking Act 2009.

- Various actions may be taken under the Banking Act 2009 in relation to any securities issued by RBS without the consent of the holders thereof.

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The Independent Commission on Banking has published its final report on competition and possible structural reforms in the UK banking industry. The implementation of the recommendations included in the final report could have a material adverse effect on the RBSG Group

- The RBSG Group’s businesses and performance can be negatively affected by actual or perceived global economic and financial market conditions and by other geopolitical risks.

- The RBSG Group is subject to a variety of risks as a result of implementing the state aid restructuring plan and is prohibited from making discretionary dividend or coupon payments on existing hybrid capital instruments (including preference shares and B shares) which may impair the RBSG Group’s ability to raise new Tier 1 capital.

- The occurrence of a delay in the implementation of (or any failure to implement) the approved proposed transfers of a substantial part of the business activities of RBS N.V. to RBS may have a material adverse effect on the RBSG Group.

- The RBSG Group's ability to implement its strategic plan depends on the success of the RBSG Group's refocus on its core strengths and its balance sheet reduction programme.

- Lack of liquidity is a risk to the RBSG Group's business and there is a risk that the RBSG Group's ability to access sources of liquidity and funding could become constrained.

- The financial performance of the RBSG Group has been materially affected by deteriorations in borrower and counterparty credit quality and it may continue to be impacted by any further deteriorations, including as a result of prevailing economic and market conditions, and legal and regulatory developments.

- The RBSG Group's earnings and financial condition have been, and its future earnings and financial condition may continue to be, materially affected by depressed asset valuations resulting from poor market conditions.

- The value or effectiveness of any credit protection that the RBSG Group has purchased depends on the value of the underlying assets and the financial condition of the insurers and counterparties.

- Changes in interest rates, foreign exchange rates, credit spreads, bond, equity and commodity prices, basis, volatility and correlation risks and other market factors have significantly affected and will continue to affect the RBSG Group's business and results of operations.

- The RBSG Group's borrowing costs, its access to the debt capital markets and its liquidity depend significantly on its and the United Kingdom Government's credit ratings.

- The RBSG Group's business performance could be adversely affected if its capital is not managed effectively or as a result of changes to capital adequacy and liquidity requirements.

- The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgements and estimates that may change over time or may ultimately not turn out to be accurate.

- The RBSG Group operates in markets that are highly competitive and its business and results of operations may be adversely affected.

- The RBSG Group could fail to attract or retain senior management, which may include members of the board, or other key employees, and it may suffer if it does not maintain

good employee relations.

- Each of the RBSG Group's businesses is subject to substantial regulation and oversight. Significant regulatory developments, including changes in tax law, could have an adverse effect on how the RBSG Group conducts its business and on its results of operations and financial condition.

- The RBSG Group is and may be subject to litigation and regulatory investigations that may impact its business.

- The RBSG Group's results have been and could be further materially adversely affected in the event of goodwill impairment.

- The RBSG Group may be required to make further contributions to its pension schemes if the value of pension fund assets is not sufficient to cover potential obligations.

- Operational risks are inherent in the RBSG Group's businesses.

- HM Treasury (or UKFI on its behalf) may be able to exercise a significant degree of influence over the RBSG Group and any proposed offer or sale of its interests may affect the price of the Securities.

- The RBSG Group's operations have inherent reputational risk.

- In the United Kingdom and in other jurisdictions, the RBSG Group is responsible for contributing to compensation schemes in respect of banks and other authorised financial services firms that are unable to meet their obligations to customers.

- The recoverability and regulatory capital treatment of certain deferred tax assets recognised by the RBSG Group depends on the RBSG Group's ability to generate sufficient future taxable profits and there being no adverse changes to tax legislation, regulatory requirements or accounting standards.

- The RBSG Group's participation in the asset protection scheme is costly and may not produce the regulatory capital benefits expected and the occurrence of associated risks may have a material adverse impact on the RBSG Group's business, capital position, financial condition and results of operations.

- The extensive governance, asset management and information requirements under the scheme conditions and any changes or modifications to the scheme conditions may have a negative impact on the expected benefits of the asset protection scheme and may have an adverse impact on the RBSG Group.

- Any changes to the expected regulatory capital treatment of the asset protection scheme, the B shares and the contingent B shares may negatively impact the RBSG Group's capital position.

- The costs of the asset protection scheme may be greater than the benefits received by the RBSG Group and the fair value of the asset protection scheme can impact the RBSG Group's results of operations.

- Participation in the asset protection scheme may result in greater tax liabilities for the RBSG Group and the loss of potential tax benefits.

- Participation in the asset protection scheme may give rise to litigation and regulatory risk.

- RBS has entered into a credit derivative and a financial guarantee contract with RBS N.V. which may adversely affect the RBS Group's results.

- If the RBSG Group is unable to issue the contingent B shares to HM Treasury, it may have a material adverse impact on the RBSG Group's capital position, liquidity, operating results and future prospects.

Risk factors relating to the Securities

In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Securities. Several factors beyond the control of the Issuer which may influence the value of the Securities are, among others: (i) the value of the Securities may fluctuate based on the value of the Shares (as defined below), (ii) there may not be secondary market in the Securities, (iii) Holders have no ownership interest in the Shares (iv) there may be limitations on a Holder's right to exercise the Securities or there may be delays in effecting settlement, (v) the volatility (i.e. the frequency and magnitude of changes) in the prices of the Shares, (vi) currency exchanges rates, interest rates and yields in the market generally and (vii) economic, financial, political and regulatory or judicial events that affect the financial markets generally and which may affect the price of the Shares, see *"Risk Factors"* in this Prospectus.

- The Securities may not be a suitable investment for all investors and each potential investor must determine the suitability in light of its own circumstances. Some Securities are complex financial instruments and a potential investor should not invest in such Securities unless it has the relevant expertise.

• Several factors will influence the value of the Securities and many of which are beyond the Issuer's control. Such factors include changes in the value of the Shares, interest rate risk with respect to the currency of denomination of the Shares and/or the Securities, the volatility of the Shares, fluctuations in the rates of exchange or value of currencies relating to the Securities and/or the Shares, restrictions on the

exchangeability of currencies relating to the Securities and/or the Shares, disruptions affecting the value or settlement of the Securities and/or the Shares and the creditworthiness of the Issuer.

• There may not be a secondary market in the Securities. As a consequence, liquidity in the Securities should be considered as a risk. In the event that such a secondary market does not develop, an investor selling the Securities is unlikely to be able to sell its Securities or at prices that will provide him with a yield comparable to similar investments that have developed a secondary market.

• As part of its issuing, market making and/or trading arrangements, the Issuer may issue more Securities than those which are to be subscribed or purchased by third party investors. The issue size is therefore not indicative of the depth or liquidity of the market or of the demand for such Series of Securities.

• The Securities may not be a perfect hedge to the Shares nor may it be possible to liquidate the Securities at a level which directly reflects the price of the Shares.

• The Issuer and/or its affiliates may enter into transactions or carry out other activities in relation to the Shares which may affect the market price, liquidity or value of the Shares and/or the Securities in a way which could be adverse to the interests of the Holders.

• The Issuer's hedge position (if any) in the jurisdiction of the relevant Shares could be impacted by foreign exchange control restrictions. In certain circumstances, including the insolvency of the hedging counterparty or the unenforceability of the associated hedging transaction (if any), the investor may lose some or all of its investment.

• The Securities convey no interest in the Shares to the investors. The Issuer may choose not to hold the Shares or any derivative contracts linked to the Shares.

• The Calculation Agent is the agent of the Issuer and not the Holders. The Calculation Agent may make adjustments as a result of certain corporate actions affecting the Shares. In making such adjustments, the Calculation Agent is entitled to exercise substantial discretion and may be subject to conflicts of interest.

• Taxes may be payable by purchasers and sellers of the Securities and tax regulations and their application may change from time to time.

• If payments on the Securities are or become subject to a withholding or deduction required by law, none of the Issuer, the Principal Agent nor any other person shall pay any additional amounts to the Holders in respect of such withholding or deduction.

	• The Issuer may elect to terminate the Securities early should U.S. withholding tax apply to any current or future payments on the Security. • The Issuer may terminate the Securities early if it determines that the performance of its obligations under the Securities or that maintaining its hedging arrangement (if any) is no longer legal or practical in whole or in part for any reason. • Where the Securities are held in global or dematerialised form by or on behalf of a clearing system, the Issuer and any Agent shall treat the bearer of the Securities or the relevant clearing system as the sole holder of such Securities. Holders must look to the relevant clearing system in respect of payments made in respect of such Securities. • Where an investor uses a nominee service provider or holds interests in Securities through accounts with a clearing system, such investor will receive payments in respect of the Securities solely on the basis of the arrangements with such third party and is exposed to the credit risk and default risk of such third party. • An investor's total return on an investment in any Securities will be affected by the level of fees charged by any nominee service provider or clearing system used by the investor. • No assurance can be given as to the impact of any possible change to English law or administrative practice. English law may be materially different from the equivalent law in the home jurisdiction of prospective investors. • Credit ratings assigned to the Securities may not reflect the potential impact of all the risks that may affect the value of the Securities. • The investment activities of investors may be restricted by legal investment laws and regulations, or by the review or regulation by certain authorities. • The Issuer may make modifications to the Securities without the consent of the Holders which may affect the Holders' interest for the purpose of curing an error or ambiguity, substituting itself as debtor or in any other manner which is not materially prejudicial to the interests of the Holders.
Guarantor	RBS Holdings N.V. pursuant to its declaration under Article 2:403 of the Netherlands Civil Code.
Principal Agent and Paying Agent	The Royal Bank of Scotland N.V. (previously named ABN AMRO Bank N.V.), acting through its offices at 250 Bishopsgate, London, EC2M 4AA.
Calculation Agent	BNP Paribas

Securities	EUR 172,000,000 – 8 years 100% Capital Protected Securities linked to a basket of 50 world shares (ISIN XS0226751419).
Description of the Securities	The Securities are cash settled capital protected securities. At maturity a cash amount equal to at least 100% of the Nominal Amount (as defined below) per security will be paid, plus depending upon the value of the Shares only an additional Payout. The Securities bear no interest on the Nominal Amount. The conditions applicable to the Securities are contained in the general conditions (the "**General Conditions**") and the product conditions (the "**Product Conditions**") set out in this Prospectus. As at the date of this Prospectus, the Number of Share(s) (as defined in the Product Conditions) is greater than 7, hence the Payout will be equal to 10% and each Security, unless previously redeemed, repurchased, or cancelled will be redeemed by the Issuer at a Cash Amount equal to EUR 1,100 on the Settlement Date.
Shares	A basket of 50 world shares, each as provided in Annex A attached hereto.
Issue Size	EUR 172,000,000.
Issue Date	30 September, 2005.
Settlement Currency	EUR.
1. Issue Price	100.00 of the Nominal Amount (as defined below).
2. Maturity Date	30 September, 2013.
3. Cash Amount	The Cash Amount payable at redemption on the Settlement Date will be at least 100% of the Nominal Amount, and payable in accordance with the formula below, unless previously redeemed, repurchased or cancelled and subject as provided by the General Conditions and Product Conditions. $$NA \times \left(1 + MAX\left(10\%; Payout\right)\right)$$ Where "NA" shall have the same meaning as 'Nominal Amount'. The Cash Amount payable to a Holder shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;
4. Nominal Amount	EUR 1,000.
ISIN	XS0226751419.
Common Code	22675141.
General Conditions	Set out below is a summary of certain significant provisions

	of the General Conditions applicable to the Securities.
Status of the Securities	The Securities constitute unsecured and unsubordinated obligations of the Issuer and rank *pari passu* among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory provisions of law.
Early Termination	The Issuer may terminate any Securities if it shall have determined in its absolute discretion that for reasons beyond its control its performance thereunder shall have become unlawful in whole or in part as a result of compliance in good faith by the Issuer with any applicable law. In such circumstances the Issuer will, to the extent permitted by law, pay to each Holder in respect of each Security held by such Holder an amount calculated by it as the fair market value of the Security immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any related hedging arrangements.
Hedging Disruption	If a Hedging Disruption Event (as defined in General Condition 5) occurs, the Issuer will at its discretion (i) terminate the Securities and pay to each Holder in respect of each Security held by such Holder an amount calculated by it as the fair market value of the Security immediately prior to such termination less the cost to the Issuer of unwinding any related hedging arrangements or (ii) make a good faith adjustment to the relevant reference asset as described in General Condition 5(c) or (iii) make any other adjustment to the Conditions as it considers appropriate in order to maintain the theoretical value of the Securities after adjusting for the relevant Hedging Disruption Event.
Substitution	The Issuer may at any time, without the consent of the Holders substitute for itself as principal obligor under the Securities any company, being any subsidiary or affiliate of the Issuer, subject to certain conditions including the obligations of the substitute issuer under the Securities being guaranteed by RBS Holdings (unless RBS Holdings is the Substitute).
Taxation	The Holder (and not the Issuer) shall be liable for and/or pay any tax, duty or charge in connection with, the ownership of and/or any transfer, payment or delivery in respect of the Securities held by such Holder. The Issuer shall have the right, but shall not be obliged, to withhold or deduct from any amount payable to any Holder such amount as shall be necessary to account for or to pay any such tax, duty, charge, withholding or other payment.
Product Conditions	Set out below is a summary of certain significant provisions of the Product Conditions applicable to the Securities.
Form of Securities	The Securities were issued in global form.
Settlement of the Securities	The Securities shall be cash settled.
Market Disruption Events	If a Market Disruption Event occurs Holders may experience a delay in the settlement and the cash price paid on the settlement may be adversely affected. Market Disruption Events are specified in Product Condition 4.

Selling Restrictions	There are restrictions on the sale of the Securities and the distribution of the offering material in certain jurisdictions including the United States and the European Economic Area (including the United Kingdom and The Netherlands). In addition, these Securities may not be offered or sold: (i) to any person/entity listed on sanctions lists of the European Union, United States or any other applicable local competent authority; (ii) within the territory of Cuba, Sudan, Iran and Myanmar; (iii) to residents in Cuba, Sudan, Iran or Myanmar; (iv) to Cuban Nationals, wherever located.
Governing Law	English law.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Securities. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Securities issued are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Securities issued, but the inability of the Issuer to pay principal or other amounts on or in connection with any Securities, or to perform any delivery obligations in relation to the Securities, may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Securities are exhaustive. Prospective investors in the Securities should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Before making an investment decision with respect to any Securities, prospective investors in the Securities should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Securities and consider such an investment decision in the light of the prospective investor's personal circumstances.

The Issuer disclaims any responsibility to advise prospective investors in the Securities regarding any matters arising under the laws of the country in which they reside that may affect the purchase of, or holding of, or the receipt of payments on, the Securities. Prospective investors in the Securities should consult their own legal and financial advisors concerning these matters.

Words and expressions defined elsewhere in this Prospectus shall have the same meaning in this section.

PART A – GENERAL RISK FACTORS

Factors that may affect the Issuer's ability to fulfil its obligations under Securities issued

Each potential investor in the Securities should refer to the Risk Factors section of the Registration Document on pages 3-20 (as supplemented) incorporated by reference into this Prospectus for a description of those factors which may affect the Issuer's ability to fulfil its obligations under Securities issued. As stated in the section entitled "General Information – Part A: General – Proposed Transfers", certain disclosure relating to RBS has been incorporated by reference in this Prospectus. This disclosure includes certain risk factors relating to RBS and the RBSG Group. In respect of that disclosure, each potential investor in the Securities should refer to the Risk Factors section in the RBS Registration Document on pages 3-31.

The Independent Commission on Banking has published its final report on competition and possible structural reforms in the UK banking industry. The implementation of the recommendations included in the final report could have a material adverse effect on the RBSG Group.

The Independent Commission on Banking (the "**ICB**") was appointed by the UK Government in June 2010 to review possible structural measures to reform the UK banking system in order to promote, amongst other things, stability and competition. The ICB published its final report to the Cabinet Committee on Banking Reform on 12 September 2011 (the "**Final Report**") which sets out the ICB's

views on possible reforms to improve stability and competition in UK banking. The Final Report makes a number of recommendations, including in relation to (i) the implementation of a ring-fence of retail banking operations, (ii) loss-absorbency (including bail-in) and (iii) competition. The ICB has recommended 2019 as the final deadline for the implementation of its recommendations. The RBSG Group will continue to participate in the debate and to consult with the UK Government on the implementation of the recommendations set out in the Final Report, the effects of which could materially adversely affect the RBSG Group's structure, results of operations, financial condition and prospects.

Factors which are material for the purpose of assessing the market risks associated with the Securities

The Securities are notes which entail particular risks.

The Securities are investment instruments which bear no interest. Unless previously purchased each Security will be redeemed by the Issuer at the Cash Amount, on the Settlement Date. At maturity the Securities will be redeemed at an amount equal to the Cash Amount which will be equal to the Nominal Amount, and depending upon the value of the Shares, an additional Payout. However, if the Securities are terminated early there can be no assurance that the Cash Amount payable will be equal to the Nominal Amount and may be less. As such, each Security will entail particular risks.

The price at which a Holder will be able to sell Securities prior to maturity may be at a potentially substantial discount to the market value of the Securities at the Issue Date depending upon the performance of the Shares at the time of sale.

The Securities may not be a suitable investment for all investors. The purchase of the Securities involves substantial risks.

Each potential investor in the Securities must determine the suitability of an investment in the Securities in light of its own circumstances. In particular, each potential investor in the Securities should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information and/or documents contained or incorporated by reference in this Prospectus or any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities where the currency for principal or interest payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the Securities and be familiar with the behaviour of the Shares, successor shares, and the relevant financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment in the Securities and its ability to bear the applicable risks; and

(f) NOT consider that the issue of Securities linked to a particular Share(s) is a recommendation by the Issuer to invest (whether directly or indirectly) in those Shares or any of its constituent elements. The Issuer and/or its affiliates may make investment decisions for themselves which differ from those that a potential investor would make by investing in the Securities. In particular, investment decisions of the Issuer and/or its affiliates are based on their current economic circumstances, overall credit exposure, risk tolerance and economic conditions,

which are subject to change. The Issuer is not required to hold the Share(s) (or its constituent elements) as a hedge and it may choose not to do so.

The Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor in the Securities should not invest in the Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

The value of the Securities may fluctuate

The value of the Securities may move up and down between their date of purchase and the date of their maturity. During this period Holders may sustain a significant or total loss of their investment. Prospective purchasers should therefore ensure that they understand fully the nature of the Securities before they invest in the Securities. Several factors, many of which are beyond the Issuer's control, will influence the value of the Securities at any time, including the following:

(a) Valuation of the Shares. The market price of the Securities at any time is expected to be affected primarily by changes in the levels of the Shares. It is impossible to predict how the levels of the Shares will vary over time. Factors which may have an affect on the value of the Shares include the return on the Shares and the financial position and prospects of the issuers of the Shares. In addition, the level of the Shares may depend on a number of interrelated factors, including economic, financial and political events and their effect on the capital markets generally and relevant stock exchanges. Potential investors should also note that whilst the market value of the Securities is linked to the Shares and will be influenced (positively or negatively) by it, any change may not be comparable and may be disproportionate. It is possible that while the Shares are increasing in value, the value of the Securities may fall. Further, where no market value is available for the Shares, the Calculation Agent may determine its value to be zero notwithstanding the fact that there may be no Market Disruption Event which apply.

(b) Volatility. The term "volatility" refers to the actual and anticipated frequency and magnitude of changes of the market price with respect to the Shares. Volatility is affected by a number of factors such as macro economic factors, speculative trading and supply and demand in the options, futures and other derivatives markets. Volatility of the Shares will move up and down over time (sometimes more sharply than others) and the Shares will most likely have separate volatilities at any particular time.

(c) *Exchange Rates*. Even where payments in respect of the Securities are not expressly linked to a rate or rates of exchange between currencies, the value of the Securities could, in certain circumstances, be affected by such factors as fluctuations in the rates of exchange between any currency in which any payment in respect of the Securities is to be made and any currency in which the Shares are traded, appreciation or depreciation of any such currencies and any existing or future or governmental or other restrictions on the exchangeability of such currencies. There can be no assurance that rates of exchange between any relevant currencies which are current rates at the date of issue of any Securities will be representative of the relevant rates of exchange used in computing the value of the Securities at any time thereafter.

(d) *Disruption*. If so indicated in the Product Conditions, the Calculation Agent may determine that a Market Disruption Event has occurred or exists at a relevant time. Any such determination may affect the value of the Securities and/or may delay settlement in respect of the Securities. Prospective purchasers should review the Product Conditions to ascertain whether and how such provisions apply to the Securities.

(e) *Creditworthiness*. Any person who purchases the Securities is relying upon the creditworthiness of the Issuer and of RBS Holdings (pursuant to its declaration under Article 2:403 of the Netherlands Civil Code) and has no rights against any other person. The Securities constitute general, unsecured, contractual obligations of the Issuer and of no other person. The Securities rank pari passu among themselves. If the Issuer becomes unable for any reason to fulfil its obligations then the Holder may suffer a total loss of principal.

There may not be a secondary market in the Securities

Potential investors should be willing to hold the Securities through their life. The nature and extent of any secondary market in the Securities cannot be predicted. As a consequence any person intending to hold the Securities should consider liquidity in the Securities as a risk. Although the Securities will be listed or quoted on an exchange or quotation system this does not imply greater or lesser liquidity than if equivalent Securities were not so listed or quoted. Liquidity may also be affected by legal restrictions on offers for sale in certain jurisdictions. The Issuer may affect the liquidity of the Securities by purchasing and holding the Securities for its own account during trading in the secondary market. Any such Securities may be resold at any time into the market.

The Issuer may, in its sole and absolute discretion, decide to offer a secondary market in the Securities. In the event that the Issuer elects to offer such secondary market, the Issuer shall be entitled to impose such conditions as it, in its sole and absolute discretion, shall deem fit, including but not limited to:

(a) providing a large bid/offer spread determined by the Issuer in its sole and absolute discretion by reference to the Issuer's own appreciation of the risks involved in providing such secondary market;

(b) normal market conditions prevailing at such date; and

(c) limiting the number of Securities in respect of which it is prepared to offer such secondary market.

Holders should note that the imposition of any of the above conditions may severely limit the availability of any such secondary market and may result in Holders receiving significantly less than otherwise would have received if the Securities were redeemed at maturity.

As part of its issuing, market-making and/or trading arrangements, the Issuer may issue more Securities than those which are to be subscribed or purchased by third party investors. The Issuer (or any of its affiliates) may hold such Securities for the purpose of meeting any investor interest in the future. Prospective investors in the Securities should therefore not regard the issue size of the Securities as indicative of the depth or liquidity of the market for such Securities, or of the demand for such Securities.

In the event that such a secondary market does not develop, it is unlikely that an investor in the Securities will be able to sell his Securities or at prices that will provide him with a yield comparable to similar investments that have a developed secondary market.

Purchasing the Securities as a hedge may not be effective

Any person intending to use the Securities as a hedge instrument should recognise the correlation risk. The Securities may not be a perfect hedge to the Shares or portfolio of which the Shares forms a part. In addition, it may not be possible to liquidate the Securities at a level which directly reflects the price of the Shares or portfolio of which the Shares form a part.

Holders have no ownership of the Shares

The Securities constitute a notional investment in the Shares. This means that the Securities convey no ownership of the Shares . The Issuer may choose not to hold the Shares or any derivatives

contracts linked to the Shares. There is no restriction through the issue of the Securities on the ability of the Issuer and/or its affiliates to sell, pledge or otherwise convey all right, title and interest in any Shares or any derivatives contracts linked to the Shares. Holders will not have voting rights nor any other rights in the Shares, and will not be entitled to receive physical delivery of any of the Shares at any time.

The Securities may be terminated prior to their stated date

If the Issuer determines that the performance of its obligations under the Securities has become illegal or impractical in whole or in part for any reason or the Issuer determines that it is no longer legal or practical for it to maintain its hedging arrangement with respect to the Securities, the Issuer may at its discretion and without obligation terminate the Securities early. If the Issuer terminates the Securities early, the Issuer will, if and to the extent permitted by applicable law, pay the holder of each such Security an amount determined by the Calculation Agent to be its fair market value less the cost to the Issuer of unwinding any underlying related hedging arrangements notwithstanding the illegality or impracticality.

Taxes may be payable by investors

Potential purchasers and sellers of the Securities should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Securities are transferred. Holders are subject to the provisions General Condition 9 – (*Taxation*) and payment and/or delivery of any amount due in respect of the Securities will be conditional upon the payment of any Expenses as provided in the Product Conditions.

Potential purchasers who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

No tax gross-up

If payments on the Securities are or become subject to a withholding or deduction required by law on account of any present or future taxes, duties, assessments or governmental charges of whatever nature, the Issuer will make the required withholding or deduction, as the case may be, and neither the Issuer nor any agent nor any other person shall pay any additional amounts to the Holders in respect of such withholding or deduction. Please refer to section "General Condition 9 – (*Taxation*)".

Risks associated with Securities held in global form

The Securities are held by or on behalf of Euroclear or Clearstream (the "**Clearing Systems**"), in the form of a global Security which will be exchangeable for definitive Securities only in the event of the closure of the relevant Clearing Systems. For as long as any Securities are held by or on behalf of the Clearing Systems, payments of principal, interest (if any) and any other amounts on a global Security will be made through the relevant Clearing Systems, where required, against presentation or surrender (as the case may be) of any relevant global Security. The risk is that the bearer of the relevant global Security, typically a depositary or a nominee for a depositary for the Clearing Systems and not the Holder itself, shall be treated by the Issuer and any Agent (as defined in the Conditions) as the sole holder of the relevant Securities represented by such global Security with respect to the payment of principal, interest (if any) and any other amounts payable in respect of the Securities or any securities deliverable in respect of the Securities. Holders therefore are required to look to the relevant Clearing Systems in respect of payments made to it by the Issuer in respect of Securities in global or dematerialised form.

Securities which are held by or on behalf of the Clearing Systems will be transferable only in accordance with the rules and procedures for the time being of the Clearing Systems.

Risk associated with nominee arrangements

Where a nominee service provider (i.e. a bank or other institution through which the Holder holds its Securities) is used by an investor to hold Securities or such investor holds interests in any Security through accounts with the Clearing Systems, such investor will receive payments in respect of principal, interest (if any) or any other amounts due, or securities deliverable, as applicable, solely on the basis of the arrangements entered into by the investor with the relevant nominee service provider or Clearing Systems, as the case may be. Furthermore, such investor must rely on the relevant nominee service provider or the Clearing Systems to distribute all payments or securities attributable to the relevant Securities which are received from the Issuer. Accordingly, such an investor will be exposed to the credit risk of, and default risk in respect of, the relevant nominee service provider or the Clearing Systems, as well as the Issuer.

In addition, such a Holder will only be able to sell any Securities held by it prior to the Maturity Date with the assistance of the relevant nominee service provider.

None of the Issuer or any Agent (as defined in the General Conditions) shall be responsible for the acts or omissions of any relevant nominee service provider or Clearing Systems nor makes any representation or warranty, express or implied, as to the service provided by any relevant nominee service provider or Clearing Systems.

The return on an investment in Securities will be affected by charges incurred by investors

An investor's total return on an investment in any Securities will be affected by the level of fees charged by the nominee service provider and/or the Clearing Systems used by the investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of Securities, custody services and on payments of principal and other amounts or delivery of securities. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the relevant Securities.

Change of law and jurisdiction

The Conditions are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change to English law or administrative practice after the date of this Prospectus.

Prospective investors in the Securities should note that the courts of England and Wales shall have jurisdiction in respect of any disputes involving the Securities. Holders may, however, take any suit, action or proceedings arising out of or in connection with the Securities against the Issuer in any court of competent jurisdiction. English law may be materially different from the equivalent law in the home jurisdiction of prospective investors in its application to the Securities.

There may be changes to laws, or their interpretation, in other countries which affect the Securities. Changes in taxation, corporate, regulatory and money laundering laws in any relevant jurisdiction could have a negative impact on the value of the Securities.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Securities. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors in the Securities are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor in the Securities should consult its legal advisers to determine whether and to what extent (i) Securities are legal investments for it, (ii) Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

Modification, waivers and substitution

The Issuer may decide to make modifications to the Securities without the consent of the Holders which may affect the Holders' interest either:

(a) for the purpose of curing any ambiguity or of curing, correcting or supplementing any manifest error or other defective provision; or

(b) in any other manner which is not materially prejudicial to the interests of the Holders; or

(c) for the purpose of the substitution of another company as principal debtor under any Securities in place of the Issuer, in the circumstances described in "General Condition 8 – (*Substitution*)".

Securities are unsecured obligations - no shareholder or equivalent rights

The Securities represent general contractual obligations of the Issuer. The Securities will not be secured by any property of the Issuer and, with the exception of certain obligations given priority by applicable law, will rank equally with all other unsecured and unsubordinated obligations of the Issuer.

Risks relating to Substitution

In the event that the Issuer is to be substituted as principal obligor under the Securities, any such substitution must comply with the requirements of the substitution clause in the terms and conditions of the Securities. Please refer to "General Condition 8 – (*Substitution*)". Holders should be aware that as a result of a substitution (if any) the Securities will be subject to different risks in relation to the Substitute (as defined in the Conditions) assuming the obligations of RBS N.V. under the Securities. Such risks may include the credit risks of the Substitute, certain modifications being made to the terms and conditions of the Securities and other risks specific to the Substitute. Investors should note that following a substitution, Holders will no longer have any claim or recourse against RBS N.V. In addition, Holders should be aware that the consent of the Holders will not be required if the Issuer elects to exercise its substitution right in accordance with "General Condition 8 – (*Substitution*)". However, no assurance is given that any substitution will occur in respect of the Securities.

PART B - CONFLICTS OF INTEREST

Conflicts of Interest with respect to the Securities

Potential conflicts of interest may exist between the interests of RBS N.V. and the Holders with respect to the Securities and with respect to the other businesses of RBS N.V. RBS N.V. or its respective affiliates may enter into other business dealings from which they may derive revenues and profits in addition to the fees described herein, and none of those parties has any duty to account to the Holders for such other revenues and profits.

Actions taken by the Issuer may affect the value of the Securities

The Issuer and/or any of its affiliates may carry out activities that minimise its and/or their risks related to the Securities, including effecting transactions for their own account or for the account of their customers and hold long or short positions in the Shares and/or future contracts relating to the Shares whether for risk reduction purposes or otherwise. In addition, in connection with the offering of any Securities, the Issuer and/or any of its affiliates may enter into one or more hedging transactions with respect to the Shares and/or future contracts relating to the Shares. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and/or any of its affiliates, the Issuer and/or any of its affiliates may enter into transactions in the Shares and/or future contracts relating to the Shares which may affect the market price, liquidity or value of the Shares and/or future contracts relating to the Shares and/or the Securities and which could be deemed to be adverse to the interests of the Holders. The Issuer and/or its affiliates are likely to modify their hedging positions throughout the life of the Securities whether by effecting transactions in the Shares and/or future contracts relating to the Shares or in derivatives linked to the Shares. Further, it is possible that the advisory services which the Issuer and/or its affiliates provide in the ordinary course of its/their business could lead to an adverse impact on the value of the Shares.

Actions taken by the Calculation Agent may affect the Shares

The Calculation Agent is the agent of the Issuer and not the agent of the Holders or any of them. The Issuer may itself act as the Calculation Agent. The Calculation Agent will make such adjustments as it considers appropriate as a consequence of certain corporate actions affecting the Shares or the Securities. In making these adjustments the Calculation Agent is entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion. The Calculation Agent is not required to make adjustments with respect to each and every corporate action. In addition, the Cash Amount (as defined in the Product Conditions), will be based in part on decisions of the Calculation Agent. These decisions and their timing may affect the performance of the Shares as a whole. No penalties exist if parties fail to make decisions which would most enhance the performance of the Shares.

ESSENTIAL CHARACTERISTICS OF THE ISSUER

History and Incorporation

RBS N.V. is a public limited liability company incorporated under Dutch law on 7 February 1825. RBS N.V. is registered in the Trade Register of Amsterdam under number 33002587. RBS N.V.'s registered office is at Gustav Mahlerlaan 350 17A90, 1082 ME Amsterdam, The Netherlands. RBS N.V. is a wholly-owned subsidiary of RBS Holdings N.V. (previously named ABN AMRO Holding N.V.) (formerly named ABN AMRO Holding N.V.) ("**RBS Holdings**"), which is a public limited liability company incorporated under Dutch law on 30 May 1990. The registered office of RBS Holdings is at Gustav Mahlerlaan 350 17A90, 1082 ME Amsterdam, The Netherlands. RBS Holdings has one subsidiary, RBS N.V., and RBS N.V. has various subsidiaries. As used herein, the "**Group**" refers to RBS Holdings and its consolidated subsidiaries. The term "**RBSG**" refers to The Royal Bank of Scotland Group plc and the "**RBSG Group**" refers to RBSG and its subsidiaries consolidated in accordance with International Financial Reporting Standards. The term "**RBS**" refers to The Royal Bank of Scotland plcand the "**RBS Group**" refers to RBS and its subsidiaries consolidated in accordance with International Financial Reporting Standards.

Overview

The Issuer is a bank licensed by the Dutch Central Bank (*De Nederlandsche Bank*).

The Issuer operates on a significant scale across Europe, Middle East and Africa (EMEA), the Americas and Asia. The Group had total assets of €200.4 billion and owner's equity of €4.95 billion as at 31 December 2010. As at 31 December 2010, the Group's capital ratios were a total capital ratio of 15.8 per cent., a Core Tier 1 capital ratio of 8.7 per cent. and a Tier 1 capital ratio of 11.0 per cent. RBS Holdings and RBS N.V. form part of the RBSG Group. RBSG is the holding company of a large global banking and financial services group. Headquartered in Edinburgh, the RBSG Group operates in the United Kingdom, the United States and internationally through its three principal subsidiaries, RBS, National Westminster Bank Public Limited Company ("**NatWest**") and RBS N.V.. Both RBS and NatWest are major United Kingdom clearing banks. In the United States, the RBSG Group's subsidiary Citizens is a large commercial banking organisation. Globally, the Group has a diversified customer base and provides a wide range of products and services to personal, commercial and large corporate and institutional customers. The RBSG Group had total assets of £1,446.0 billion and owners' equity of £74.7 billion as at 30 June 2011. As at 30 June 2011, the RBSG Group's capital ratios were a total capital ratio of 14.4 per cent., a Core Tier 1 capital ratio of 11.1 per cent. and a Tier 1 capital ratio of 13.5 per cent. The RBS Group had total assets of £1,299.7 billion and owners' equity of £56.9 billion as at 30 June 2011. As at 30 June 2011, the RBS Group's capital ratios were a total capital ratio of 14.0 per cent., a Core Tier 1 capital ratio of 8.7 per cent. and a Tier 1 capital ratio of 10.6 per cent."; and The Group had total consolidated assets of €206.7 billion as at 30 June 2011. As at 30 June 2011, the Group's Tier 1 and Core Tier 1 capital ratios were 9.6 per cent. and 7.4 per cent., respectively.

Group Organisational Structure

The Group comprises of the following four segments:

• Global Banking & Markets ("**GBM**"): The GBM segment represents the business providing an extensive range of debt and equity financing, risk management and investment services as a leading banking partner to major corporations and financial institutions around the world. The GBM business within the Group is organised along four principal business lines: Global Lending, Equities, Short Term Markets & Funding, and Local Markets.

• Global Transaction Services ("**GTS**"): GTS provides global transaction services, offering Global Trade Finance, Transaction Banking and International Cash Management.

• Central Items: The Central Items segment includes group and corporate functions, such as treasury, capital management and finance, risk management, legal, communications and human resources. Central Items manages the Group's capital resources, statutory and regulatory obligations and provides services to the branch network.

• Non-Core Segment: The Non-Core segment contains a range of businesses and asset portfolios managed separately that the Group intends to run off or dispose of, in line with the RBSG Group strategy for Non-Core assets. It also includes the remaining assets and liabilities in RBS N.V. that have not yet been sold, wound down or alternatively transferred by the Consortium Members (as defined below), in which each of the Consortium Members has a joint and indirect interest.

Global Banking & Markets, Global Transaction Services and Central Items comprise the Group's Core segments.

These RBS N.V. businesses are part of global business units of the RBSG Group that operate across multiple legal entities. The strategy of RBS N.V. is part of the overall business strategy of the RBSG Group. RBS Holdings has been restructured into Core and Non-Core components. The RBSG Group expects to substantially run down or dispose of the businesses, assets and portfolios within the Non-Core division by 2013 and has completed the sale of businesses in Latin America, Asia, Europe and the Middle East.

Separation from the ABN AMRO group

On 17 October 2007, RFS Holdings B.V. ("**RFS Holdings**"), which at the time was owned by RBSG, Fortis N.V., Fortis S.A./N.V., Fortis Bank Nederland (Holding) N.V. and Banco Santander, S.A. ("**Santander**"), completed the acquisition of ABN AMRO Holding N.V., which was renamed RBS Holdings N.V. on 1 April 2010 when the shares in ABN AMRO Bank N.V. were transferred to ABN AMRO Group N.V., a holding company for the interests of the State of The Netherlands (the "**Dutch State**"). This marked a substantial completion of the restructuring of the activities of ABN AMRO Holding N.V. in accordance with the agreement between RBSG, the Dutch State and Santander (the "**Consortium Members**"). RBS Holdings has one direct subsidiary, RBS N.V., a fully operational bank within the Group, which is independently rated and regulated by the Dutch Central Bank. On 31 December 2010, the share capital of RFS Holdings was amended, such that approximately 98 per cent. of RFS Holdings' issued share capital is now held by RBSG, with the remainder being held by Santander and the Dutch State. Ultimately it is expected that RFS Holdings will become a wholly-owned subsidiary of RBSG.

Proposed Transfers

On 19 April 2011, the Boards of RBSG, RBS, RBS Holdings and RBS N.V. announced that they had approved the proposed transfers of a substantial part of the business activities of RBS N.V. to RBS (the "Proposed Transfers"), subject, amongst other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures.

It was also announced that it was expected that the Proposed Transfers would be implemented on a phased basis over a period ending 31 December 2013 and that a large part of the Proposed Transfers (including the transfers of certain securities issued by RBS N.V.) was expected to have taken place by the end of 2012. Where available and practicable, statutory transfer schemes will be used to implement the Proposed Transfers. Subject to internal approvals, it is expected that these will include a banking business transfer scheme in respect of eligible business carried on by RBS N.V. pursuant to Part VII of the UK Financial Services and Markets Act 2000 (the "**Part VII Scheme**"). Implementation of the Part VII Scheme was subject (amongst other matters) to court and regulatory approval. In advance of that, certain disclosure relating to RBS has been incorporated by reference in this Prospectus.

On 21 July 2011, RBS and RBS N.V. announced details of the RBS N.V. securities in respect of which RBS is expected to become the issuer as a result of the Part VII Scheme. It has been indicated that RBS is expected to become the issuer of the Securities described in this Prospectus as a result of the Part VII Scheme (subject to the Securities not having been exercised, redeemed or repurchased and cancelled prior to the implementation of the Part VII Scheme).

On 22 July 2011, RBS and RBS N.V. announced that they presented a petition to the Court of Session in Scotland (the Court) on 21 July 2011 for an order under Part VII of the UK Financial Services and Markets Act 2000 to sanction the Part VII Scheme. Subject to regulatory approval and provided the Court makes an order sanctioning the Part VII Scheme, it is expected that the Part VII Scheme will become effective on 17 October 2011 or such other date as RBS and RBS N.V. may agree in writing. The boards of RBS and RBS N.V. also announced on 22 July 2011 (i) the proposed amendments to be made to the terms of securities in respect of which RBS is expected to become the issuer as a result of the Part VII Scheme (the Part VII Securities) and to agreements RBS N.V. has entered into related to such securities in order to give effect to the Part VII Scheme and, amongst other matters, to mitigate certain potential adverse effects on holders of securities of RBS N.V. and (ii) certain restrictions which are proposed to be placed on RBS in relation to the Part VII Securities.

On 23 September, 2011, RBS and RBS N.V. announced that the Court of Session in Scotland had pronounced an order under Part VII of the UK Financial Services and Markets Act 2000 sanctioning the implementation of a banking business transfer scheme whereby the Securities (amongst others) would be transferred to The Royal Bank of Scotland plc pursuant to the Part VII Scheme. The Part VII Scheme is expected to take effect on 17 October 2011.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus may contain forward-looking statements. Forward-looking statements are statements that are not historical facts, including statements about the Issuer's beliefs and expectations. Any statement in this Prospectus that expresses or implies the Issuer's intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. These statements are based on plans, estimates and projections, as they are currently available to the management of the Issuer. Forward-looking statements therefore speak only as of the date they are made, and the Issuer takes no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could therefore cause actual future results to differ materially from those expressed or implied in any forward-looking statement. Such factors include, without limitation, the conditions of the financial markets in Europe, the United States and elsewhere from which the Issuer derives a substantial portion of its trading revenues; potential defaults of borrowers or trading counterparties; the reliability of the Issuer's risk management policies, procedures and methods; and other risks referenced in the Issuer's filings with the US Securities and Exchange Commission and/or with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the "**AFM**"). For more information on these and other factors, please refer to the Issuer's Annual Report on Form 20-F filed with the US Securities and Exchange Commission and/or the Registration Document filed with the AFM and to any subsequent reports furnished or filed by the Issuer with the US Securities and Exchange Commission and/or the AFM.

The forward-looking statements contained in this Prospectus are made as of the date hereof, and the Issuer assumes no obligation to update any of the forward-looking statements contained in this announcement.

DOCUMENT INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) in its capacity as competent authority under the Act on Financial Supervision (*Wet op het financieel toezicht (Wft) 2007*) (the "**Competent Authority**") shall be deemed to be incorporated in, and to form part of, this Prospectus:

PART A: IN RELATION TO RBS N.V.

1. The registration document of RBS Holdings and RBS N.V. dated 31 August 2011 published on 31 August 2011 (the "**Registration Document**") excluding the paragraphs on pages 24 and 25 of the Registration Document entitled "Independent Commission on Banking".
2. The RBS Holdings Annual Report 2010 (excluding the sections headed "Business Review - Risk factors" on page 9 and the section headed "Additional Information – Risk factors" on pages 221 to 231) which includes the audited

consolidated annual financial statements of RBS Holdings as at and for the year ended 31 December 2010.

3. The unaudited interim results of RBS Holdings for the half year ended 30 June 2011 which were published on 31 August 2011 (the "**2011 RBS Holdings Interim Results**").

4. The ABN AMRO Holding N.V. Annual Report 2009 (excluding the section headed "Risk factors" on pages 61 to 68) which includes the audited consolidated annual financial statements of ABN AMRO Holding N.V. (now renamed RBS Holdings N.V.) as at and for the year ended 31 December 2009.

5. The Articles of Association (statuten) of each of RBS Holdings and RBS N.V. as in force and effect on the date of this Prospectus.

6. The press release entitled "Proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc" which was published by RBS N.V. via RNS on 19 April 2011.

7. The press release entitled "Details of Part VII Scheme – Securities issued by, and guarantees granted by, RBS N.V." published by the Issuer on 22 July 2011.

8. The press release entitled "Approval of Part VII Scheme" – published by the Issuer on 23 September 2011.

PART B: IN RELATION TO RBS

(a) The registration document of RBS dated 5 August 2011, which was published via which was published via the Regulatory News Service of the London Stock Exchange plc ("**RNS**") on 5 August 2011 (the "**RBS Registration Document**"), excluding (i) the paragraphs on page 59 under the heading "No Significant Change and No Material Adverse Change" in the section of the RBS Registration Document entitled "General Information" and (ii) the risk factor entitled "The Independent Commission on Banking is reviewing competition in the UK banking industry and possible structural reforms. The outcomes of this review could have a material adverse effect on the interests of the Group." on page 5 of the RBS Registration Document and (iii) the paragraphs on page 39 of the RBS Registration Document entitled "Independent Commission on Banking" and (iv) the last sentence of the fourth paragraph on page 1 of the RBS Registration Document, within the section entitled "Introduction", which reads: "Moody's Investors Service Limited ("**Moody's**") is expected to rate: senior notes issued by RBS with a maturity of one year or more "Aa3"; senior notes issued by RBS with a maturity of less than one year "P-1"; and dated subordinated notes and undated tier 2 notes issued by RBS will be rated on a case-by-case basis" and (v) the first and second sentences of the first paragraph on page 2 of the RBS Registration Document, within the section entitled "Introduction", which reads: "As defined by Moody's, an "Aa" rating means the capacity of the Issuer to meet its obligations on the relevant notes issued by it is considered high quality subject to very low credit risk. As defined by Moody's, the addition of a "3" indicates that the obligation ranks in the lower end of its generic rating category" and (vi) the wording in the second paragraph on page 2 of the Registration Document, within the section entitled "Introduction", which reads: "(ii) the publication entitled "Rating Symbols and Definitions – May 2011" published by Moody's (available at www.moodys.com)".

(b) The annual report and accounts of RBS (including the audited consolidated annual financial statements of the Issuer, together with the audit report thereon) for the year ended 31 December 2010 (excluding the sections headed

"Financial Review – Risk factors" on page 5 and "Additional Information – Risk Factors" on pages 238 to 254) published on 15 April 2011.

(c) The annual report and accounts of RBS (including the audited consolidated annual financial statements of the RBS, together with the audit report thereon) for the year ended 31 December 2009 (excluding the section headed "Risk factors" on pages 5 to 23) published on 9 April 2010.

(d) The unaudited interim results of RBS for the six months ended 30 June 2011 which were published via RNS on 26 August 2011.

(e) The following sections of the 2010 annual report and accounts of RBSG which was published by RBSG on 17 March 2011 (the "**2010 Annual Report and Accounts of RBSG**"):

(i) Independent auditor's report on page 267;

(ii) Consolidated income statement on page 268;

(iii) Consolidated statement of comprehensive income on page 269;

(iv) Balance sheets as at 31 December 2010 on page 270;

(v) Statements of changes in equity on pages 271 to 273;

(vi) Cash flow statements on page 274;

(vii) Accounting policies on pages 275 to 286;

(viii) Notes on the accounts on pages 287 to 385;

(ix) Essential reading – We have met, and in some cases exceeded, the targets for the second year of our Strategic Plan on page 1;

(x) Chairman's statement on pages 2 to 3;

(xi) Group Chief Executive's review on pages 4 to 5;

(xii) Our key targets on page 7;

(xiii) Our business and our strategy on pages 8 to 19;

(xiv) Divisional review on pages 20 to 41;

(xv) Business review on pages 49 to 224;

(xvi) Report of the Directors on pages 230 to 234;

(xvii) Corporate governance on pages 235 to 245;

(xviii) Letter from the Chair of the Remuneration Committee on pages 246 to 247;

(xix) Directors' remuneration report on pages 248 to 263;

(xx) Directors' interests in shares on page 264;

(xxi) Financial summary on pages 387 to 395;

(xxii) Exchange rates on page 395;

(xxiii) Economic and monetary environment on page 396;

(xxiv) Supervision on page 397;

(xxv) Regulatory developments and reviews on pages 398 to 399;

(xxvi) Description of property and equipment on page 399;

(xxvii) Major shareholders on page 399;

(xxviii) Material contracts on pages 399 to 404; and

(xxix) Glossary of terms on pages 434 to 439.

(f) The following sections of the 2009 annual report and accounts of RBSG, which was published by RBSG on 18 March 2010:

(i) Independent auditors' report on page 240;

(ii) Consolidated income statement on page 241;

(iii) Consolidated statement of comprehensive income on page 242;

(iv) Balance sheets at 31 December 2009 on page 243;

(v) Statements of changes in equity on pages 244 to 246;

(vi) Cash flow statements on page 247;

(vii) Accounting policies on pages 248 to 258;

(viii) Notes on the accounts on pages 259 to 348;

(ix) What we have achieved on page 1 (excluding the financial information on that page which is indicated as being "pro forma");

(x) Chairman's statement on pages 2 to 3;

(xi) Group Chief Executive's review on pages 4 to 6;

(xii) Our strategic plan and progress on pages 12 to 19;

(xiii) Divisional review on pages 20 to 41;

(xiv) Business review on pages 49 to 85 and pages 108 to 206 (excluding the financial information on pages 72 to 85 and pages 108 to 116 which is indicated as being "pro forma");

(xv) Report of the Directors on pages 208 to 213;

(xvi) Corporate governance on pages 214 to 222;

(xvii) Letter from the Chairman of the Remuneration Committee on pages 223 to 224;

(xviii) Directors' remuneration report on pages 225 to 236;

(xix) Directors' interests in shares on page 237;

(xx) Impairment review on pages 302 to 303;

(xxi) Financial summary on pages 350 to 359;

(xxii) Exchange rates on page 359;

(xxiii) Economic and monetary environment on page 360;

(xxiv) Supervision on page 361;

(xxv) Regulatory developments and reviews on pages 361 to 362;

(xxvi) Description of property and equipment on pages 362 to 363;

(xxvii) Major shareholders on page 363; and

(xxviii) Glossary of terms on pages 383 to 387.

(g) The unaudited Interim Results 2011 of RBSG for the six months ended 30 June 2011 which were published via RNS on 5 August 2011.

(h) The following sections of the Shareholder Circular published by RBSG on 27 November 2009:

(i) "Financial Information" on page 5;

(ii) "Part I – Letter From the Chairman of RBS" on pages 10 to 20;

(iii) "Appendix 3 to the Letter From the Chairman of RBS – Principal Terms of Issue of the B Shares and the Dividend Access Share" on pages 76 to 84;

(iv) "Appendix 4 to the Letter From the Chairman of RBS – Key Terms of the State Aid Restructuring Plan" on pages 85 to 86;

(v) "Part VI – Definitions" on pages 121 to 133; and

(vi) "Annex 1 – Terms of Issue of the B Shares and the Dividend Access Share" on pages 134 to 170.

(i) The press release headed "The Royal Bank of Scotland Group plc, The Royal Bank of Scotland plc and National Westminster Bank Plc – Clarification of Contractual Position Relating to Payments Under Preference Shares and Subordinated Securities" published via the RNS on 20 October 2009.

(j) The press release entitled "Proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc" (excluding (i) the statement therein which reads "Certain unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V. is set out in the Appendix to this announcement" and (ii) the Appendix thereto) which was published by RBSG via RNS on 19 April 2011.

(k) The press release entitled "Details of Part VII Scheme – Securities issued by, and guarantees granted by, RBS N.V." published by RBSG on 22 July 2011.

(l) The press release entitled "Approval of Part VII Scheme" – published by the Issuer on 23 September 2011.

(m) The section headed "Risk Factors" on page 3 to 25 of the registration document of The Royal Bank of Scotland Group plc dated 5 August 2011 (the "**RBSG Registration Document**") excluding the risk factor entitled "The Independent Commission on Banking is reviewing competition in the UK banking industry and possible structural reforms. The outcomes of this review could have a material adverse effect on the interests of the Group." on pages 4 and 5 of the RBSG Registration Document.

Unaudited Pro Forma Financial Information

The unaudited pro forma financial information contained in the 2010 Annual Report and Accounts of RBSG (together, the "Unaudited Pro Forma Financial Information") which is incorporated by reference into this Prospectus has been prepared for illustrative purposes only and addresses a hypothetical situation. Therefore, the Unaudited Pro Forma Financial Information does not represent the actual financial position or results of the RBSG Group as at and for the periods in respect of which the Unaudited Pro Forma Financial Information has been prepared.

The Unaudited Pro Forma Financial Information shows the underlying performance of the RBSG Group including the results of the RBS Holdings businesses retained by the RBSG Group. The Unaudited Pro Forma Financial Information is prepared using the RBSG Group's accounting policies and is being provided to give a better understanding of the RBSG Group's operations excluding the results attributable to the other consortium members. The basis of preparation of the pro forma results is detailed under the heading "Basis of preparation of pro forma results" on page 113 of

the 2010 Annual Report and Accounts of RBSG (which is incorporated by reference herein). In future periods, there will be no significant differences between pro forma and statutory results other than presentation aspects discussed under the heading "Pro forma results" on page 53 of the 2010 Annual Report and Accounts of RBSG (which is incorporated by reference herein).

PART C: IN RELATION TO BOTH RBS N.V. AND RBS

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

In relation to those documents of which only part thereof is incorporated by reference in this Prospectus, those parts of such documents which are not incorporated either are not relevant for the investor or are covered elsewhere in this Prospectus.

Copies of the above documents:

- are accessible at http://markets.rbs.com/bparchive; or
- can be obtained, on request, free of charge, by writing or telephoning, The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com; or
- can be obtained (in the case of the Part A documents for RBS N.V.) at the registered office of the Issuer at 250 Bishopsgate, London EC2M 4AA, United Kingdom and (in the case of the Part B documents for RBS) the registered office of RBS at 36 St Andrew Square, Edinburgh EH2 2YB.

Copies of the Registration Document can be obtained from the registered office of the Issuer at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands and on http://www.investors.rbs.com/RBS_NV.

SUMMARY OF PROVISIONS RELATING TO THE SECURITIES IN GLOBAL FORM

The Securities are in the form of the Global Security which was deposited on or around the Issue Date with a common depositary for the Clearing Agents. The Global Security will become exchangeable in whole, but not in part, for Securities in definitive form ("**Definitive Securities**") at the request of the bearer of the Global Security (acting on the instructions of a Holder in the case of (a) below, or on the instructions of the Issuer in the case of (b) below) against presentation and surrender of the Global Security to the Principal Agent if any of the following events (each, an "**Exchange Event**") occurs: (a) the Clearing Agents are closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or (b) a change occurs in the practice of Euroclear as a result of which the Issuer would suffer a disadvantage which would not be suffered if the Securities were in definitive form.

Whenever the Global Security is to be exchanged for Definitive Securities, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Securities, duly authenticated in an aggregate principal amount equal to the principal amount of the Global Security outstanding at such time to the bearer of the Global Security against the surrender of the Global Security at the specified office of the Principal Agent (as defined in the Conditions) within 30 days of the occurrence of the relevant Exchange Event.

If:

a) Definitive Securities have not been delivered by 17:00 hours (London time) on the forty-fifth day after the bearer has duly requested exchange of the Global Security for Definitive Securities; or

b) the Global Security (or any part of it) has become due and payable in accordance with the Conditions or the date for final redemption of the Securities has occurred and, in either case, payment in full of the amount of principal falling due has not been made to the bearer in accordance with the terms of the Global Security on the due date for payment,

then the Global Security (including the obligation to deliver Definitive Securities) will become void at 17:00 hours (London time) on such forty-fifth day (in the case of (a) above) or at 17:00 hours (London time) on such due date (in the case of (b) above) and the bearer of the Global Security will have no further rights thereunder (but without prejudice to the rights which the bearer of the Global Security or others may have under an instrument dated on or about the Issue Date (the "**Instrument**") executed by the Issuer). Under the Instrument, persons shown in the records of the Clearing Agents as being entitled to an interest in the Global Security will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Security became void, they had been the holders of Definitive Securities in an aggregate principal amount equal to the principal amount of Securities they were shown as holding in the records of the Clearing Agents.

PERSONS RESPONSIBLE

The Issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

THIRD PARTY INFORMATION

Where information has been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

USE OF ISSUE PROCEEDS

The gross proceeds of the issue of the Securities will be used by the Issuer for general corporate purposes.

TAXATION

Potential purchasers who are in any doubt about their tax position on purchase, ownership, transfer, exercise or non-exercise of any Security should consult their professional tax advisers.

1. GENERAL

Purchasers of the Securities may be required to pay stamp taxes and other charges in accordance with the laws of practices of the country of purchase in addition to the issue or purchase price of each Security.

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty or other payment which may arise as a result of the ownership, transfer or exercise of any Securities.

The Purchasers should be aware that tax treatment depends on the individual circumstances of each client and may be subject to change in future.

The following does not address any tax consequences of the Proposed Transfers, regarding which Holders of Securities should seek their own professional advice. It also does not address any tax consequences relating to Securities issued or raised by RBS.

Any Security which is transferred under the Proposed Transfers pursuant to the Part VII Scheme shall be referred to in this section as a "**Part VII Scheme Security**"; and such Securities, "**Part VII Scheme Securities**".

2. EU SAVINGS DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

3. THE NETHERLANDS

General

The following applies only to persons who are the beneficial owners of the Securities and is a summary of the Issuer's understanding of current Netherlands tax law as applied in the Netherlands relating only to certain aspects of Netherlands taxation. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Securities.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands tax consequences for:

(i) holders of Securities holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer or RBS and holders of Securities of whom a certain related person holds a substantial interest in the Issuer or RBS. Generally speaking, a substantial interest arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds (i) an interest of 5 per cent. or more of the total issued capital of a company or of 5 per cent. or more of the issued capital of a certain class of shares of a company, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in a company; (ii) investment institutions (*fiscale beleggingsinstellingen*); and (iii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are exempt from Netherlands corporate income tax.

This summary does not describe the consequences of the exchange or the conversion of the Securities.

Where this summary refers to a holder of Securities, such reference is restricted to a holder holding legal title to as well as an economic interest in such Securities.

Withholding Tax

Securities issued by the Issuer's London branch and Part VII Scheme Securities
Payments on these Securities may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political or taxing authority thereof or therein.

Payments by the Guarantor
Any payments by the Guarantor in respect of interest on, or other amounts due under, Securities issued by the Issuer (whether or not through its London

branch), whether or not they are Part VII Scheme Securities (in each case, other than the repayment of amounts subscribed for the Securities), may generally be made without withholding on account of Netherlands taxation.

Corporate and Individual Income Tax

Residents of the Netherlands

If a holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Securities are attributable, income derived from the Securities and gains realised upon the redemption, settlement or disposal of the Securities are generally taxable in the Netherlands (at up to a maximum rate of 25 per cent.).

If an individual holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (including an individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Securities and gains realised upon the redemption, settlement or disposal of the Securities are taxable at the progressive rates (at up to a maximum rate of 52 per cent.) under the Netherlands income tax act 2001 (*Wet inkomstenbelasting 2001*), if:

(i) the holder is an entrepreneur (*ondernemer*) and has an enterprise to which the Securities are attributable or the holder has, other than as a shareholder, a co-entitlement to the net worth of anenterprise (*medegerechtigde*), to which enterprise the Securities are attributable; or

(ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Securities, taxable income with regard to the Securities must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments has been fixed at a rate of 4 per cent. of the individual's yield basis (*rendementsgrondslag*) at the end of the calendar year, insofar as it exceeds a certain threshold. The individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Securities less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Securities will be included as an asset in the individual's yield basis. The 4 per cent. deemed return on income from savings and investments will be taxed at a rate of 30 per cent.

Non-residents of the Netherlands

If a holder is not a resident nor is deemed to be a resident of the Netherlands for Netherlands tax purposes (or has not opted to be taxed as a resident of the

Netherlands), such holder is not taxable in respect of income derived from the Securities and gains realised upon the settlement, redemption or disposal of the Securities, unless:

(i) the holder is not an individual and such holder (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Securities are attributable, or (2) is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands (other than by way of securities) and to which enterprise the Securities are attributable.
This income is subject to Netherlands corporate income tax at up to a maximum rate of 25 per cent.

(ii) the holder is an individual and such holder (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Securities are attributable, or (2) realises income or gains with respect to the Securities that qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*) in the Netherlands, which activities include the performance of activities in the Netherlands with respect to the Securities which exceed regular, active portfolio management (*normaal, actief vermogensbeheer*), or (3) is entitled to a share in the profits of an enterprise which is effectively managed in the Netherlands (other than by way of securities) and to which enterprise the Securities are attributable.

Income derived from the Securities as specified under (1) and (2) is subject to individual income tax at up to a maximum rate of 52 per cent. Income derived from a share in the profits as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on income from savings and investments (as described above under "Residents of the Netherlands"). The fair market value of the share in the profits of the enterprise (which includes the Securities) will be part of the individual's Netherlands yield basis.

Gift and Inheritance Tax

Residents of the Netherlands

Generally, gift and inheritance tax will be due in the Netherlands in respect of the acquisition of the Securities by way of a gift by, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death.

A holder of Dutch nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax if he or she has been resident in the Netherlands and dies or makes a donation within ten years after leaving the Netherlands. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift tax if he or she has been resident in the Netherlands and makes a donation within a twelve months period after leaving the Netherlands. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

Non-residents of the Netherlands

No gift or inheritance taxes will arise in the Netherlands in respect of the acquisition of the Securities by way of a gift by, or as a result of, the death of a holder that is neither a resident nor deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax, unless in the case of a gift of the Securities by a holder who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such holder dies within 180 days after the date of the gift, and at the time of his or her death is a resident or deemed to be a resident of the Netherlands.

Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Securities or in respect of a cash payment made under the Securities, or in respect of a transfer of Securities.

Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Securities.

4. UNITED KINGDOM

The following applies only to persons who are the beneficial owners of the Securities and is a summary of the Issuer's understanding of current United Kingdom tax law as applied in England and Wales and United Kingdom HM Revenue & Customs ("HMRC") practice relating only to certain aspects of United Kingdom taxation. It does not deal with any other United Kingdom taxation implications of acquiring, holding, exercising, not exercising or disposing of Securities and should not be relied upon by Holders or prospective Holders of Securities. Some aspects do not apply to certain classes of persons (such as persons carrying on a trade of dealing in Securities and persons connected with the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective Holders of Securities depends on their individual circumstances and may be subject to change in the future. The precise tax treatment of a Holder of Securities will depend for each issue on the terms of the Securities, as specified in the Conditions of the Securities as amended and supplemented by the applicable Prospectus. For United Kingdom tax purposes, the term "Security" or "Securities" refers to instruments of the type described in this Prospectus and is not intended to be determinative (or indicative) of the nature of the instrument for the purposes of United Kingdom taxation. Prospective Holders of Securities who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice. This summary is intended as general information only and each prospective Holder of Securities should consult a professional tax adviser with respect to the tax consequences of an investment in the Securities.

Withholding Tax

Securities issued by the Issuer's London branch and Part VII Scheme Securities

Payments made in respect of these Securities may be made without deduction or withholding for or on account of United Kingdom income tax where such payments are not regarded as interest, manufactured payments or annual payments for United Kingdom tax purposes.

Even if such payments were to be regarded as interest, manufactured payments or annual payments for United Kingdom tax purposes, the Issuer or RBS, as applicable, should not be required to withhold or deduct sums for or on account of United Kingdom income tax from payments made in respect of the Securities provided that the payments are regarded as made under derivative contracts, the profits and losses arising from which are calculated in accordance with the provisions of Part 7 of the Corporation Tax Act 2009 (which broadly they should be provided that the payments are made under options, futures or contracts for differences for the purposes of Part 7 of that Act, which are derivatives for the purposes of FRS25 (or International Accounting Standard 32) and are not excluded for the purposes of Part 7 of that Act by virtue of their underlying subject matter).

If interest is payable on the Securities or if payments made in respect of the Securities were to be regarded as interest for United Kingdom tax purposes, provided that the Issuer's London branch or RBS, as applicable, is and continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 (the "**ITA 2007**"), such payments may be made without withholding or deduction for or on account of United Kingdom income tax where the interest is paid in the ordinary course of the Issuer's London branch's or RBS's business, as applicable, within the meaning of section 878 ITA 2007.

Payments of interest on or in respect of the Securities may also be made by the Issuer's London branch or RBS, as applicable, without deduction of or withholding for or on account of United Kingdom income tax if the Securities are and continue to be listed on a "recognised stock exchange", as defined in section 1005 of the ITA 2007. The NYSE Euronext Amsterdam is a recognised stock exchange. The Securities will therefore satisfy this requirement if they are (a) officially listed in the Netherlands in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the NYSE Euronext Amsterdam, or (b) admitted to trading on another "recognised stock exchange" and officially listed in a country in which there is a "recognised stock exchange" in accordance with provisions corresponding to those generally applicable in EEA states. Provided, therefore, that the Securities are and remain so listed, interest on the Securities will be payable by the Issuer's London branch or RBS, as applicable, without withholding or deduction for or on account of United Kingdom income tax whether or not the Issuer's London branch or RBS, as applicable, carries on a banking business in the United Kingdom and whether or not the interest is paid in the ordinary course of its business.

Interest on or in respect of the Securities may also be paid without withholding or deduction for or on account of United Kingdom income tax where interest on or in respect of the Securities is paid by a company and, at the time the payment is made, the Issuer's London branch or RBS, as applicable, reasonably believes (and any person by or through whom interest on the Securities is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HMRC has not given a direction (in circumstances where it has

reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on or in respect of the Securities may also be paid without withholding or deduction for or on account of United Kingdom income tax where the maturity of the Securities is less than 365 days and those Securities do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments by the Issuer's London branch or RBS, as applicable, of interest on or in respect of Securities, on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Holder of the Securities, HMRC can issue a notice to the Issuer's London branch or RBS, as applicable, to pay interest to the Holder of the Securities without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty, as applicable).

Payments by the Guarantor

Any payments by the Guarantor in respect of interest on, or other amounts due under, Securities issued by the Issuer's London branch or which are Part VII Scheme Securities (in each case, other than the repayment of amounts subscribed for the Securities) may be subject to United Kingdom withholding tax, subject to the availability of any exemptions or reliefs or to any direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of any applicable double tax treaty.

Certain other United Kingdom tax considerations

Payments made in respect of Securities issued by the Issuer's London branch and (from the time of the transfer) the Part VII Scheme Securities are generally expected to have a United Kingdom source. Accordingly, depending upon the category of the income, such payments may be chargeable to United Kingdom tax by direct assessment even where the Holder of Securities is not resident (or in the case of an individual, ordinarily resident) in the United Kingdom and does not hold their Securities for the purposes of, or receive such payments in connection with, a trade, profession or vocation carried on via a branch, agency or permanent establishment in the United Kingdom, although in practice HMRC may not seek to enforce any such liability in respect of such a Holder of Securities.

If Holders of Securities are liable to United Kingdom tax by way of direct assessment, Holders of Securities which are resident in a jurisdiction with an appropriate double taxation treaty with the United Kingdom may be entitled to claim exemption from direct assessment under the terms of that double taxation treaty.

UK Information Gathering Powers

Holders of the Securities may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of

the beneficial owner) from any person in the United Kingdom who either pays or credits interest (or amounts treated as interest) to or receives interest (or amounts treated as interest) for the benefit of a Holder of the Securities. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Securities which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts for the benefit of another person, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid on or before 5 April 2012. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Holder of the Securities is resident for tax purposes.

Stamp Taxes

For the purposes of the following paragraphs, it has been assumed that the Securities constitute loan capital ("**Loan Capital**") for the purposes of section 78 of the Finance Act 1986 ("**FA 1986**") and stock and/or loan capital for the purposes of section 99(3) FA 1986. A Security should be Loan Capital if the Holder has a right in all circumstances to be paid on redemption an amount equal to substantially all of the amount subscribed for the Security, either with or without any additional amount that may be payable on redemption. In addition, it is likely that HMRC would regard a Security as Loan Capital even if there is no guarantee that the holder will receive on redemption an amount equal to all or substantially all of the amount subscribed for the Security. This will, however, depend on the terms and conditions relating to the Security.

For the purposes of the following paragraphs, "**Exempt Loan Capital**" means any security which constitutes Loan Capital and: (a) does not carry rights to acquire shares or securities (by way of exchange, conversion or otherwise); (b) has not carried and does not carry a right to interest the amount of which exceeds a reasonable commercial return on the nominal amount of the relevant security; (c) subject to certain exceptions has not carried and does not carry a right to interest the amount of which falls or has fallen to be determined to any extent by reference to the results of, or any part of, a business or to the value of any property; and (d) has not carried and does not carry a right to a premium which is not reasonably comparable with amounts payable on securities listed on the London Stock Exchange.

Stamp duty on the issue of Securities
No stamp duty will generally be payable in relation to the issue of Securities, including where such Securities are issued into CREST.

Stamp duty on the transfer of Securities
No United Kingdom stamp duty should be required to be paid on transfers of Securities on sale provided no instrument of transfer is used to complete such sales.

An instrument transferring a Security on sale of the Security may technically be subject to stamp duty at a rate of 0.5 per cent. of the consideration paid for the Securities if the Securities are not Exempt Loan Capital.

Even if an instrument is subject to United Kingdom stamp duty, there may be no practical necessity to pay that stamp duty for example, if the Security to which it relates is issued by the Issuer and is not a Part VII Scheme Security, as United Kingdom stamp duty is not an assessable tax. However, an instrument which is not duly stamped cannot be registered or used for certain purposes in the United Kingdom; for example it will be inadmissible in evidence in civil proceedings in a United Kingdom court. In the event that such an instrument
is subject to United Kingdom stamp duty, and it becomes necessary to pay that stamp duty (for example because this is necessary in order to enforce the document in the United Kingdom), interest will be payable (in addition to the stamp duty) in respect of the period from 30 days after the date of execution of the instrument to the date of payment of the stamp duty. Penalties may also be payable if either (i) an instrument which was executed in the United Kingdom is not stamped within 30 days of being so executed or (ii) an instrument which was executed outside the United Kingdom is not stamped within 30 days of first being brought into the United Kingdom.

*Stamp duty reserve tax ("**SDRT**") on the issue or transfer of Securities to a Clearance Service*

No SDRT should be payable in relation to the issue of a Security by the Issuer or the transfer of such a Security to any person providing a clearance service, or a nominee for any such person, within the meaning of section 96 FA 1986 (a "**Clearance Service**"), in each case, unless the Security is an interest in, or to dividends or other rights arising out of, or a right to allotment of or to subscribe for, or an option to acquire shares which are paired with shares (which are not "newly subscribed shares" as defined in section 99(12) FA 1986) issued by a
body corporate incorporated in the United Kingdom.

Except where an election has been made under which the alternative system of charge as provided for in section 97A FA 1986 (a "**s97A Election**") applies, SDRT at a rate of 1.5 per cent may be payable in respect of a Security issued by the Issuer and which is not a Part VII Scheme Security on the issue or transfer of such a Security to a Clearance Service where it is an interest in, or to dividends or other rights arising out of, or a right to allotment of or to subscribe for, or an option to acquire shares which are paired with shares (which are not "newly subscribed shares" as defined in section 99(12) FA 1986) issued by a body corporate incorporated in the United Kingdom.

The analysis in the above paragraph is likely to apply to the transfer of a Security to a Clearance Service where no s97A Election applies in respect of the Security where such Security was issued by the Issuer and is a Part VII Scheme Security, although this is not free from doubt. Were the analysis in the above paragraph not to apply to a transfer of such a Security to a Clearance Service where no s97A Election applies in respect of the Security, SDRT at a rate of 1.5 per cent. may be payable on such a transfer in circumstances other than those described in the paragraph above if the Security is not Exempt Loan Capital.

The ECJ has found in C-569/07 HSBC Holdings plc and Vidacos Nominees Ltd v The Commissioners of Her Majesty's Revenue & Customs (Case C-569/07) that the 1.5 per cent. charge is contrary to EU Community Law where shares are issued to a clearance service. HMRC has subsequently indicated that it will not levy the charge on shares issued to a clearance service within the EU. It is not clear the extent to which this decision applies to the Securities or the way in which any change in legislation or HMRC practice in response to this
decision may alter the position outlined above.

SDRT on the transfer of Securities held within a Clearance Service

SDRT should generally not be payable in relation to an agreement to transfer a Security held within a Clearance Service provided that no s97A Election applies in respect of the Security.

SDRT on the transfer of Securities held outside a Clearance Service, held within CREST or held within a Clearance Service where a s97A Election applies in respect of the Security

In the case of Securities issued by the Issuer which are not Part VII Scheme Securities and which are held outside a Clearance Service (otherwise than within CREST, regarding which, see below) or held within a Clearance Service where a s97A Election applies in respect of the Security, SDRT should generally be payable in relation to any agreement to transfer such a Security where it is an interest in, or to dividends or other rights arising out of, or a right to allotment of or to subscribe for, or an option to acquire either: (i) stocks, shares or loan capital for the purposes of section 99(3) FA 1986 which are not Exempt Loan Capital and which are registered in a register kept in the United Kingdom; or (ii) shares which are paired with shares issued by a body corporate incorporated in the United Kingdom, unless (in either case) that Security is in bearer form. Any such SDRT would be payable at a rate of 0.5 per cent. of the consideration given under an agreement to transfer such Securities, unless the transfer is to a Clearance Service or to a person issuing depositary receipts (or to an agent or nominee of such a person) where SDRT may be payable at a rate of 1.5 per cent.

Provided the Securities are not registered in a register kept in the United Kingdom, the analysis in the above paragraphs is likely to apply to the transfer of a Security issued by the Issuer which is a Part VII Scheme Security and which is held outside a Clearance Service (otherwise than within CREST, regarding which, see below) or held within a Clearance Service where a s97A Election applies in respect of the Security, although this is not free from doubt. Were the analysis in the above paragraphs not to apply to a transfer of such a Security, SDRT may be payable at a rate of 0.5 per cent. of the consideration given under an agreement to transfer such Securities (unless the transfer is to Clearance Service or to a person issuing depositary receipts (or to an agent or nominee of such a person) where SDRT may be payable at a rate of 1.5 per cent.) in circumstances other than those described in the paragraphs above if the Security is not Exempt Loan Capital.

SELLING RESTRICTIONS

The statements which follow are of a general nature. Potential purchasers in each jurisdiction must ensure that they are able validly to take delivery of the Securities and any assets into which they may convert or be settled. Additional certifications may be required by the Issuer and/or any clearance system at the time of exercise and/or settlement.

1. GENERAL

No action has been or will be taken by the Issuer that would permit a public offering of the Securities or possession or distribution of any offering material in relation to the Securities in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Securities, or distribution of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligation on the Issuer.

2. THE NETHERLANDS

Securities which qualify as savings certificates as defined in the Savings Certificates Act ("*Wet inzake spaarbewijzen*") may only be transferred or accepted through the mediation of either the Issuer or an admitted institution of Euronext Amsterdam N.V. with due observance of the Savings Certificates Act and its implementing regulations (including registration requirements), provided that no mediation is required in respect of:

(a) the initial issue of those Securities to the first holders thereof;

(b) any transfer and delivery by individuals who do not act in the conduct of a profession or trade; and

(c) the issue and trading of those Securities, if they are physically issued outside The Netherlands and are not distributed in The Netherlands in the course of primary trading or immediately thereafter.

3. PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS DIRECTIVE

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Issuer represents and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Prospectus as contemplated by the Prospectus in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Securities to the public in that Relevant Member State:

(a) if the Prospectus in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State provided that any such prospectus has subsequently been completed by the Prospectus contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Prospectus, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive);; or

(d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Securities to the public**" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

4. UNITED STATES OF AMERICA

No Securities of any Series have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and trading in the Securities has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act as amended (the "**CEA**"). No Securities of any Series, or interests therein, may at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person.

Offers, sales, resales or deliveries of Securities of any Series, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of U.S. persons would constitute a violation of United States securities laws unless made in compliance with the registration requirements of the Securities Act or pursuant to an exemption therefrom. In addition, in the absence of relief from the CFTC, offers, sales, resales, trades or deliveries of Securities, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading.

Securities having a maturity of more than one year will be issued in compliance with U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (the "**D Rules**") and, in accordance with the D Rules, may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Securities in dematerialised form having a maturity of more than one year will be issued in compliance with U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(C) (the "**C Rules**") and, in accordance with the C Rules, may not be offered, sold or delivered within the United States or its possessions, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 (the "**Code**") and the U.S. Treasury regulations thereunder.

The Issuer will require each dealer participating in the distribution of Securities subject to the D Rules:

(a) except to the extent permitted under the D Rules, (i) to represent that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, such Securities to a person who is within the United States or its possessions or to a United States person, and (ii) to represent that it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Securities that are sold during the restricted period;

(b) to represent that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Securities subject to the D Rules are aware that such Securities may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(c) if it is a United States person, each dealer represents that it is acquiring Securities for purposes of resale in connection with their original issuance and if it retains Securities for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6);

(d) with respect to each affiliate that acquires Securities from a dealer for the purpose of offering or selling such Securities during the restricted period, to repeat and confirm the representations and agreements contained in subclauses (a), (b) and (c) of this paragraph on such affiliate's behalf; and

(e) to agree that it will obtain from any distributor (within the meaning of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(4)(ii)) that purchases any Securities subject to the D Rules from it pursuant to a written contract with

such dealer (except a distributor that is one of its affiliates or is another dealer), for the benefit of the Issuer and each other dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of subclauses (a), (b), (c) and (d) of this paragraph insofar as they relate to the D Rules, as if such distributor were a dealer hereunder.

The terms used in the preceding sentence have the meanings given to them by the Code and the U.S. Treasury regulations thereunder, including the D Rules.

The Issuer will require each dealer participating in the distribution of Securities subject to the C Rules to agree that it will not at any time offer, sell, resell or deliver, directly or indirectly, the Securities in the United States or to others for offer, sale, resale or delivery, directly or indirectly, in the United States. Further, the Issuer and each dealer to which it sells the Securities will represent and agree that in connection with the original issuance of such Securities that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States and will not otherwise involve its U.S. office in the offer or sale of such Securities. The terms used in the preceding sentence (and not otherwise defined below) have the meanings given to them by the Code and the U.S. Treasury regulations thereunder, including the C Rules.

As used herein, "**United States**" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and "**U.S. person**" means (i) an individual who is a citizen or resident of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal
income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being non-U.S. persons; or (vii) any other "U.S. Person" as such term may be defined in Regulation S under the Securities Act or in regulations adopted under the CEA.

Notice to purchasers and holders of restricted securities and transfer restrictions

Each purchaser of Securities will, by its purchase of such Securities, be deemed to acknowledge, represent and agree as follows:

(a) that trading in the Securities has not been and will not be approved by the CFTC under the CEA;

(b) that it will not at any time offer, sell, resell or deliver, directly or indirectly, any Securities of such Series so purchased in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person;

(c) that it is not purchasing any Securities of such Series for the account or benefit of any U.S. person;

(d) that it will not make offers, sales, resales or deliveries of any Securities (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person;

(e) that it will send each person who purchases any Securities of such issue from it a written confirmation (which shall include the definitions of "**United States**" and "**U.S. person**" set forth herein) stating that the Securities have not been registered under the Securities Act, that trading in the Securities has not been approved by the CFTC under the CEA and stating that such purchaser agrees that it will not at any time offer, sell, resell or deliver any of such Securities, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person;

(f) that no U.S. person or person in the United States may at any time trade or maintain a position in the instruments and that a person entitled to receive an interim payment or exercising (or entitled to receive any amount at maturity or exercise under) the instrument will be required to certify that neither it nor the beneficial owner of the instrument is a U.S. person or is located in the United States;

(g) that any person exercising a Security will be required to represent that it is not a U.S. person; and

(h) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Securities prior to 40 days after the closing of the offer of the relevant Securities, it will do so only (a) outside the United States in compliance with Rule 903 or 904 under the Securities Act and (b) in accordance with all applicable United States state securities laws; and it acknowledges that the Global Securities will bear a legend to the following effect unless otherwise agreed to by the Issuer:

> **THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND THE SECURITIES MAY NOT BE EXERCISED, OFFERED, SOLD, TRANSFERRED OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT. FURTHERMORE, TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION UNDER THE UNITED STATES COMMODITY EXCHANGE ACT, AS AMENDED AND NO U.S. PERSON MAY AT ANY TIME TRADE OR MAINTAIN A POSITION IN THE SECURITIES.**

5. UNITED KINGDOM

The Issuer represents, warrants and agrees that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer and it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

GENERAL INFORMATION

Authorisation

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of the Netherlands have been given for the issue of the Securities.

Documents available

For so long as the Securities remain outstanding, copies of the following documents will, when published, be available, free of charge, from the registered office of the Issuer and from the specified office of the Principal Agent:

(a) an English translation of the Deed of Incorporation and the most recent Articles of Association of the Issuer;

(b) the consolidated audited financial statements of RBS Holdings for the financial years ended 31 December 2009 and 31 December 2010, in each case together with any audit reports prepared in connection therewith;

(c) all future consolidated financial statements of the Issuer;

(d) a copy of each of the relevant Registration Documents;

(e) a copy of this Prospectus; and

(f) all documents incorporated herein by reference.

Description of the Securities

The Securities are cash settled capital protected securities. At maturity a cash amount equal to at least 100% of the Nominal Amount, and depending upon the value of the Shares, an additional Payout, unless previously redeemed, repurchased or cancelled and subject as provided by the General Conditions and Product Conditions (the "**Protected Amount**") per Security is paid. The Securities bear no interest upon the Nominal Amount. The issue size of the Securities is EUR172,000,000. The conditions applicable to the Securities are contained in the General Conditions and the Product Conditions set out in this Prospectus. As at the date of this Prospectus, the Number of Share(s) (as defined in the Product Conditions) is greater than 7, hence the Payout will be equal to 10% and each Security, unless previously redeemed, repurchased, or cancelled will be redeemed by the Issuer at a Cash Amount equal to EUR 1,100 on the Settlement Date.

Information on the offering of the Securities

The Securities were issued on 30 September, 2005 and accepted for clearance through Euroclear Bank, S.A./N.V. ("**Euroclear**"), Clearstream Banking, *société anonyme* ("**Clearstream**"). All Securities acquired in the secondary market will be settled in the clearing systems of Euroclear and Clearstream on their usual basis for secondary market transactions. Other than the issue price of the Securities, each prospective investor in the Securities shall not be required to pay any expenses to the Issuer in order to purchase the Securities.

Listing and admission to Trading

Application will be made to Luxembourg Stock Exchange for the Securities to be admitted to trading and to be listed on the regulated market of the Luxembourg Stock Exchange.

Proposed Transfers

On 19 April 2011, the Boards of RBSG, RBS, RBS Holdings and RBS N.V. announced that they had approved the proposed transfers of a substantial part of the business activities of RBS N.V. to RBS (the "**Proposed Transfers**"), subject, amongst other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures.

It was also announced that it was expected that the Proposed Transfers would be implemented on a phased basis over a period ending 31 December 2013 and that a large part of the Proposed Transfers (including the transfers of certain securities issued by RBS N.V.) was expected to have taken place by the end of 2012. Where available and practicable, statutory transfer schemes will be used to implement the Proposed Transfers. Subject to internal approvals, it is expected that these will include a banking business transfer scheme in respect of eligible business carried on by RBS N.V. pursuant to Part VII of the UK Financial Services and Markets Act 2000 (the "**Part VII Scheme**"). Implementation of the Part VII Scheme was subject (amongst other matters) to court and regulatory approval. In advance of that, certain disclosure relating to RBS has been incorporated by reference in this Prospectus.

On 21 July 2011, RBS and RBS N.V. announced details of the RBS N.V. securities in respect of which RBS is expected to become the issuer as a result of the Part VII Scheme. It has been indicated that RBS is expected to become the issuer of the Securities described in this Prospectus as a result of the Part VII Scheme (subject to the Securities not having been exercised, redeemed or repurchased and cancelled prior to the implementation of the Part VII Scheme).

On 22 July 2011, RBS and RBS N.V. announced that they presented a petition to the Court of Session in Scotland (the Court) on 21 July 2011 for an order under Part VII of the UK Financial Services and Markets Act 2000 to sanction the Part VII Scheme. Subject to regulatory approval and provided the Court makes an order sanctioning the Part VII Scheme, it is expected that the Part VII Scheme will become effective on 17 October 2011 or such other date as RBS and RBS N.V. may agree in writing. The boards of RBS and RBS N.V. also announced on 22 July 2011 (i) the proposed amendments to be made to the terms of securities in respect of which RBS is expected to become the issuer as a result of the Part VII Scheme (the Part VII Securities) and to agreements RBS N.V. has entered into related to such securities in order to give effect to the Part VII Scheme and, amongst other matters, to mitigate certain potential adverse effects on holders of securities of RBS N.V. and (ii) certain restrictions which are proposed to be placed on RBS in relation to the Part VII Securities. For further information see the press release entitled "Details of Part VII Scheme – Securities issued by, and guarantees granted by, RBS N.V." published by the Issuer on 22 July 2011 which shall be incorporated into, and form part of, this Prospectus (see *Documents Incorporated by Reference*).

On 23 September, 2011, RBS and RBS N.V. announced that the Court of Session in Scotland had pronounced an order under Part VII of the UK Financial Services and Markets Act 2000 sanctioning the implementation of a banking business transfer scheme whereby the Securities (amongst others) would be transferred to The Royal Bank of Scotland plc pursuant to the Part VII Scheme. The Part VII Scheme is expected to take effect on 17 October 2011.

Where the provisions in the Prospectus indicate that RBS is or is not expected to become the issuer of such Securities as a result of the Part VII Scheme, investors should not place any reliance on such indication when making an investment decision or for any other purpose, and investors should be aware that changes to the proposals for the Proposed Transfers (including, without limitation, to the identity of the securities in respect of which RBS may become the issuer, the eventual manner in which the change of issuer is proposed to be effected, to the timing for such change or any other details of the Part VII Scheme) may be made if required, or if determined by RBS N.V. or RBS (in their absolute discretion) to be desirable for commercial or other reasons. Accordingly, nothing in this Prospectus should be taken as (or is) a representation that RBS will become, or RBS N.V. will remain, the issuer of any of the Securities, whether in the manner described in this Prospectus, in accordance with the timing set out in this Prospectus, or at all. If prospective purchasers are in any doubt as to whether there is any tax or other impact on them as a result of the Proposed Transfers (including the Part VII Scheme), they should discuss such matters with their advisers.

Guarantee

RBS Holdings owns 100 per cent. of RBS N.V.'s shares and is jointly and severally liable for all liabilities in respect of the Securities pursuant to a declaration under Article 2:403 of the Dutch Civil Code, which liability of RBS Holdings in relation to these Securities that are expected to transfer to The Royal Bank of Scotland plc as a result of the Part VII Scheme (unless the Securities have been exercised, redeemed or repurchased and cancelled prior to the implementation of the Part VII Scheme) will not be affected by such transfer (to the extent RBS Holdings would, but for such transfer, have otherwise been liable for the same).

Notices

All notices to the Holders will be delivered to Euroclear and Clearstream. Any such announcement issued to either Euroclear and Clearstream shall be deemed to be effective on the day following its delivery to the clearing agent (and, if delivered to more than one clearing agent, on the date first delivered to a clearing agent).

Securities held in global form

The Securities are held by or on behalf of Euroclear and Clearstream (the "**clearing systems**") in the form of a Global Security which will be exchangeable for definitive Securities only in the event of the closure of all clearing systems. For as long as any Securities are represented by a Global Security held on behalf of one or more clearing systems, payments of principal, interest (if any) and any other amounts on a Global Security will be made through the clearing systems against presentation or surrender (as the case may be) of the Global Security. The bearer of the Global Security shall be treated by the Issuer and any Principal Agent as the sole holder of the relevant Securities represented by the Global Security with respect to the payment of principal, interest (if any) and any other amounts payable in respect of the Securities or any securities deliverable in respect of the Securities. Securities which are represented by the Global Security will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream or any other clearing system (as applicable).

Information on the Shares

Information about the past and future performance of the Shares and their volatility can be obtained on their respective Screen Page(s) as provided in Annex A.

Calculation Agent

The Calculation Agent is BNP Paribas, London Branch.

Principal Agent and Paying Agent

The Principal Agent and Paying Agent is The Royal Bank of Scotland N.V. (previously named ABN AMRO Bank N.V.), acting through its offices at 250 Bishopsgate, London, EC2M 4AA.

Post-issuance information

The Issuer does not intend to provide any post-issuance information.

Expenses

Any expenses are described in the Product Conditions and will be deducted accordingly.

Categories of investors to which the Securities are offered

The Securities will be offered to both retail and qualified investors.

Recent Developments

Independent Commission on Banking

On 16 June 2010, HM Treasury published the terms of reference for the UK Government's Independent Commission on Banking ("**ICB**"). The ICB was mandated to formulate policy recommendations with a view to: (i) reducing systemic risk in the banking sector, exploring the risk posed by banks of different size, scale and function; (ii) mitigating moral hazard in the banking system; (iii) reducing the likelihood and impact of a bank's failure; and (iv) promoting competition in retail and investment banking with a view to ensuring that the needs of banks' customers are served efficiently and considering the extent to which large banks can gain competitive advantage from being perceived as "too big to fail".

Following an interim report published on 11 April 2011, the ICB published its final report to the Cabinet Committee on Banking Reform on 12 September 2011 (the "**Final Report**"). The Final Report makes a number of recommendations, including in relation to (i) the implementation of a ring-fence of retail banking operations, (ii) loss-absorbency (including bail-in) and (iii) competition. The ICB has recommended 2019 as the final deadline for the implementation of its recommendations. The RBSG Group will continue to participate in the debate and to consult with the UK Government on the implementation of the recommendations set out in the Final Report, the effects of which could have a negative impact on the RBSG Group's consolidated net assets, operating results or cash flows in any particular period.

Material Contracts

The RBS Group is party to various contracts in the ordinary course of business. Material contracts are described on pages 399 to 404 of the 2010 annual report and accounts of RBSG which was published by RBSG on 17 March 2011.

No Significant Change and No Material Adverse Change

There has been no significant change in the financial position of the RBS Group taken as a whole since 30 June 2011 (the end of the last financial period for which either audited financial information or interim financial information has been published).

Save in relation to matters referred to on page 22 of the RBS Interim Results 2011, relating to Payment Protection Insurance, which the RBS Group has made provisions for therein, there has been no material adverse change in the prospects of the RBS Group taken as a whole since 31 December 2010 (the last date to which the latest audited published financial information of the RBS Group was prepared).

Assets, Owners' Equity and Capital Ratios

The RBS Group had total assets of £1,307.3 billion and owners' equity of £57.0 billion as at 31 December 2010. As at 31 December 2010, the RBS Group's capital ratios were a total capital ratio of 13.6 per cent., a core tier 1 capital ratio of 8.4 per cent. and a tier 1 capital ratio of 10.1 per cent.

LARGE EXPOSURE REGIME

On 1 July, 2011, RBS will become subject to changes to the Financial Services Authority's large exposure regime. Under the changes to the large exposure regime, any company which is less than 100 per cent. owned by RBSG will be classified as a connected counterparty. RBS N.V. which is currently approximately 98 per cent. indirectly owned by RBSG, will therefore by classified as a connected counterparty, which will result in a breach by RBS of the amended rules under the large exposure regime described above.

The proposed transfers (as described above) are, subject to certain conditions, expected to be implemented on a phased basis over a period ending 31 December 2013. Those proposed transfers will also form the basis of a remediation plan which has been agreed with the Financial Services Authority to enable RBS over time to become compliant with the changes to the large exposure regime.

RBS does not expect this to have a material adverse effect on the RBSG Group.

Litigation

On 2 September 2011, the US Federal Housing Finance Agency ("**FHFA**") as conservator for the Federal National Mortgage Association ("**Fannie Mae**") and the Federal Home Loan Mortgage Company ("**Freddie Mac**") filed 17 lawsuits in the United States against a number of international banks and individual defendants, including RBSG, certain other Group companies and five individual officers and directors of the Group's subsidiaries. The lawsuits involve allegations that certain disclosures made by the defendants in connection with the relevant offering or underwriting of securities contained materially false or misleading statements and/or omissions regarding the underwriting standards pursuant to which the mortgage loans underlying the securities were issued. Group entities are named as defendants in their capacities as issuers and underwriters of securities, not as originators of any underlying mortgage loans. Although its claims against the Group are currently unquantified, the plaintiff refers to Fannie Mae's and Freddie Mac's losses on securities with original face values of over US$30 billion."

Ratings

Moody's is expected to rate: senior notes issued by RBS with a maturity of one year or more "A2"; senior notes issued by RBS with a maturity of less than one year "P-1"; and dated subordinated notes and undated tier 2 notes issued by RBS will be rated on a case-by-case basis.

As defined by Moody's, an "A" rating means the capacity of the Issuer to meet its obligations on the relevant notes issued by it is considered to be upper-medium grade subject to low credit risk. As defined by Moody's, the addition of a "2" indicates that the obligation ranks mid-range in its generic rating category.

The rating definitions set out above constitute third party information and were obtained in the English language from the publication entitled "Rating Symbols and Definitions – July 2011" published by Moody's (available at www.moodys.com).

CONDITIONS: GENERAL CONDITIONS

The General Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the Product Conditions (whether or not attached to this document). The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on the Definitive Securities or attached to the Global Security representing the Securities.

1. DEFINITIONS

Terms in capitals which are not defined in these General Conditions shall have the meanings ascribed to them in the Product Conditions.

2. STATUS

The Securities constitute unsecured and unsubordinated obligations of the Issuer and rank *pari passu* among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory provisions of law.

3. EARLY TERMINATION

The Issuer shall have the right to terminate the Securities if it shall have determined in its absolute discretion that for reasons beyond its control its performance thereunder shall have become unlawful in whole or in part as a result of compliance in good faith by the Issuer with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power ("**Applicable Law**"). In such circumstances the Issuer will, however, if and to the extent permitted by the Applicable Law, pay to each Holder in respect of each Security held by such Holder an amount calculated by it as the fair market value of the Security immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any related hedging arrangements. Payment will be made to the Holder in such manner as shall be notified to the Holder in accordance with General Condition 4.

4. NOTICES

(a) Validity. Notices to Holders shall be given by delivery of the relevant notice to the Clearing Agent(s).

(b) Delivery. Any such announcement issued pursuant to General Condition 4(a) shall be deemed to be effective on the day following its delivery to the Clearing Agent (and if delivered to more than one Clearing Agent on the date first delivered to a Clearing Agent).

5. HEDGING DISRUPTION

(a) Notification. The Issuer shall as soon as reasonably practicable give instructions to the Calculation Agent to notify the Holders in accordance with General Condition 4(a) (i) if it determines that a Hedging Disruption Event has occurred and (ii) the consequence of such Hedging Disruption Event as determined by the Issuer pursuant to General Condition 5(c).

(b) Hedging Disruption Event. A "**Hedging Disruption Event**" shall occur if the Issuer determines that it is or has become not reasonably

practicable or it has otherwise become undesirable, for any reason, for the Issuer wholly or partially to establish, re-establish, substitute or maintain a relevant hedging transaction (a "**Relevant Hedging Transaction**") it deems necessary or desirable to hedge the Issuer's obligations in respect of the Securities. The reasons for such determination by the Issuer may include, but are not limited to, the following:

(i) any material illiquidity in the market for the relevant instruments (the "**Disrupted Instrument**") which from time to time are included in the reference asset to which the Securities relate; or

(ii) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority); or

(iii) a material decline in the creditworthiness of a party with whom the Issuer has entered into any such Relevant Hedging Transaction; or

(iv) the general unavailability of (A) market participants who will agree to enter into a Relevant Hedging Transaction; or (B) market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.

(c) Consequences. The Issuer, in the event of a Hedging Disruption Event, may determine to:

(i) terminate the Securities. In such circumstances the Issuer will, however, if and to the extent permitted by the Applicable Law, pay to each Holder in respect of each Security held by such Holder an amount calculated by it as the fair market value of the Security immediately prior to such termination less the cost to the Issuer of unwinding any related hedging arrangements. Where the Securities contain provisions which provide a minimum assured return of principal, howsoever expressed, on the Settlement Date or Maturity Date as applicable, or a minimum assured return of interest or coupons, howsoever expressed, on a relevant Interest Payment Date, any such amount to be paid under this General Condition shall not be less than the present value of such minimum assured return of principal and/or interest or coupons, such present value being determined by the Calculation Agent. Payment will be made to the Holder in such manner as shall be notified to the Holder in accordance with General Condition 4;

(ii) make an adjustment in good faith to the relevant reference asset by removing the Disrupted Instrument at its fair market value (which may be zero). Upon any such removal the Issuer may:

(A) hold any notional proceeds (if any) arising as a consequence thereof and adjust the terms of payment and/or delivery in respect of the Securities; or

(B) notionally reinvest such proceeds in other reference asset(s) if so permitted under the Conditions (including the reference asset(s) to which the Securities relate);

(iii) make any other adjustment to the Conditions as it considers appropriate in order to maintain the theoretical value of the Securities after adjusting for the relevant Hedging Disruption Event. Where the Securities contain provisions which provide a minimum assured return of principal, howsoever expressed, on the Settlement Date or Maturity Date as applicable, or a minimum assured return of interest or coupons, howsoever expressed, on a relevant Interest Payment Date, any such adjustment will in no way affect the Issuer's obligations to make payment to the Holders not less than the minimum assured return of principal and/or interest or coupons on the relevant Settlement Date or Maturity Date, or Interest Payment Date, as applicable.

6. PURCHASES, FURTHER ISSUES BY THE ISSUER AND PRESCRIPTION

(a) Purchases. The Issuer or any Affiliate may, except under certain circumstances, purchase Securities at any price in the open market or by tender or private treaty. Any Securities so purchased may be held, surrendered for cancellation or reissued or resold, and Securities so reissued or resold shall for all purposes be deemed to form part of the original series of Securities.

In this General Condition 6(a) "**Affiliate**" means any entity controlled directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer, or any entity under common control with the Issuer. As used herein "**control**" means the ownership of a majority of the voting power of the entity and "**controlled by**" and "**controls**" shall be construed accordingly.

(b) Further Issues. The Issuer shall be at liberty from time to time without the consent of the Holders or any of them to create and issue further securities so as to be consolidated with and form a single series with the Securities.

(c) Prescription. Any Security or Coupon which is capable of presentation and is not so presented by its due date for presentation shall be void, and its value reduced to zero, if not so presented within five years of such due date. For the avoidance of doubt, any Securities which are subject to provisions relating to their exercise shall be void, and their value shall be zero, if not exercised in accordance with their provisions.

7. DETERMINATIONS AND MODIFICATIONS

(a) Determinations. Any determination made by the Issuer shall (save in the case of manifest error) be final, conclusive and binding on the Holders.

(b) Modifications. The Issuer may without the consent of the Holders or any of them, modify any provision of the Conditions which is (i) of a formal, minor or technical nature, (ii) made to correct a manifest error, or (iii) in its absolute discretion, not materially prejudicial to the interests of the Holders. Notice of any such modification will be given to the Holders in accordance with General Condition 4 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

8. SUBSTITUTION

(a) Substitution of Issuer. The Issuer may at any time, without the consent of the Holders substitute for itself as principal obligor under the Securities any company (the "**Substitute**"), being any subsidiary or affiliate of the Issuer, subject to: (i) the obligation of the Substitute under the Securities being guaranteed by RBS Holdings N.V. ("RBS Holdings") (unless RBS Holdings is the Substitute); (ii) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect; and (iii) the Issuer having given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with General Condition 4. In the event of any substitution of the Issuer, any reference in the Conditions to the Issuer shall from such time be construed as a reference to the Substitute.

(b) Substitution of Office. The Issuer shall have the right upon notice to the Holders in accordance with General Condition 4 to change the office through which it is acting and shall specify the date of such change in such notice.

9. TAXATION

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other similar payment which may arise as a result of the ownership, transfer or exercise of any Securities. In relation to each Security the relevant Holder shall pay all Expenses as provided in the Product Conditions. All payments or, as the case may be, deliveries in respect of the Securities will be subject in all cases to all applicable fiscal and other laws and regulations (including, where applicable, laws requiring the deduction or withholding for, or on account of, any tax duty or other charge whatsoever). The Holder shall be liable for and/or pay, any tax, duty, Expenses or charge in connection with, the ownership of and/or any transfer, payment or delivery in respect of the Securities held by such Holder. The Issuer shall have the right, but shall not be obliged, to withhold or deduct from any amount payable such amount, as shall be necessary to account for or to pay any such tax, duty, charge, withholding or other payment. Each Holder shall indemnify the Issuer against any loss, cost or other liability whatsoever sustained or incurred by the Issuer in respect of any such tax, duty, charge, withholding or other payment as referred to above in respect of the Securities of such Holder.

10. REPLACEMENT OF SECURITIES AND COUPONS

If any Security or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Agent (or such other

place of which notice shall have be given to Holders in accordance with General Condition 4) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Securities and Coupons must be surrendered before replacements will be issued.

11. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

(a) Redenomination. The Issuer may, without the consent of any Holder, on giving notice to the Holders in accordance with General Condition 4 elect that, with effect from the Adjustment Date specified in such notice, certain terms of the Securities shall be redenominated in euro. The election will have effect as follows:

(i) where the Settlement Currency is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, whether as from 1999 or after such date, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide and as may be specified in the notice, and after the Adjustment Date, all payments in respect of the Securities will be made solely in euro as though references in the Securities to the Settlement Currency were to euro;

(ii) where the Conditions contain a rate of exchange or any of the Conditions are expressed in a currency (the "**Original Currency**") of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, whether as from 1999 or after such date, such rate of exchange and/or any other terms of the Conditions shall be deemed to be expressed in or, in the case of a rate of exchange, converted for or, as the case may be into, euro at the Established Rate; and

(iii) such other changes shall be made to the Conditions as the Issuer may decide to conform them to conventions then applicable to instruments expressed in euro.

(b) Adjustment to Conditions. The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with General Condition 4 make such adjustments to the Conditions as the Issuer may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Conditions.

(c) Euro Conversion Costs. Notwithstanding General Condition 11(a) and/or General Condition 11(b), none of the Issuer, the Calculation Agent nor any Agent shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

(d) Definitions Relating to European Economic and Monetary Union. In this General Condition, the following expressions have the meanings set out below.

"**Adjustment Date**" means a date specified by the Issuer in the notice given to the Holders pursuant to this Condition which falls, if

the currency is that of a country not initially participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, on or after such later date as such country does so participate;

"**Established Rate**" means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European community regulations) into euro established by the Council of the European Union pursuant to the first sentence of Article 123(4), formerly 109 L (4) of the Treaty;

"**National Currency Unit**" means the unit of the currency of a country as those units are defined on the day before the start of the third stage of European Economic and Monetary Union pursuant to the Treaty or, in connection with the expansion of such third stage, to any country which has not initially participated in such third stage; and

"**Treaty**" means the treaty establishing the European Community.

12. AGENTS

(a) Principal Agent and Agents. The Issuer reserves the right at any time to vary or terminate the appointment of any agent (the "**Agent**") and to appoint further or additional Agents, provided that no termination of appointment of the principal agent (the "**Principal Agent**") shall become effective until a replacement Principal Agent shall have been appointed and provided that, if and to the extent that any of the Securities are listed on any stock exchange or publicly offered in any jurisdiction, there shall be an Agent having a specified office in each country required by the rules and regulation of each such stock exchange and each such jurisdiction and provided further that, if and to the extent that any of the Securities are in registered form, there shall be a Registrar and a Transfer Agent (which may be the Registrar), if so specified in the relevant Product Conditions. Notice of any appointment, or termination of appointment, or any change in the specified office, of any Agent will be given to Holders in accordance with General Condition 4. Each Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders or any of them. Any calculations or determinations in respect of the Securities made by an Agent shall (save in the case of manifest error) be final, conclusive and binding on the Holders.

(b) Calculation Agent. Unless otherwise specified in the product conditions, the Issuer shall undertake the duties of calculation agent (the "**Calculation Agent**" which expression shall include any successor Calculation Agent) in respect of the Securities unless the Issuer decides to appoint a successor Calculation Agent in accordance with the provisions below.

The Issuer reserves the right at any time to appoint another institution as the Calculation Agent provided that no termination of appointment of the existing Calculation Agent shall become effective until a replacement Calculation Agent shall have been appointed. Notice of any termination or appointment will be given to the Holders in accordance with General Condition 4.

The Calculation Agent (except where it is the Issuer) acts solely as agent of the Issuer and does not assume any obligation or duty to, or

any relationship of agency or trust for or with, the Holders. Where the Issuer acts in the capacity of the Calculation Agent it does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. In any event, any calculations or determinations in respect of the Securities made by the Calculation Agent (whether or not the Issuer) shall (save in the case of manifest error) be final, conclusive and binding on the Holders.

The Calculation Agent (except where it is the Issuer) may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate. Where the Calculation Agent is the Issuer it may delegate any of its obligations and functions to a third party as it deems appropriate.

13. SURRENDER OF UNMATURED COUPONS

Each Security should be presented for redemption, where applicable, together with all unmatured Coupons relating to it. Upon the due date for redemption of any Security, where applicable, all unmatured Coupons relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

14. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any Condition. The preceding sentence shall not affect any right or remedy of any person which exists or is available apart from that Act.

CONDITIONS: PRODUCT CONDITIONS

RELATING TO EUR 172,000,000 100% CAPITAL PROTECTED SECURITIES

LINKED TO A BASKET OF 50 WORLD SHARES

DUE SEPTEMBER 2013

The Product Conditions which follow relate to the Securities and must be read in conjunction with the General Conditions (whether or not attached to this document). The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on the Definitive Securities or attached to the Global Security representing the Securities.

1. DEFINITIONS

"**Additional Documents**" means the Calculation Agency Agreement and the Confirmation (and "**Additional Document**" shall mean any one of them);

"**Agent**" means The Royal Bank of Scotland N.V. (previously named ABN AMRO Bank N.V.), London branch, 250 Bishopsgate, London EC2M 4AA, United Kingdom as principal agent (the "**Principal Agent**") acting through its specified office and the "**Agents**" shall include any other Agent appointed pursuant to the provisions of General Condition 12;

"**Barrier Level**" means in respect of each Share, Barrier Level Percentage multiplied by $Share_{initial}$;

"**Barrier Level Percentage**" means 55%;

"**Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London and a day on which each Clearing Agent is open for business;

"**Calculation Agent**" means BNP Paribas, pursuant to the Calculation Agency Agreement;

"**Calculation Agency Agreement**" means the Calculation Agency Agreement dated on or around 30 September, 2005 by and between BNP Paribas and the Issuer;

"**Cash Amount**" means an amount determined by the Calculation Agent in accordance with the following formula:

$$NA \times (1 + MAX(10\%; Payout))$$

Where "NA" shall have the same meaning as 'Nominal Amount'.

The Cash Amount payable to a Holder shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

"**Clearing Agent**" means Euroclear Bank S.A. and Clearstream Banking S.A. and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Holders in accordance with General Condition 4;

"**Confirmation**" means the swap transaction confirmations by and between the Issuer and a market counterparty for the purpose of hedging the Issuer in respect of the issue of the Securities;

"**Final Valuation Date**" means the 13th September 2013, unless that day falls on a day which is not Trading Day for a Share Company, in which case the Final Valuation Date shall be the next following Trading Day provided that this Trading Day falls before the 25 September 2013; otherwise the Final Valuation Date will be deemed to be the first Trading Day immediately preceding the 13 September 2013. If in the determination of the Calculation Agent, a Market Disruption Event has occurred the Final Valuation Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the eight Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Trading Day. In that case the eighth Trading Day shall be deemed to be the Final Valuation Date (regardless of the Market Disruption Event);

"**First Valuation Date**" means the 10th October 2005, unless that day falls on a day which is not a Trading Day, in which case the First Valuation Date only for the Share for which the Price is not available, shall be the next following Trading Day;

"**Form**" means Global;

"**Initial Date**" means the 7 October 2005, unless that day falls on a day which is not a Trading Day, in which case the Initial Date, only for the Share for which the Price is not available, shall be the next following Trading Day; or, if any such date is not a Trading Day, the first Trading Day thereafter unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day, in which case the Initial Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless if the Calculation Agent determines that there is a Market Disruption Event occurring on each of the eight Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Trading Date the eighth Trading Day shall be deemed to be the Initial Date (regardless of the Market Disruption Event);
"**Issue Date**" means the 30th September 2005;

" **Issue Price**" means 100% of the Nominal Amount;

"**Issuer**" means The Royal Bank of Scotland N.V. (previously named ABN AMRO Bank N.V.) (the "**Issuer**" or "**RBS N.V**."), acting through its London Branch of 250 Bishopsgate, London, EC2M 4AA. The Royal Bank of Scotland plc is expected to become the issuer of the Securities pursuant to Part VII of the UK Financial Services and Markets Act 2000 ("the Part VII Scheme") (unless the Securities have been exercised, redeemed or repurchased and cancelled prior to the implementation of the Part VII Scheme). Please refer to the section entitled "Proposed transfer of activities" as provided in this section below, the section entitled "Proposed Transfers" in the section "Essential Characteristics of the Issuer" and the section entitled "Proposed Transfers" in the General Information section.

"**Market Disruption Event**" means each event specified as such in Product Condition 4;

"**Maturity Date**" means the 30th September, 2013 (which may be postponed accordingly as a result of the provisions in the definition of Final Valuation Date);

"**Nominal Amount**" means EUR 1,000 per Security;

"**Number of Share(s)**" means the number of Share Companies whose Share Official Closing Price on any Valuation Date (whether the same or a different Valuation Date, on one or more Valuation Dates) is equal to or less than the relevant Barrier Level;

"**Observation Period**" means a period beginning on and including the First Valuation Date until and including the Final Valuation Date;

"**Official Closing Price**" in respect of a Share, the official price per Share as calculated and disseminated by the Relevant Exchange and observed by the Calculation Agent as of the Valuation Time on a Valuation Date, or, if no means for determining the price per Share is so provided: (i) with respect to any Share for which the Relevant Exchange is an auction or "open outcry" exchange that has a price as of the Valuation Time at which any trade can be submitted for execution, the price per Share shall be the price per Share as of the Valuation Time on a Valuation Date, as reported in the official real-time price dissemination mechanism for such Relevant Exchange; and (ii) with respect to any Share for which the Relevant Exchange is a dealer exchange or dealer quotation system, the price per Share shall be the mid-point of the highest and lowest bid and ask prices quoted as of the Valuation Time on a Valuation Date (or the last such prices quoted immediately before the Valuation Time) without regard to quotations that "lock" or "cross" the dealer exchange or dealer quotation system;

"**Payment Day**" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or if the Settlement Currency is euro, any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET) System is open;

"**Payout**" means the applicable percentage set out in the table below:

If Number of Share(s) is:	Then Payout is equal to:
Equal to or less than one	50%
Equal to 2	44%
Equal to 3	38%
Equal to 4	32%
Equal to 5	26%
Equal to 6	20%
Equal to 7	14%
greater than 7	10%

"**Related Exchange**" means, in respect of a Share, each exchange or quotation system where futures or options contracts relating to a Share is traded, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange);

"**Relevant Exchange**" in respect of a Share, the exchange specified as such in Annex A, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided

that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Relevant Exchange);

"**Re-Offer Price**" means 91.49% of the Nominal Amount i.e. the price per Note at which the Issuer sold the Notes to Intesa Vita S.p.A on the Issue Date ;

"**Scheduled Closing Time**" the time at which a Relevant Exchange or a Related Exchange is normally scheduled to close;

"**Securities**" means the EUR 172,000,000 8 year 100% Capital Protected Securities due September 2013 linked to a Basket of 50 world shares of the Dow Jones Global Titan ISIN: XS0226751419 COMMON CODE: 22675141 and each a "**Security**";

"**Settlement Currency**" means the EUR;

"**Settlement Date**" means the Maturity Date;

"**Share**" means the shares issued by a Share Company as defined in Annex A (subject to Product Conditions 4);

"**Share Company**" means any 50 of the share companies included in Annex A (subject to Product Conditions 4)

"$Share_{initial}$" means the Official Closing Price of each Share on the Initial Date;

"**Trading Day**" means any day that is (or but for the occurrence of a Market Disruption Event, would have been) a trading day on each Relevant Exchange or Related Exchange other than a day on which trading on the Relevant Exchange or Related Exchange is scheduled to close prior to its regular weekday closing time;

"**Valuation Date**" means any Trading Day occurring during of the Observation Period. For the avoidance of doubt, if a Share Company is affected by a Market Disruption Event, the affected Share Company shall not be regarded as having an Official Closing Price on a Valuation Date, equal to or less than the Barrier Level (for the purposes of the definition of 'Number of Shares');

"**Valuation Time**" means with respect to the Share the time with reference to which the Relevant Exchange calculates the closing level of the Share or such other time as the Issuer may select in its absolute discretion and notify to Holders in accordance with General Condition 4.

Terms in capitals which are not defined in these Product Conditions shall have the meanings ascribed to them in the General Conditions.

2. FORM

The Securities will be issued in bearer form in the denomination of the Nominal Amount (if any) or in units. If the Form is expressed to be Definitive then, the Securities shall be serially numbered and produced on security printed paper in definitive form and shall be transferred by delivery only. Definitives may (as such terms are defined in the Product Conditions) have attached to them Coupons. Only the holder (the "**Holder**") of a Security shall be recognised by the Issuer and each Agent as the person entitled in all respects thereto. If the Form is expressed to be Global then, the Securities will be represented by a global security (the "**Global Security**") which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular Nominal Amount or unit quantity (as the case may be) of the Securities (in which regard any certificate

or other document issued by the relevant Clearing Agent as to the Nominal Amount or unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such Nominal Amount or unit quantity of the Securities (and the term "**Holder**" shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

3. RIGHTS AND PROCEDURES

(a) Redemption on the Settlement Date. Unless previously purchased each Security will be redeemed by the Issuer at the Cash Amount, on the Settlement Date.

(b) Interest. The Securities bear no interest and no payment shall be made on account thereof. No dividends or other distributions of whatsoever nature in connection with Shares will be due or payable or passed in respect of the Securities.

(c) Method of Payment. Subject as provided below, where the Cash Amount is in a currency other than euro, payment of the Cash Amount will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account (which, in the case of payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where the Cash Amount is in euro, payment of the Cash Amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Provided that where the Securities are expressed in Global form, payments will be made via the Clearing Agent(s) and will be made in accordance with the rules of such Clearing Agent(s). All payments will be subject to applicable fiscal and legal requirements applicable thereto.

(d) Presentation and Surrender. Payment of the Cash Amount will be made against surrender of the Security (if Definitive) at the specified office of the Agent or Global Security (if Global) by or on behalf of the Holder at the specified office of the relevant Agent (in each case subject to any endorsement on the face of the Security). The Issuer shall record all payments made to the relevant Agent and such record shall be *prima facie* evidence that the payment in question has been made. The bearer of a Security shall be the only person entitled to receive payments of the Cash Amount and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid. The bearer of a Security, or (in the case of a Global Security) each of the persons shown in the records of a Clearing Agent as the holder of a particular nominal amount of the Securities, must look solely to the relevant Agent or Clearing Agent, as the case may be, for his share of each such payment so made by the Issuer to or to the order of the bearer of the Security.

(e) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled

to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.

(f) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent, or any Agent shall have any responsibility for any errors or omissions in the calculation of the Cash Amount.

(g) Settlement Risk. Settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated as a result of any such laws, regulations or practices. Neither the Issuer nor any Agent shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

(h) Annex A and Annex B. Annex A and Annex B form an integral part of the Conditions. The General Conditions, Product Conditions, Annex A and Annex B should be read in conjunction with one another.

4. ADJUSTMENTS

This Product Condition 4 relates to each Share.

(a) Market Disruption. The Calculation Agent shall as soon as reasonably practicable notify the Holders if it determines that a Market Disruption Event has occurred.

A "**Market Disruption Event**" means:

(1) the occurrence or existence on any Trading Day during the one-half hour period that ends at the official close of trading on the Relevant Exchange or any Related Exchange of any suspension of or limitation imposed on trading in (by reason of movements in price reaching or exceeding limits permitted by the relevant exchange or otherwise):

(A) the Shares on the Relevant Exchange or any other exchange on which the Shares are listed; or

(B) any options contracts or futures contracts or other derivatives contracts relating to the Share on any Related Exchange, if, in the determination of the Calculation Agent, such suspension or limitation is material; or

(2) a general moratorium is declared in respect of banking activities in the country in which the Relevant Exchange or any Related Exchange is located.

For the purposes of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the Relevant Exchange or any Related Exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the Relevant Exchange or any Related Exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event. For the avoidance of doubt there shall not be a Market Disruption Event, in respect of a Share, if the Relevant Exchange quotes an official closing price.

(b) Potential Adjustment Events. Following a declaration by the Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will: (1) make the corresponding adjustment, if any, to any one or more of the Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative effect; and (2) determine the effective date of that adjustment.

The Calculation Agent may, but need not, determine the adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange. Upon making any such adjustment, the Calculation Agent shall notify the Holders, stating the adjustment to be made to the Conditions and giving brief details of the Potential Adjustment Event.

"**Potential Adjustment Event**" means any of the following: (A) a subdivision, consolidation or reclassification of relevant Shares (unless a Merger Event), or, a free distribution or dividend of such Shares to existing holders by way of bonus, capitalisation, recapitalisation or similar issue; (B) a distribution or dividend to existing holders of the relevant Shares of (aa) such Shares, or (bb) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Company equally or proportionately with such payments to holders of such Shares, or (cc) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Calculation Agent; (C) an extraordinary dividend; (D) a distribution of cash dividends on the Shares equal to or greater than 8 per cent. per annum of the then current market value of the Shares; (E) a call by the Share Company in respect of relevant Shares that are not fully paid; (F) a repurchase by the Share Company of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or (G) any other similar event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

(c) De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency. Subject to Product Condition 4(d) and 4(e), if a De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Share Company, the Issuer in its sole and absolute discretion may take the action described in (1), (2) or (3) below:

(1) require the Calculation Agent to determine in its sole and absolute discretion acting in good faith and according to market practice, the appropriate adjustment, if any, to be made to any of the other terms of these Conditions to account for the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Calculation Agent may (but is under no obligation to) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency made by any Related Exchange to options contracts or futures contracts or other derivatives contracts on the Shares traded on such Related Exchange; or

(2) cancel the Securities by giving notice to Holders (any determination made by the Issuer regarding cancellation of Securities as a result of a De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency, shall be made in good faith and in accordance with market practice and in consultation with Intesa Vita S.p.A and shall be consistent with adjustments made to the hedging transactions in connection with the Securities). If the Securities are to be cancelled the Issuer will pay an amount to each Holder in respect of each Security held by him which amount shall be the fair market value of a Security (taking into account the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency (as the case may be)) on the day selected for cancellation as shall be selected by the Issuer in its sole and absolute discretion adjusted to account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any equity options or selling or otherwise realising any Shares or other instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders; or

(3) following any adjustment to the settlement of terms of options contracts or futures contracts or any other derivatives contracts on the Shares traded on any Related Exchange, require the Calculation Agent to make a corresponding adjustment to any of the other terms of these Conditions, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Related Exchange. If options contracts or futures contracts or other derivatives contracts on the Shares are not traded on the Related Exchange, the Calculation Agent will make such adjustment, if any, to any of the other terms of these Conditions as the Calculation Agent acting in good faith and in accordance with market practice determines appropriate, with reference to the rules and precedents (if any) set by the Related Exchange to account for the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency (as the case may be) that in the determination of the Calculation Agent would have given rise to an adjustment by the Related Exchange if such options contracts or futures contracts or other derivatives contracts were so traded and which shall be consistent with adjustments made to the hedging transactions in connection with the Securities.

Upon the occurrence of a De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, the Calculation Agent shall notify the Holders, stating the occurrence of such De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency (as the case may be) and action proposed to be taken in relation thereto.

"**De-listing**" means a Share for any reason ceases to be listed or is suspended from listing on the Relevant Exchange or any other exchange on which the Shares are listed (and such cessation or suspension is continuing and such Share is not subsequently listed or quoted on another stock exchange or quotation system acceptable to the Issuer).

"**Merger Date**" means the date upon which all holders of the Shares of a Share Company (other than, in the case of a take-over offer, Shares owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their Shares.

"**Merger Event**" means any (1) reclassification or change to the Shares of a Share Company that results in a transfer of or an irrevocable commitment to transfer all outstanding Shares of such Share Company; (2) consolidation, amalgamation or merger of a Share Company with or into another entity (other than a consolidation, amalgamation or merger in which such Share Company is the continuing entity and which does not result in any such reclassification or change to all the outstanding Shares of a Share Company); or (3) other take-over offer for the Shares of a Share Company that results in a transfer of or an irrevocable commitment to transfer the Shares of a Share Company (other than any such Shares owned or controlled by the offeror), in each case if the Merger Date is on or before the Valuation Date.

"**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 75% of the outstanding voting shares of a Share Company, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant and upon the determination by the Calculation Agent, acting in good faith and in a reasonable manner, that there has been a significant reduction of the tradable volumes of the Shares.

"**Nationalisation**" means that all the Shares of a Share Company or all the assets or substantially all the assets of a Share Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting a Share Company (1) all the Shares are required to be transferred to a receiver, trustee, liquidator or other similar official or (2) holders of the Shares of that Share Company become legally prohibited from transferring them.

(d) In the event of De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency or other restructuring event of a Share Company that results in two or more resulting companies, then only one such company shall be a Share Company (such company to be selected by the Calculation Agent acting in good faith and in a commercially reasonable manner as if it were a Replacement Share Company, in accordance with Product Condition 4(e))

(e) Following the occurrence of De-listing, Insolvency, Merger Event, Tender Offer, Nationalisation in respect of a Share Company (each a "**Substitution Event**"), the Calculation Agent acting in good faith and in a commercially reasonable manner may (but shall not be obliged to) substitute such Share Company (the "**Affected Share Company**") with a replacement

share company (the "**Replacement Share Company**") in accordance with the provisions set out below.

If the Calculation Agent elects to substitute an Affected Share Company, it shall:

1. select in good faith a Replacement Share Company in accordance with the substitution criteria set out below;

2. select a date on which the Replacement Share Company shall be deemed to replace the Affected Share Company (the "**Substitution Date**") provided that such Substitution Date shall be no later than twenty Trading Days after the date of the occurrence of the Substitution Event; and

3. determine the $Share_{initial}$ of the Substitute Share Company (which, for the avoidance of any doubt, shall be used to determine the Barrier Level in respect of such Substitute Share Company) in accordance with the following formula:

$$Share_{initial} = A * (B / C)$$

where:

"**A**" means the Official Closing Price of the Replacement Share Company on the Substitution Date;

"**B**" means the Official Closing Price of the Affected Share Company on the Initial Date; and

"**C**" means the Official Closing Price of the Affected Share Company on the Substitution Date.

Substitution criteria:

In order to be selected as a Replacement Share Company, a share must, in the determination of the Calculation Agent, be:

1. not already included in Annex A;

2. for a company in the same broad economic sector as the Affected Share Company;

3. principally traded on the same Relevant Exchange as the Affected Share Company or on a comparable stock exchange or quotation system in the same jurisdiction as the Affected Share Company;

4. of similar economic standing and creditworthiness as the Affected Share Company;

5. part of the same geographic zone as the Affected Share Company;

6. in the same currency as the Affected Share Company; and

7. have a similar implied volatility as the Affected Share Company.

In all cases, upon the occurrence of a Substitution Event, the number of Share Companies shall not exceed fifty (50).

(f) The Calculation Agent shall, as soon as practicable after receipt of any written request to do so, advise a Holder of any determination made by it pursuant to this Product Condition 4 on or before the date of receipt of such request. The Calculation Agent shall make available for inspection by Holders copies of any such determinations.

5. GOVERNING LAW

The Conditions pertaining to the Securities shall be governed by and shall be construed in accordance with English law.

ANNEX A

Share Company	Country of Incorporation	Relevant Exchange	Screen Page
Abbott Laboratories	United States of America	NYSE	Bloomberg ABT UN
Altria Group Inc	United States of America	NYSE	Bloomberg MO UN
American International Group	United States of America	NYSE	Bloomberg AIG UN
Astrazeneca p.l.c.	United Kingdom	London Stock Exchange	Bloomberg AZN LN
Bank Of America Corporation	United States of America	NYSE	Bloomberg BAC UN
Barclays p.l.c.	United Kingdom	London Stock Exchange	Bloomberg BARC LN
Bellsouth Corporation	United States of America	NYSE	Bloomberg BLS UN
BP p.l.c.	United Kingdom	London Stock Exchange	Bloomberg BP/ LN
Chevrontexaco Corporation	United States of America	NYSE	Bloomberg CVX UN
Cisco Systems Inc.	United States of America	NASDAQ	Bloomberg CSCO UQ
Citigroup Inc.	United States of America	NYSE	Bloomberg C UN
The Coca-Cola Company	United States of America	NYSE	Bloomberg KO UN
DaimlerChrysler A.G.	Germany	Xetra	Bloomberg DCX GY
Dell Inc.	United States of	NASDAQ	Bloomberg DELL

	America		UQ
Eli Lilly & Company	United States of America	NYSE	Bloomberg LLY UN
The Walt Disney Company	United States of America	NYSE	Bloomberg DIS UN
ENI S.p.A.	Italy	Borsa Italiana	Bloomberg ENI IM
Exxon Mobil Corporation	United States of America	NYSE	Bloomberg XOM UN
The General Electric Company	United States of America	NYSE	Bloomberg GE UN
Glaxosmithkline p.l.c.	United Kingdom	London Stock Exchange	Bloomberg GSK LN
HBOS p.l.c.	United Kingdom	London Stock Exchange	Bloomberg HBOS LN
HSBC Holdings p.l.c.	United Kingdom	London Stock Exchange	Bloomberg HSBA LN
International Business Machines Corporation	United States of America	NYSE	Bloomberg IBM UN
ING Groep N.V.	The Netherlands	Euronext Amsterdam	Bloomberg INGA NA
Intel Corporation	United States of America	NASDAQ	Bloomberg INTC UQ
Johnson & Johnson	United States of America	NYSE	Bloomberg JNJ UN
JPMorgan Chase & Company	United States of America	NYSE	Bloomberg JPM UN
Merck & Co. Inc.	United States of America	NYSE	Bloomberg MRK UN
Microsoft Corporation	United States of America	NASDAQ	Bloomberg MSFT UQ
Morgan Stanley	United States of	NYSE	Bloomberg MWD

	America		UN
Nestlé S.A.	Switzerland	Virt-x	Bloomberg NESN VX
Nokia Oyj	Finland	HEX Group	Bloomberg NOK1V FH
Novartis A.G.	Switzerland	Virt-x	Bloomberg NOVN VX
Pepsico Inc.	United States of America	NYSE	Bloomberg PEP UN
Pfizer Inc	United States of America	NYSE	Bloomberg PFE UN
The Procter & Gamble Company	United States of America	NYSE	Bloomberg PG UN
Roche Holding A.G.	Switzerland	Virt-x	Bloomberg ROG VX
Royal Bank Of Scotland Group	United Kingdom	London Stock Exchange	Bloomberg RBS LN
The Royal Dutch Petroleum Company	The Netherlands	Euronext Amsterdam	Bloomberg RDA NA
Samsung Electronics Co., Ltd	South Korea	Seoul	Bloomberg 005930 KS
SBC Communications Inc.	United States of America	NYSE	Bloomberg SBC UN
Siemens A.G.	Germany	Xetra	Bloomberg SIE GY
Time Warner Inc	United States of America	NYSE	Bloomberg TWX UN
Total S.A.	France	Euronext Paris	Bloomberg FP FP
Toyota Motor Corporation	Japan	Tokyo	Bloomberg 7203 JP
UBS A.G.	Switzerland	Virt-x	Bloomberg UBSN VX
Verizon Communications Inc.	United States of America	NYSE	Bloomberg VZ UN
Vodafone Group p.l.c.	United Kingdom	London Stock Exchange	Bloomberg VOD LN
Wal-Mart Stores Inc.	United States of America	NYSE	Bloomberg WMT UN
Wyeth	United States of America	NYSE	Bloomberg WYE UN

[Source: Bloomberg]

ANNEX B

1. The provisions of this Annex B (i) shall apply only for as long as Intesa Vita S.p.A is the sole legal and beneficial Holder of the Securitises; and (ii) shall take precedence and prevail over any conflicting provisions contained in either the General Conditions or Product Conditions.

2. The General Conditions shall be amended in the following manner:

(a) General Condition 5(b)(ii) shall be amended to read "a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority) which has a material impact on the Issuer's hedge in respect of the Securities";

(b) General Condition 5(b)(iii) shall not apply and the clause shall read as though this provision has been deleted;

(c) General Condition 5(c) shall apply in the following manner:

The Issuer, in the event of a Hedging Disruption Event, shall in the first instance, make an adjustment to the relevant reference asset and/or Conditions in accordance with General Conditions 5(c)(ii) and 5(c)(iii). If the making of such adjustments still do not address the consequences of that Hedging Disruption Event adequately in the determination of the Calculation Agent, in consultation with Intesa Vita S.p.A, then the Issuer may exercise its right to terminate the Securities (in accordance with General Condition 5(c)(i)), provided that (i) the prior consent of Intesa Vita S.p.A is obtained (such consent shall not be unreasonably withheld e.g if the Issuer cannot properly hedge itself in respect of the Securities);

3. Any determination made by the Issuer regarding the occurrence of a Hedging Disruption Event, shall be made in good faith and in accordance with market practice and in consultation with Intesa Vita S.p.A and shall be consistent with adjustments made to the hedging transactions in connection with the Securities;

4. General Condition 12 (b) shall be amended to be read "except for those obligations or duty separately agreed and negotiated".