

Dated 28 March 2012

RBS HOLDINGS N.V.
and
THE ROYAL BANK OF SCOTLAND N.V.

REGISTRATION DOCUMENT

Table of Contents

	Page
INTRODUCTION	1
CERTAIN DEFINITIONS	2
RISK FACTORS	3
DESCRIPTION OF RBS HOLDINGS N.V. AND THE ROYAL BANK OF SCOTLAND N.V.	21
CORPORATE GOVERNANCE	29
GUARANTEE GIVEN BY RBS HOLDINGS N.V. IN RESPECT OF DEBT OBLIGATIONS OF THE ROYAL BANK OF SCOTLAND N.V.	36
SUMMARY CONSOLIDATED FINANCIAL INFORMATION RELATING TO RBS HOLDINGS N.V.	38
DELOITTE ASSURANCE REPORT - UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION RELATING TO RBS HOLDINGS N.V.	40
GENERAL INFORMATION	42
FORWARD-LOOKING STATEMENTS	44
DOCUMENTS INCORPORATED BY REFERENCE	46

INTRODUCTION

This document constitutes a registration document ("**Registration Document**") for the purposes of Article 5.3 of Directive 2003/71/EC (the "**Prospectus Directive**") and has been prepared for the purpose of giving information with respect to RBS Holdings N.V. (previously named ABN AMRO Holding N.V.) ("**RBS Holdings**") and The Royal Bank of Scotland N.V. (previously named ABN AMRO Bank N.V.) ("**RBS N.V.**"), each of whose registered office address appears on the last page of this Registration Document, and their respective consolidated subsidiaries which, according to the particular nature of RBS Holdings and RBS N.V. and the securities which they may offer to the public or apply to have admitted to trading on a regulated market, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of RBS Holdings and RBS N.V.

RBS Holdings and RBS N.V. accept responsibility for the information contained in this Registration Document. To the best of the knowledge of RBS Holdings and RBS N.V. (each of which has taken all reasonable care to ensure that such is the case), the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Registration Document was approved by The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "**AFM**") for the purposes of the Prospectus Directive on 28 March 2012.

The Commissioners of Her Majesty's Treasury ("**HM Treasury**") have neither reviewed this Registration Document nor verified the information contained in it, and HM Treasury makes no representation with respect to, and does not accept any responsibility for, the contents of this Registration Document or any other statement made or purported to be made on its behalf in connection with RBS Holdings or RBS N.V. or the issue and offering of securities by either of them. HM Treasury accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Registration Document or any such statement.

CERTAIN DEFINITIONS

Throughout this Registration Document, 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.

The terms “**Consortium**” and “**Consortium Members**” refer to RBSG, Fortis N.V. and Fortis S.A./N.V. (together “**Fortis**”) and Banco Santander S.A. (“**Santander**”) who jointly acquired RBS Holdings on 17 October 2007 through RFS Holdings B.V. (“**RFS Holdings**”). On 3 October 2008, the State of The Netherlands (the “**Dutch State**”) acquired Fortis Bank Nederland (Holding) N.V., including the interest in RFS Holdings that represents the acquired activities of ABN AMRO Holding N.V. (prior to legal separation, as discussed below) and effectively became the successor of Fortis in the Consortium Shareholder Agreement entered into between RBSG, Fortis, Fortis Bank Nederland (Holding) N.V. and Santander on 28 May 2007.

The term “**legal demerger**” refers to the legal demerger (*juridische splitsing*) under Title 7, Section 4 of Book 2 of the Dutch Civil Code of ABN AMRO Holding N.V. into RBS N.V. and the new ABN AMRO Bank as effected by the transfer of the Dutch State acquired businesses to the new ABN AMRO Bank from RBS N.V. with effect from 6 February 2010 and includes, for the avoidance of doubt, certain subsidiaries and assets and liabilities that were separately transferred to the new ABN AMRO Bank ahead of the execution of the legal demerger and some further assets and liabilities that may separately be transferred to the new ABN AMRO Bank after the execution of the legal demerger.

The term “**legal separation**” refers to the legal separation of ABN AMRO Bank N.V. that occurred on 1 April 2010, with the shares in that entity being transferred by RBS Holdings to a holding company called ABN AMRO Group N.V., which is owned by the Dutch State.

The term “**new ABN AMRO Bank**” means ABN AMRO Bank N.V. (previously named ABN AMRO II N.V.) and its consolidated subsidiaries.

RISK FACTORS

Prospective investors should consider carefully the risks set forth below and the other information set out elsewhere in this Registration Document (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision with respect to any securities of RBS Holdings or RBS N.V.

*Set out below are certain risk factors which could have a material adverse effect on the business, operations, financial condition or prospects of the Group and cause the Group's future results to be materially different from expected results. The Group's results could also be affected by competition and other factors. Risk factors below which relate to RBSG or to the RBSG Group will also be of relevance to prospective investors making an investment decision with respect to the securities issued by RBS Holdings and RBS N.V. Specifically, the section headed "Risk Factors" on pages 3 to 25 of the RBSG Registration Document (the "**RBSG Risk Factors**") is incorporated by reference into this Registration Document.*

The factors discussed below and incorporated by reference herein should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties the Group's businesses face. RBS Holdings and RBS N.V. have described only those risks relating to their operations that they consider to be material. There may be additional risks that RBS Holdings and RBS N.V. currently consider not to be material or of which they are not currently aware, and any of these risks could have the effects set forth above. All of these factors are contingencies which may or may not occur and neither RBS Holdings nor RBS N.V. is in a position to express a view on the likelihood of any such contingency occurring. Investors should note that they bear the solvency risk of RBS Holdings and/or RBS N.V. Each of the risks highlighted below could have a material adverse effect on the amount of principal and interest which investors will receive in respect of securities issued by RBS Holdings or RBS N.V. In addition, each of the risks highlighted below could adversely affect the trading price of such securities or the rights of investors under such securities and, as a result, investors could lose some or all of their investment.

The Group is reliant on the RBSG Group

The Group is part of the RBSG Group and receives capital, liquidity and funding support from the RBSG Group. The Group also receives certain services from the RBSG Group and has access to the infrastructure of the RBSG Group which the Group requires in order to operate its business. The reduction or cessation of the ability of the RBSG Group to provide intra-group funding, capital injections, liquidity or other support directly or indirectly to the Group may result in funding or capital pressures and liquidity stress for the Group and may have a material adverse effect on the operations, financial condition and results of operations of the Group. In the event that the proposed transfers of a substantial part of the business activities from RBS N.V. to RBS as discussed in the risk factor below headed "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." are implemented, in whole or in part, the residual Group will become more reliant on the RBSG Group for capital, liquidity and funding support than it is currently. Accordingly, risk factors which relate to RBSG or the RBSG Group will also be of relevance to prospective investors. See also the RBSG Risk Factors which are incorporated by reference herein.

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

The Group's businesses and performance are affected by local and global economic conditions and perceptions of those conditions and future economic prospects. The outlook for the global economy over the near to medium term remains challenging and many forecasts predict at best only stagnant or modest levels of gross domestic product ("**GDP**") growth across a number of the Group's key markets over that period. The Dutch economy grew by 1.3% in 2011, with a slip back into technical recession in the second half of the year. More positively, The Netherlands has a relatively low unemployment rate and low levels of government debt compared to other European Union ("**EU**") economies. The outlook is for a mild contraction in 2012, according to Consensus Economics. GDP is expected to fall by 0.3% in 2012, followed by a modest re-acceleration in 2013 (+1.3%), which would take the economy back to its 2008 peak. GDP in the European Monetary Union (the "**EMU**") in 2011 was estimated to have grown by 1.6 per cent. in 2011 (although this was mainly boosted by Germany, the EMU's largest economy, which grew by 3 per cent.). While the German economy has proven to be relatively robust, austerity measures in many EMU economies, initiated in response to increased sovereign debt risk, have resulted in weak economic and GDP growth. Economic growth in the EMU is predicted to fall in 2012 by 0.3 per cent. *Source:* Consensus Economics Inc, Eurostat, ONS. Despite significant interventions by governments and other non-governmental bodies during and since the financial crisis in 2008/2009, capital and credit markets around the world continue to be volatile and be subject to intermittent and prolonged disruptions. In particular, increasingly during the second half of 2011, a heightened risk of sovereign default relating to certain EU member states has had a negative impact on capital and credit markets. Such challenging economic and market conditions have exerted downward pressure on asset prices and on credit availability, and upward pressure on funding costs, and continue to impact asset recovery rates and the credit quality of the Group's businesses, customers and counterparties, including sovereigns. In particular, the Group has significant exposure to customers and counterparties within the EU, which includes sovereign debt exposures that have been, and may in the future be, affected by restructuring of their terms, principal, interest and maturity. These exposures have resulted in the Group making significant provisions and recognising significant write-downs in prior periods, which may also occur in future periods. These conditions, alone or in combination with regulatory changes or actions of market participants, may also cause the Group to experience reduced activity levels, additional write-downs and impairment charges and lower profitability, and may restrict the ability of the Group to access funding and liquidity. In particular, should the scope and severity of the adverse economic conditions currently experienced by some EU member states and elsewhere worsen, the risks faced by the Group would be exacerbated. Developments relating to the current economic conditions and unfavourable financial environment, including those discussed above, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and could have a negative impact on the value of any securities issued by RBS N.V. (the "**Securities**").

In Europe, certain countries such as Ireland, Italy, Greece, Portugal and Spain have been particularly affected by the recent financial and economic conditions. The perceived risk of default on the sovereign debt of those countries intensified in the latter part of 2011 and has continued into 2012, particularly in relation to Greece. This raised concerns about the contagion effect such a default would have on other EU economies as well as the ongoing viability of the euro currency and the EMU. Yields on the sovereign debt of most EU member states have recently been volatile and trended upward. The EU, the European Central Bank (the "**ECB**") and the International Monetary Fund have prepared rescue packages for some of the affected countries and a number

of European states, including Ireland, Italy and Spain, are taking actions to stabilise their economies and reduce their debt burdens. The EU has also taken policy initiatives intended to address systemic stresses in the Eurozone. Despite these actions, the long-term ratings of a majority of Eurozone countries have recently been downgraded and further downgrades are possible. Furthermore, the effectiveness of these actions is not assured and the possibility remains that the Euro could be abandoned as a currency in the future by countries that have already adopted its use, or in an extreme scenario, abandonment of the Euro could result in the dissolution of the EMU. This would lead to the re-introduction of individual currencies in one or more EMU member states.

The effects on the European and global economies of the potential dissolution of the EMU, exit of one or more EU member states from the EMU and the redenomination of financial instruments from the Euro to a different currency, are impossible to predict fully. However, if any such events were to occur they would likely:

- result in significant market dislocation;
- heighten counterparty risk;
- affect adversely the management of market risk and in particular asset and liability management due, in part, to redenomination of financial assets and liabilities; and
- have a material adverse effect on the Group's financial condition, results of operations and prospects.

By virtue of the Group's global presence, the Group is also exposed to risks arising out of geopolitical events, such as the existence of trade barriers, the implementation of exchange controls and other measures taken by sovereign governments that can hinder economic or financial activity levels. Furthermore, unfavourable political, military or diplomatic events, armed conflict, pandemics and terrorist acts and threats, and the response to them by governments could also adversely affect levels of economic activity and have an adverse effect upon the Group's business, financial condition and results of operations.

The Group's ability to meet its obligations including its funding commitments depends on the Group's ability to access sources of liquidity and funding

Liquidity risk is the risk that a bank will be unable to meet its obligations, including funding commitments, as they fall due. This risk is inherent in banking operations and can be heightened by a number of factors, including an over-reliance on a particular source of wholesale funding (including, for example, short-term and overnight funding), changes in credit ratings or market-wide phenomena such as market dislocation and major disasters. Credit markets worldwide have experienced severe reductions in liquidity and term-funding during prolonged periods in recent years. In particular, funding in the interbank markets, a traditional source of unsecured short-term funding, has been severely disrupted. Although credit markets generally improved during the first half of 2011, wholesale funding markets have continued to suffer, particularly for European banks as the sovereign debt crisis worsened during the second half of 2011. As a result, a number of banks were reliant on central banks as their principal source of liquidity and central banks increased their support provisions to banks, with the ECB providing significant liquidity in the last few months of 2011 (including long term refinancing operations facilities (offering loans with a term of up to three years) and broader access to US dollar funding). Although these efforts appear to be having a positive impact, global credit markets remain disrupted. The market perception of bank credit risk has changed significantly recently and banks that are deemed by the market to be riskier have had to issue debt at a premium to the equivalent cost of debt for other banks that are

perceived by the market as being less risky. Any uncertainty regarding the perception of credit risk across financial institutions may lead to further reductions in levels of inter-bank lending and associated term maturities and may restrict the Group's access to traditional sources of liquidity.

The Group's liquidity management focuses, among other things, on maintaining a diverse and appropriate funding strategy for its assets in line with the Group's wider strategic plan. At certain times during periods of liquidity stress, the Group has been required to rely on shorter term and overnight funding with a consequent reduction in overall liquidity, and to increase its recourse to liquidity schemes provided by central banks. Such schemes require the pledging of assets as collateral, the eligibility and valuation of which is determined by the applicable central bank. Changes to these valuations or eligibility criteria can negatively impact the available assets and reduce available liquidity access particularly during periods of stress when such lines may be needed most. Further tightening of credit markets could have a materially adverse impact on the Group. There is also a risk that corporate and financial institution counterparties may seek to reduce their credit exposures to banks and other financial institutions, which may cause funding from these sources to no longer be available. There is also likely to be increased competition for funding due to the significant levels of refinancing expected to be required by financial institutions during 2012, which may also reduce the level of funding available from these sources. Under such circumstances, the Group may need to seek funds from alternative sources, potentially at higher costs than has previously been the case or may be required to consider disposals of other assets not previously identified for disposal to reduce its funding commitments. In the context of its liquidity management efforts, the Group has sought to increase the average maturity of its wholesale funding, which has had the effect of increasing the Group's overall cost of funding.

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.

As part of the restructuring of the RBSG Group businesses, operations and assets, on 19 April 2011, the RBSG Group announced the proposed transfers of a substantial part of the business activities of RBS N.V. to RBS (the "**Proposed Transfers**"). Subject to, among other matters, regulatory and other approvals, it is expected that the Proposed Transfers (which exclude the Shared Assets (as defined on page 23 of this Registration Document)) will be implemented on a phased basis over a period ending 31 December 2013. A large part of the Proposed Transfers (including the transfers of certain securities issued by RBS N.V.) is expected to have taken place by the end of 2012.

On 17 October 2011, the Group completed the transfer of a substantial part of the UK activities of RBS N.V. to RBS pursuant to Part VII of the UK Financial Services and Markets Act 2000 ("**FSMA**").

On 26 March 2012, the Group announced that (1) RBS N.V. (as the demerging company) and RBS II B.V. (as the acquiring company) had that day filed a proposal with the Dutch Trade Register for a legal demerger and (2) following a preliminary hearing at the Court of Session in Scotland, RBS and RBS II B.V. had that day made filings with Companies House in the UK and the Dutch Trade Register respectively for a proposed cross-border merger of RBS II B.V. into RBS (together with the proposal for the legal demerger, the "**Proposals**"). Upon implementation of the Proposals, a substantial part of the business conducted by RBS N.V. in The Netherlands as well as in certain EMEA branches of RBS N.V. (the "**Transferring Businesses**") will be transferred to RBS. The Proposals will be implemented by the demerger of the Transferring Businesses into RBS II B.V. (a Dutch company licensed as a bank in The Netherlands that has been established specifically for

the purposes of the Dutch Scheme) by way of a Dutch statutory demerger (the “**Demerger**”), followed by the merger of RBS II B.V. into RBS plc through a cross-border merger (the “**Merger**” and, together with the Demerger, the “**Dutch Scheme**”). RBS and RBS N.V. have discussed the Dutch Scheme in detail with De Nederlandsche Bank and the Financial Services Authority. Pursuant to the Dutch Scheme, RBS may become the issuer of Securities issued by RBS N.V. after the date of this Registration Document and before the effective date of the Dutch Scheme. From or around 23 March 2012, RBS N.V. will include provisions in the issue or offer documents (including term sheets) for any new issues of Securities which are eligible for the Dutch Scheme to indicate whether or not RBS is expected to become the issuer of those Securities as a result of the Dutch Scheme (subject to the relevant Securities not having been exercised, redeemed or repurchased and cancelled prior to the implementation of the Dutch Scheme). In connection with the Dutch Scheme, any liability of RBS Holdings under the 403 Declaration (as defined and explained in “Guarantee Given by RBS Holdings N.V. in respect of Debt Obligations of The Royal Bank of Scotland N.V.”) will, from the effective date of the Dutch Scheme, cease to apply in relation to any Securities which transfer to RBS as a result of the Dutch Scheme. Implementation of the Dutch Scheme is subject, amongst other matters, to regulatory and court approvals. If granted, the regulatory approvals will be granted on the basis that the Demerger will not proceed unless the Merger is to proceed thereafter. Subject to these matters, it is expected that the Dutch Scheme will take effect on 9 July 2012.

The process for implementing the Proposed Transfers is complex and any failure to satisfy any conditions or complete any preliminary steps to each Proposed Transfer may cause a delay in its completion (or result in its non-completion). If any of the Proposed Transfers are delayed (or are not completed) for any reason, such as a failure to secure required regulatory approvals, it is possible that the relevant regulatory authorities could impose sanctions which could adversely impact the minimum regulatory requirements for capital and liquidity of RBS N.V. A delay in implementation of (or any failure to implement) any of the Proposed Transfers may therefore adversely impact RBS N.V.’s capital and liquidity resources and requirements, with consequential adverse impacts on its funding resources and requirements, resulting in an increase in its reliance on the RBSG Group.

The Proposed Transfers include a proposal to change the issuer of a number of securities issued by RBS N.V. as well as some or all of the securities to be issued by RBS N.V. up to the date(s) that the Proposed Transfers take effect. However, there is no assurance that any of these securities will be transferred to RBS or, if transferred, when such transfer may take place. It is possible that the Proposed Transfers might have a material adverse impact on the Group’s business, financial condition, results of operations and prospects, and an adverse impact on RBS N.V.’s credit ratings, and may also negatively impact the value of the Securities. If securities issued by RBS N.V. are transferred to RBS, the fact of such transfer and/or the fact that RBS is a Scottish incorporated company might impact holders of such securities, whether for tax reasons or otherwise.

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.

As part of the restructuring by RBSG of its businesses, operations and assets and the Group’s refocus on core strengths and its disposal programme, RBS Holdings has been restructured into Core and Non-Core components. The Group expects to substantially run down or dispose of the businesses, assets and portfolios within the Non-Core division by the end of 2013 and, during the

course of 2010 and 2011, it concluded the sales of businesses in Latin America, Asia, Europe and the Middle East.

Because the ability to dispose of assets and the price achieved for such disposals will be dependent on prevailing economic and market conditions, which remain challenging, there is no assurance that the Group will be able to sell or run-down (as applicable) those remaining businesses it is seeking to exit either on favourable economic terms to the Group or at all. In addition, material tax liabilities could arise on the disposal of assets. Furthermore, there is no assurance that any conditions precedent agreed will be satisfied, or consents and approvals required will be obtained in a timely manner, or at all.

The Group may be liable for any deterioration in businesses being sold between the announcement of the disposal and its completion, which period may be lengthy and may span many months. In addition, the Group may be exposed to certain risks until completion, including risks arising out of ongoing liabilities and obligations, breaches of covenants, representations and warranties, indemnity claims, transitional services arrangements and redundancy or other transaction-related costs.

The planned reorganisation, exit and downsizing of business activities announced in January 2012 will be time intensive and costly, the extent to which is not fully ascertainable. The process of implementing these changes may result in further disruption to the Group and the businesses it is trying to exit or downsize.

The occurrence of any of the risks described above could negatively affect the Group's ability to implement its strategic plan and have a material adverse effect on the Group's business, results of operations, financial condition, capital ratios and liquidity and could result in a loss of value in the Securities.

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 RBSG Group was required to obtain State Aid approval for the aid given to the RBSG Group by Her Majesty's Treasury in the United Kingdom ("**HM Treasury**") as part of the placing and open offer undertaken by RBSG in December 2008, the issuance of £25.5 billion of B shares in the capital of RBSG which are, subject to certain terms and conditions, convertible into ordinary shares in the share capital of RBSG to HM Treasury, a contingent commitment by HM Treasury to subscribe for up to an additional £8 billion of B shares in the capital of RBSG Group if certain conditions are met and the RBSG Group's participation in the United Kingdom Government's Asset Protection Scheme (the "**APS**"), which covers, among other things, a pool of assets within the businesses of the Group (the former ABN AMRO Holding N.V. group) that were acquired by the RBSG Group (together, the "**State Aid**"). In that context, as part of the terms of the State Aid approval, the RBSG Group, together with HM Treasury, agreed with the terms of a State Aid restructuring plan. On 26 November 2009, RBSG also entered into a State Aid Commitment Deed with HM Treasury containing commitments and undertakings given by RBSG to HM Treasury that are designed to ensure that HM Treasury is able to comply with the commitments given by it to the European Commission for the purpose of obtaining approval for the State Aid provided to RBSG.

As part of these commitments and undertakings, RBSG has agreed that RBS Holdings will not pay investors any coupons on, or exercise any call rights in relation to, certain hybrid capital

instruments specified in an announcement by RBSG on 31 August 2010, unless in any such case there is a legal obligation to do so, for an effective period of two years commencing on 1 April 2011. The Group is also subject to restrictions on the exercise of call rights in relation to the Group's other hybrid capital instruments.

It is possible that the Group may, in future, be subject to further restrictions on payments on the Group's hybrid capital instruments, whether as a result of undertakings given to regulatory bodies, changes to capital requirements such as the Basel III rules published by the Basel Committee on 16 December 2010 or otherwise.

The undertakings described above may serve to limit the Group's ability to raise new capital through the issuance of Securities.

The financial performance of the Group has been, and continues to be, materially affected by deteriorations in borrower and counterparty credit quality and further deteriorations could arise due to prevailing economic and market conditions and legal and regulatory developments

The Group has exposure to many different industries and counterparties, and risks arising from actual or perceived changes in credit quality and the recoverability of monies due from borrowers and counterparties are inherent in a wide range of the Group's businesses. In particular, the Group has significant exposure to certain individual counterparties in weakened business sectors and geographic markets and also has concentrated country exposure in The Netherlands and across the rest of Europe, the United States and within certain business sectors, namely financial institutions and natural resources sectors. For a discussion of the Group's exposure to country risk, see pages 74 to 81 of the 2011 Annual Report which is incorporated by reference herein.

The Group may continue to see adverse changes in the credit quality of its borrowers and counterparties, for example as a result of their inability to refinance their debts, with increasing delinquencies, defaults and insolvencies across a range of sectors and in a number of geographic markets. Since the credit quality of the Group's borrowers and counterparties is impacted by prevailing economic and market conditions and by the legal and regulatory landscape in their respective markets, a significant deterioration in economic and market conditions or changes to legal or regulatory landscapes could worsen borrower and counterparty credit quality and also impact the Group's ability to enforce contractual security rights. In addition, the Group's credit risk is exacerbated when the collateral it holds cannot be realised or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure that is due to the Group, which is most likely to occur during periods of illiquidity and depressed asset valuations, such as those experienced in recent years. Any such losses could have an adverse effect on the Group's results of operations and financial condition or result in a loss of value in the Securities.

Financial services institutions that deal with each other are inter-related as a result of trading, investment, clearing, counterparty and other relationships. Within the financial services industry, the default of any one institution could lead to defaults by other institutions. Concerns about, or a default by, one institution could lead to significant liquidity problems and losses or defaults by other institutions, as the commercial and financial soundness of many financial institutions may be closely related as a result of this credit, trading, clearing and other relationships. Even the perceived lack of creditworthiness of, or questions about, a counterparty may lead to market-wide liquidity problems and losses for or defaults by the Group. This "systemic" risk may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with which the Group interacts on a daily basis, all of which could have a material adverse effect on the Group's access to liquidity or could result in losses which could have a

material adverse effect on the Group's financial condition, results of operations and prospects or result in a loss of value in the Securities.

The trends and risks affecting borrower and counterparty credit quality have caused, and in the future may cause, the Group to experience further and accelerated impairment charges, higher costs, additional write-downs and losses for the Group and an inability to engage in routine funding transactions, and may result in a loss of value in the Securities.

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

Financial markets continue to be subject to significant stress conditions, where steep falls in perceived or actual asset values have been accompanied by a severe reduction in market liquidity, as exemplified by losses arising out of asset-backed collateralised debt obligations, residential mortgage-backed securities and the leveraged loan market. In dislocated markets, hedging and other risk management strategies may not be as effective as they are in normal market conditions due in part to the decreasing credit quality of hedge counterparties. Severe market events have resulted in the Group recording large write-downs on its credit market exposures in recent years. Any deterioration in economic and financial market conditions could lead to further impairment charges and write-downs. Moreover, market volatility and illiquidity (and the assumptions, judgements and estimates in relation to such matters that may change over time and may ultimately not turn out to be accurate) make it difficult to value certain of the Group's exposures. Valuations in future periods, reflecting, among other things, then prevailing market conditions and changes in the credit ratings of certain of the Group's assets, may result in significant changes in the fair values of the Group's exposures, even in respect of exposures, such as credit market exposures, for which the Group has previously recorded write-downs. In addition, the value ultimately realised by the Group may be materially different from the current or estimated fair value. Any of these factors could require the Group to recognise further significant write-downs in addition to those already recorded or realised or realise increased impairment charges, which may have a material adverse effect on its financial condition, results of operations and capital ratios or result in a loss of value in the Securities.

Further information about the write-downs which the Group has incurred during the year ended 31 December 2011 is set out in the 2011 Annual Report (as defined in "Documents Incorporated by Reference" below), which is incorporated by reference herein.

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

Some of the most significant market risks the Group faces are interest rate, foreign exchange, credit spread, bond, equity and commodity price and basis, volatility and correlation risks. Changes in interest rate levels (or extended periods of low interest rates), yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs, the effect of which may be heightened during periods of liquidity stress. Changes in currency rates, particularly in the euro-sterling and euro-US dollar exchange rates, affect the value of assets, liabilities, income and expenses denominated in non-euro currencies and the reported earnings of RBS Holding's non-Eurozone incorporated subsidiaries and may affect RBS Holdings' reported consolidated financial condition or the Group's income from foreign exchange dealing. For

accounting purposes, the Group values some of its issued debt, such as debt securities, at the current market price. Factors affecting the current market price for such debt, such as the credit spreads of the Group, may result in a change to the fair value of such debt, which is recognised in the income statement as a profit or loss.

The performance of financial markets affects bond, equity and commodity prices, which has caused, and may in the future cause, changes in the value of the Group's investment and trading portfolios. As part of its ongoing derivatives operations, the Group also faces significant basis, volatility and correlation risks, the occurrence of which are also impacted by the factors noted above. While the Group has implemented risk management methods to mitigate and control these and other market risks to which it is exposed, it is difficult, particularly in the current environment, to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the Group's financial performance and business operations.

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

The credit rating of RBS N.V. has been subject to change and may change in the future, which could impact its cost of, access to and sources of financing and liquidity. A number of European financial institutions, including RBS N.V. and other RBSG Group members, were downgraded during the course of 2011 in connection with a review of systemic support assumptions incorporated into bank ratings. Rating agencies continue to evaluate the rating methodologies applicable to UK and European financial institutions and any change in such rating agencies' methodologies could materially adversely affect the credit ratings of Group companies. Any further reductions in the long-term or short-term credit ratings of RBS N.V. would increase the Group's borrowing costs, require the Group to replace funding lost due to the downgrade, which may include the loss of customer deposits, and may also limit the Group's access to capital and money markets and trigger additional collateral requirements in derivatives contracts and other secured funding arrangements. At 31 December 2011, a one notch downgrade in the Group's credit rating would have required the Group to post an estimated additional €670 million of collateral without taking into account mitigating action by management. The credit ratings of RBS N.V. are also important to the Group when competing in certain markets. As a result, any further reductions in RBS N.V.'s long-term or short-term credit ratings could adversely affect the Group's access to liquidity and its competitive position, increase its funding costs and have a material adverse impact on the Group's earnings, cash flow and financial condition or result in a loss of value in the Securities.

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

Effective management of the Group's capital is critical to its ability to operate its businesses and to pursue its strategy of returning to standalone strength. The Group is required by regulators in The Netherlands and other jurisdictions in which it undertakes regulated activities to maintain adequate capital resources. The maintenance of adequate capital is also necessary for the Group's financial flexibility in the face of continuing turbulence and uncertainty in the global economy.

The package of reforms to the regulatory capital framework published by the Basel Committee on Banking Supervision (the "**Basel Committee**") in December 2010 and January 2011 includes materially increasing the minimum common equity requirement and the total Tier 1 capital requirement. In addition, banks will be required to maintain, in the form of common equity (after the

application of deductions), a capital conservation buffer to withstand future periods of stress, bringing the total common equity requirements to 7 per cent. If there is excess credit growth in any given country resulting in a system-wide build-up of risk, a countercyclical buffer within a range of 0 per cent. to 2.5 per cent. of common equity is to be applied as an extension of the conservation buffer. In addition, a leverage ratio will be introduced, together with a liquidity coverage ratio and a net stable funding ratio. Further measures may include bail-in debt (which could be introduced by statute, possibly impacting existing as well as future issues of debt and exposing them to the risk of conversion into equity and/or write-down of principal amount). Such measures would be in addition to proposals for the write-off of Tier 1 and Tier 2 debt (and its possible conversion into ordinary shares) if a bank becomes non-viable.

In November 2011, the Basel Committee proposed that global systemically important banks be subject to an additional common equity Tier 1 capital requirement ranging from 1 per cent. to 2.5 per cent., depending on a bank's systemic importance. To provide a disincentive for banks facing the highest charge to increase materially their global systemic importance in the future, an additional 1 per cent. surcharge would be applied in such circumstances.

On 4 November 2011, the Financial Stability Board ("**FSB**") published its policy framework for addressing the systemic risks associated with global systemically important financial institutions ("**GSIFI**"). In this paper, the RBSG Group was identified as a GSIFI. As a result the RBSG Group will be required to meet resolution planning requirements by the end of 2012 as well as have additional loss absorption capacity of 2.5 per cent. of risk-weighted assets which will need to be met with common equity. In addition, GSIFIs are to be subjected to more intensive and effective supervision. The additional capital requirements are to be applied to GSIFIs identified in 2014 (the FSB will update its list every three years) and phased in beginning in 2016.

The implementation of the Basel III reforms will begin on 1 January 2013; however, the requirements are subject to a series of transitional arrangements and will be phased in over a period of time, to be fully effective by 2019.

The Basel III rules have not yet been approved by the EU and their incorporation into European and national law has, accordingly, not yet taken place. On 20 July 2011, the European Commission published a legislative package of proposals (known as CRD IV) to implement the changes through the replacement of the existing Capital Requirements Directive with a new Directive and Regulation. As with Basel III, the proposals contemplate the entry into force of the new legislation from 1 January 2013, with full implementation by January 2019; however the proposals allow The Netherlands to implement the stricter definition and/or level of capital more quickly than is envisaged under Basel III.

The ICB recommendations and the UK Government's response supporting such recommendations includes proposals to increase capital and loss-absorbency to levels that exceed the proposals under Basel III/CRD IV. These requirements, as well as the other recommendations of the ICB, are expected to be phased in between 2015 and 2019. As the implementation of the ICB recommendations will be the subject of legislation not yet adopted the Group cannot predict the impact such rules will have on the RBSG Group's (including the Group's) overall capital requirements or how they will affect the RBSG Group's (including the Group's) compliance with capital and loss absorbency requirements of Basel III/CRD IV.

To the extent the Group has estimated the indicative impact that Basel III reforms may have on its risk-weighted assets and capital ratios, such estimates are preliminary and subject to uncertainties and may change. In particular, the estimates assume mitigating actions will be taken by the Group (such as deleveraging of legacy positions and securitisations, including non-core, as well as other

actions being taken to de-risk market and counterparty exposures), which may not occur as anticipated, in a timely manner, or at all.

The Basel Committee changes and other future changes to capital adequacy and liquidity requirements in The Netherlands and in other jurisdictions in which the Group operates, including any application of increasingly stringent stress case scenarios by the regulators in The Netherlands and other jurisdictions in which the Group undertakes regulated activities, may require the Group to raise additional Tier 1 (including Core Tier 1) and Tier 2 capital by way of further issuances of securities and will result in existing Tier 1 and Tier 2 securities issued by the Group ceasing to count towards the Group's regulatory capital, either at the same level as present or at all. If the Group is unable to raise the requisite Tier 1 and Tier 2 capital, it may be required to further reduce the amount of its risk-weighted assets and engage in the disposal of core and other non-core businesses, which may not occur on a timely basis or achieve prices which would otherwise be attractive to the Group.

As at 31 December 2011, the Group's Tier 1 and Core Tier 1 capital ratios were 12.0 per cent. and 8.4 per cent., respectively, calculated in accordance with Dutch Central Bank (*De Nederlandsche Bank N.V.*) requirements. Any change that limits the Group's ability to manage effectively its balance sheet and capital resources going forward (including, for example, reductions in profits and retained earnings as a result of write-downs or otherwise, increases in risk-weighted assets, delays in the disposal of certain assets or the inability to syndicate loans as a result of market conditions, a growth in unfunded pension exposures or otherwise) or to access funding sources, could have a material adverse impact on its financial condition and regulatory capital position or result in a loss of value in the Securities.

The Group is and may be subject to litigation and regulatory investigations that may have a material impact on its business

The Group's operations are diverse and complex and it operates in legal and regulatory environments that expose it to potentially significant litigation, regulatory investigation and other regulatory risk. As a result, the Group is, and may in the future be, involved in various disputes, legal proceedings and regulatory investigations in The Netherlands, the United Kingdom, other parts of the EU, the United States and other jurisdictions, including class action litigation, LIBOR related litigation and investigations and anti-money laundering, sanctions and compliance related investigations. The RBSG Group may also incur the risk of civil suits, criminal liability or regulatory actions as a result of its disclosure obligations to HM Treasury under the APS. In addition, the Group, like many other financial institutions, has come under greater regulatory scrutiny in recent years and expects that environment to continue for the foreseeable future, particularly as it relates to compliance with new and existing corporate governance, employee compensation, conduct of business, anti-money laundering and anti-terrorism laws and regulations, as well as the provisions of applicable sanctions programmes. Disputes, legal proceedings and regulatory investigations are subject to many uncertainties, and their outcomes are often difficult to predict, particularly in the early stages of a case or investigation. Adverse regulatory action or adverse judgments in litigation could result in restrictions or limitations on the Group's operations or have a significant effect on the Group's reputation or results of operations or result in a loss of value in the Securities. For details about certain litigation and regulatory investigations in which the Group is involved, see "Description of RBS Holdings N.V. and The Royal Bank of Scotland N.V. — Litigation" and "Description of RBS Holdings N.V. and The Royal Bank of Scotland N.V. — Investigations, reviews and proceedings" below.

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

Under International Financial Reporting Standards as adopted by the EU (“IFRS”), the Group recognises at fair value: (i) financial instruments classified as “held-for-trading” or “designated as at fair value through profit or loss”; (ii) financial assets classified as “available-for-sale”; and (iii) derivatives, each as further described in “Accounting policies” on pages 117 and 118 of the 2011 Annual Report. Generally, to establish the fair value of these instruments, the Group relies on quoted market prices or, where the market for a financial instrument is not sufficiently active, internal valuation models that utilise observable market data. In certain circumstances, the data for individual financial instruments or classes of financial instruments utilised by such valuation models may not be available or may become unavailable due to prevailing market conditions. In such circumstances, the Group’s internal valuation models require the Group to make assumptions, judgements and estimates to establish fair value, which are complex and often relate to matters that are inherently uncertain. These assumptions, judgements and estimates will need to be updated to reflect changing facts, trends and market conditions. The resulting change in the fair values of the financial instruments has had and could continue to have a material adverse effect on the Group’s earnings and financial condition or result in a loss of value in the Securities.

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

The competitive landscape for banks and other financial institutions in The Netherlands, the United Kingdom, the United States and throughout the rest of Europe is subject to rapid change and recent regulatory and legal changes are likely to result in new market participants and changed competitive dynamics in certain key areas. In order to compete effectively, certain financial institutions may seek to consolidate their businesses or assets with other parties. This consolidation, in combination with the introduction of new entrants into the markets in which the Group operates, is likely to increase competitive pressures on the Group.

In addition, certain competitors may have access to lower cost funding than the Group and may have stronger and more efficient operations. Furthermore, the Group’s competitors may be better able to attract and retain clients and key employees, which may have a negative impact on the Group’s relative performance and future prospects. In addition, future disposals and restructurings by the Group and the compensation structure and restrictions imposed on the Group may also have an impact on its ability to compete effectively. These and other changes to the competitive landscape could adversely affect the Group’s business, margins, profitability, financial condition and prospects or result in a loss of value in the 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

The Group’s ability to implement its strategy and its future success depends on its ability to attract, retain and remunerate highly skilled and qualified personnel, including its senior management, which include members of the Group’s Supervisory Board and Managing Board or other key employees, competitively with its peers. This cannot be guaranteed, particularly in light of heightened regulatory oversight of banks and heightened scrutiny of, and (in some cases) restrictions placed upon, management and employee compensation arrangements, in particular those in receipt of Government support (such as the RBSG Group).

In addition to the effects of such measures on the Group's ability to retain senior management and other key employees, the marketplace for skilled personnel is becoming more competitive, which means the cost of hiring, training and retaining skilled personnel may increase. The failure to attract or retain a sufficient number of appropriately skilled personnel could place the Group at a significant competitive disadvantage and prevent the Group from successfully implementing its strategy, which could have a material adverse effect on the Group's financial condition and results of operations or result in a loss of value in the Securities.

In addition, certain of the Group's employees in Europe and other jurisdictions in which the Group operates are represented by employee representative bodies, including works councils and trade unions. Engagement with its employees and such bodies is important to the Group and a breakdown of these relationships could adversely affect the Group's business, reputation and results. As the Group implements cost-saving initiatives and disposes of, or runs-down, certain assets or businesses (including as part of its restructuring plans), it faces increased risk in this regard and there can be no assurance that the Group will be able to maintain good relations with its employees or employee representative bodies in respect of all matters. As a result, the Group may experience strikes or other industrial action from time to time, which could have an adverse effect on its business and results of operations and could cause damage to its reputation.

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 subject to extensive financial services laws, regulations, corporate governance requirements, administrative actions and policies in each jurisdiction in which it operates. All of these are subject to change, particularly in the current regulatory and market environment, where there have been unprecedented levels of government intervention (including nationalisations and injections of government capital), changes to the regulations governing financial institutions and reviews of the industry in the United Kingdom, the United States and many European countries. In recent years, there has also been increasing focus in The Netherlands, the United Kingdom, the United States and other jurisdictions in which the Group operates on compliance with anti-bribery, anti-money laundering, anti-terrorism and other similar sanctions regimes.

As a result of the environment in which the Group operates, increasing regulatory focus in certain areas and ongoing and possible future changes in the financial services regulatory landscape (including requirements imposed by virtue of the RBSG Group's participation in government or regulator-led initiatives), the Group is facing greater regulation and scrutiny in The Netherlands, the United Kingdom, the United States and other countries in which it operates, including throughout the rest of Europe.

Although it is difficult to predict with certainty the effect that recent regulatory developments and heightened levels of public and regulatory scrutiny will have on the Group, the enactment of legislation and regulations in The Netherlands and other jurisdictions in which the Group operates (such as new liquidity rules in The Netherlands in anticipation of the implementation of, and other changes required by, the EU Capital Requirements Directives, the bank levy in the United Kingdom or the Dodd-Frank Wall Street Reform and Consumer Protection Act in the United States) is likely to result in increased capital and liquidity requirements and changes in regulatory requirements relating to the calculation of capital and liquidity metrics or other prudential rules relating to capital adequacy frameworks, and may result in an increased number of regulatory investigations and actions. Any of these developments could have an adverse impact on how the Group conducts its business, applicable authorisations and licences, the products and services it

offers, its reputation, the value of its assets, its funding costs and its results of operations and financial condition or result in a loss of value in the Securities.

Areas in which, and examples of where, governmental policies, regulatory changes and increased public and regulatory scrutiny could have an adverse impact on the Group include those set out above as well as the following:

- the monetary, fiscal, interest rate and other policies of central banks and other governmental or regulatory bodies;
- requirements to separate retail banking from investment banking, and restrictions on proprietary trading and similar activities within a commercial bank and/or a group which contains a commercial bank;
- the design and potential implementation of government-mandated resolution or insolvency regimes;
- the imposition of government-imposed requirements with respect to lending to small and medium sized businesses and larger commercial and corporate entities and residential mortgage lending;
- requirements to operate in a way that prioritises objectives other than shareholder value creation;
- changes to financial reporting standards (including accounting standards), corporate governance requirements, corporate structures and conduct of business rules;
- the imposition of restrictions on the Group's ability to compensate its senior management and other employees;
- regulations relating to, and enforcement of, anti-bribery, anti-money laundering, anti-terrorism or other similar sanctions regimes;
- rules relating to foreign ownership, expropriation, nationalisation and confiscation of assets;
- other requirements or policies affecting the Group's profitability, such as the imposition of onerous compliance obligations, further restrictions on business growth or pricing;
- the introduction of, and changes to, taxes, levies or fees applicable to the Group's operations (such as the imposition of financial activities taxes and changes in tax rates that reduce the value of deferred tax assets); and
- the regulation or endorsement of credit ratings used in the EU (whether issued by agencies in EU member states or in other countries, such as the United States).

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 maintains a number of defined contribution pension schemes and defined benefit pension schemes for past and a number of current employees. The Stichting Pensioenfond RBS Nederland in The Netherlands is the largest of the schemes for the Group and its main sources of pension risk. Pensions risk is the risk that the assets of the Group's various defined benefit pension schemes which are long term in nature do not fully match the timing and amount of the schemes' liabilities, as a result of which the Group is required or chooses to make additional

contributions to the schemes. Pension scheme liabilities vary with changes to long-term interest rates, inflation, pensionable salaries and the longevity of scheme members as well as changes in applicable legislation. The schemes' assets comprise investment portfolios that are held to meet projected liabilities to the scheme members. Risk arises from the schemes because the value of these asset portfolios, returns from them and any additional future contributions to the schemes may be less than expected and because there may be greater than expected increases in the estimated value of the schemes' liabilities. In these circumstances, the Group could be obliged, or may choose, to make additional contributions to the schemes, and during recent periods, the Group has voluntarily made such contributions to the schemes. Given the recent economic and financial market difficulties and the prospect that they may continue over the near and medium term, the Group may experience increasing pension deficits or be required or elect to make further contributions to its pension schemes and such deficits and contributions could be significant and have an adverse impact on the Group's results of operations or financial condition or result in a loss of value in the Securities.

Operational risks are inherent in the Group's businesses

The Group's operations are dependent on the ability to process a very large number of transactions efficiently and accurately while complying with applicable laws and regulations where it does business. The Group has complex and geographically diverse operations and operational risk and losses can result from internal and external fraud, errors by employees or third parties, failure to document transactions properly or to obtain proper authorisation, failure to comply with applicable regulatory requirements and conduct of business rules (including those arising out of anti-bribery, anti-money laundering and anti-terrorism legislation, as well as the provisions of applicable sanctions programmes), equipment failures, business continuity and data security system failures, natural disasters or the inadequacy or failure of systems and controls, including those of the Group's suppliers or counterparties. Although the Group has implemented risk controls and loss mitigation actions, and substantial resources are devoted to developing efficient procedures, to identify and rectify weaknesses in existing procedures and to train staff, it is not possible to be certain that such actions have been or will be effective in controlling each of the operational risks faced by the Group. Any weakness in these systems or controls, or any breaches or alleged breaches of such laws or regulations, could result in increased regulatory supervision, enforcement actions and other disciplinary action, and have an adverse impact on the Group's business, applicable authorisations and licences, reputation, results of operations and the price of the Securities.

The Group's operations have inherent reputational risk

Reputational risk, meaning the risk to earnings and capital from negative public opinion, is inherent in the Group's business. Negative public opinion can result from the actual or perceived manner in which the Group conducts its business activities, from the Group's financial performance, from the level of direct and indirect government support or from actual or perceived practices in the banking and financial industry. Negative public opinion may adversely affect the Group's ability to keep and attract customers. The Group cannot ensure that it will be successful in avoiding damage to its business from 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

In accordance with IFRS, the Group has recognised deferred tax assets on losses available to relieve future profits from tax only to the extent that it is probable that they will be recovered. The deferred tax assets are quantified on the basis of current tax legislation and accounting standards and are subject to change in respect of the future rates of tax or the rules for computing taxable profits and allowable losses. Failure to generate sufficient future taxable profits or changes in tax legislation or accounting standards may reduce the recoverable amount of the recognised deferred tax assets.

There is currently no restriction in respect of deferred tax assets recognised by the Group for regulatory purposes. Changes in regulatory capital rules may restrict the amount of deferred tax assets that can be recognised and such changes could lead to a reduction in the Group's Core Tier 1 capital ratio. In particular, on 16 December 2010, the Basel Committee published the Basel III rules setting out certain changes to capital requirements which include provisions limiting the ability of certain deferred tax assets to be recognised when calculating the common equity component of Tier 1 capital. CRD IV which will implement Basel III in the EU includes similar limitations. The implementation of the Basel III restrictions on recognition of deferred tax assets within the common equity component of Tier 1 are subject to a phased-in deduction starting on 1 January 2014, to be fully effective by 1 January 2018.

Risks relating to the Asset Protection Scheme and the Contracts (as defined below)

The two paragraphs set out below provide certain background information in relation to the Asset Protection Scheme and the Contracts. The remainder of the paragraphs set out in this section headed "Risks relating to the Asset Protection Scheme and the Contracts" (as defined below) provide details of material risks relating to the Asset Protection Scheme and the Contracts.

On 22 December 2009, the RBSG Group acceded to the APS with HM Treasury acting on behalf of the United Kingdom Government. Neither RBS Holdings nor RBS N.V. is a party to the APS. The APS is a unique form of credit protection over a complex range of diversified assets and exposures (the "**Covered Assets**") in a number of jurisdictions and, as at 31 December 2011, included assets and exposures of RBS N.V. and its wholly-owned subsidiaries in the amount of €10.9 billion (the "**RBS N.V. Covered Assets**"). If losses on assets covered by the APS exceed £60 billion (net of recoveries), HM Treasury will bear 90 per cent. of further losses. In the event of a further severe or prolonged economic downturn, which could result in extreme credit losses on the RBSG Group's asset portfolio, the APS provides additional protection to the RBSG Group's capital ratios and financial position. The RBSG Group continues to carry the risk of losses, impairments and write-downs with respect to assets not covered by the APS.

On 26 November 2009, RBS N.V. and RBS entered into two back-to-back contracts in relation to the RBS N.V. Covered Assets, which were effective from 22 December 2009 (the "**Contracts**"). Pursuant to the Contracts, RBS N.V. has purchased credit protection through a financial guarantee and a credit default swap arrangement with RBS to strengthen its capital position and to de-risk future earnings. The guarantee agreement provides RBS N.V. with 100 per cent. protection over a specific portfolio of covered assets held at amortised cost by RBS N.V. and its consolidated subsidiaries (the "**RBS N.V. Group**"). The credit derivative agreement provides equivalent protection over a portfolio of derivatives owned by the RBS N.V. Group. The Contracts were amended and restated on 16 July 2010 with retrospective effect. The amendments related to, among other things, the triggers for, and calculation of, losses in respect of which protection is provided under the Contracts.

If the Group is required to seek consent from the Dutch Central Bank for the appointment of a step-in manager by HM Treasury in respect of RBS N.V. Covered Assets, and such consent is not obtained by the date on which the step-in rights must be effective, and other options to effect compliance are not possible, the relevant RBS N.V. Covered Assets would need to be withdrawn by the RBSG Group from the APS where possible. If the RBSG Group cannot withdraw such Covered Assets from the APS, the RBSG Group would be likely to lose protection in respect of these assets under the APS and/or may be liable under its indemnity to HM Treasury.

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 and the expected benefits of the APS

HM Treasury may, following consultation with the RBSG Group, modify or replace certain of the Scheme Conditions in such a manner as it considers necessary (acting reasonably) in certain circumstances. Such modifications or replacements may be retrospective. The protection provided to the Group by the Contracts is linked, in certain respects, to the protection that the RBSG Group receives under the APS. As a consequence, modifications to, or replacements of, the Scheme Conditions may result in (i) a loss of or reduction in the protection expected by the Group under the Contracts, (ii) an increase in the risk weightings of the RBS N.V. Covered Assets, (iii) a material increase in the continuing reporting obligations or asset management conditions under the Scheme Conditions which the Group is required to comply with, or to ensure that RBS can comply with, pursuant to the Contracts and/or (iv) restrictions or limitations on the Group's operations. The consequences of any such modifications are impossible to quantify and are difficult to predict and may have a material adverse effect on the Group's financial condition and results of operations.

There are extensive governance, asset management and information requirements under the Scheme Conditions in relation to the RBS N.V. Covered Assets which the Group is required to comply with, or to ensure that RBS can comply with, pursuant to the Contracts and HM Treasury also has the right to require the appointment of one or more step-in managers to exercise certain step-in rights in certain circumstances. The step-in rights are extensive and include certain oversight, investigation, approval and other rights, the right to require the modification or replacement of any of the systems, controls, processes and practices of the Group and extensive rights in relation to the direct management and administration of the RBS N.V. Covered Assets.

Additionally pursuant to the accession agreement between HM Treasury and RBSG relating to the accession to the APS (the "**Accession Agreement**"), HM Treasury has the right to require RBS to appoint one or more Special Advisers ("**SOC Special Advisers**") to exercise oversight functions over certain assets in the APS. On 18 June 2010, the Asset Protection Agency required that RBS appoint SOC Special Advisers in relation to certain assets and business areas in order to provide additional support to the Senior Oversight Committee of RBS. There have been four such appointments to date granting certain oversight rights in relation to certain specified assets and the work of each of the SOC Special Advisers is now substantially completed. Two of those appointments related to assets owned by RBS N.V.

The obligations of the Group and the rights of HM Treasury may, individually or in the aggregate, impact the way the Group runs its business and may serve to limit the Group's operations with the result that the Group's business, results of operations and financial condition will suffer. In addition, the market's reaction to such controls and limitations may have an adverse impact on the price of the Securities.

Any changes to the expected regulatory capital treatment of the Contracts may have a material adverse impact on the Group

One of the key objectives of the Contracts was to improve capital ratios at a consolidated level for the Group and at an individual level for certain relevant Group members. However, there is a risk that the regulatory capital treatment applied by relevant regulators may differ from that assumed by the Group in respect of the Contracts. Any changes to the regulatory capital treatment of the Contracts could negatively impact the Group's capital ratios as expected, and this could cause the Group's business, results of operations and financial condition to suffer, its credit ratings to drop, its ability to lend and access to funding to be further limited and its cost of funding to increase. The occurrence of any or all of such events may cause the price of the Securities to decline.

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. A similar cross liability will also arise in connection with the Dutch Scheme.

On 6 February 2010, ABN AMRO Bank N.V. (as it was then named) was demerged into two entities, being RBS N.V. (the former ABN AMRO Bank N.V.) and the new ABN AMRO Bank.

In principle investors now only have recourse to the entity to which the relevant assets and liabilities have been transferred for payments in respect of the appropriate securities. Under the Dutch Civil Code, however, each entity remains liable to creditors for the monetary obligations of the other entity that existed at the date of the legal demerger in the event that the other entity cannot meet its obligations to those creditors. In each case, the liability relates only to obligations existing at the date of the legal demerger.

The liability of RBS N.V. is limited to the equity retained at legal demerger. At the time of the legal demerger, this liability amounted to €4.0 billion and this liability will reduce over time. The liability of the new ABN AMRO Bank N.V. is limited to the amount of equity acquired at legal demerger, which amounted to €1.8 billion, which will also reduce over time.

RBS N.V. has made arrangements to mitigate the risks of liability to the creditors which transferred to the new ABN AMRO Bank upon legal demerger. The new ABN AMRO Bank has also made arrangements to mitigate the risks of liability to the creditors that remain in RBS N.V. Both of these entities hold the level of regulatory capital agreed upon with the Dutch Central Bank for purposes of covering any residual risks.

A similar cross liability will arise in favour of creditors of RBS N.V. and RBS as a result of the Dutch Scheme. The limit on the liability of RBS N.V. (being the equity to be retained by RBS N.V. at the time of the demerger) and RBS (being the equity to be acquired by RBS II B.V. at the time of the legal demerger) under such cross liability will not be known until after completion of the Dutch Scheme.

Investors should be aware that the materialisation of any of the above risks may adversely affect the value of any Securities.

DESCRIPTION OF RBS HOLDINGS N.V. AND THE ROYAL BANK OF SCOTLAND N.V.

General Information

Both RBS Holdings and RBS N.V. are public limited liability companies incorporated under Dutch law on 30 May 1990 and 7 February 1825 respectively, operating under Dutch company law. RBS Holdings is registered with the Trade Register in Amsterdam under no. 33220369. RBS N.V. is registered with the Trade Register in Amsterdam under no. 33002587. RBS Holdings and RBS N.V. have their registered offices in Amsterdam, The Netherlands and their office address is Gustav Mahlerlaan 350, 1082 ME Amsterdam. The mailing address for RBS Holdings and RBS N.V. in The Netherlands is Post Office Box 12925, 1100 AX Amsterdam. RBS Holdings and RBS N.V.'s telephone number is (31) 20 464 9999.

The Group is a prominent international banking group offering a wide range of banking products and financial services on a global basis. RBS N.V. is the result of the merger of Algemene Bank Nederland N.V. and Amsterdam-Rotterdam Bank N.V. in 1990. Prior to the merger, these banks were, respectively, the largest and second-largest bank in The Netherlands. RBS N.V. traces its origin to the formation of the Nederlandsche Handel-Maatschappij N.V. in 1825, pursuant to a Dutch Royal Decree of 1824.

RBS Holdings has one subsidiary, RBS N.V. and RBS N.V. has various subsidiaries. Please refer to the paragraph "Major subsidiaries and participating interests" in "Financial Statements — Notes to the accounts — 15 Major subsidiaries and participating interests" on page 155 of the 2011 Annual Report for an overview of the entities within the Group. RBS Holdings is controlled by RBSG, which is incorporated in the United Kingdom and registered at 36 St. Andrew Square, Edinburgh, Scotland. RBSG is the ultimate parent company of RBS Holdings N.V.

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 principal subsidiaries, RBS and National Westminster Bank Plc ("**NatWest**"). Both RBS and NatWest are major United Kingdom clearing banks. In the United States, the RBSG Group's subsidiary Citizens Financial Group, Inc. 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.

ABN AMRO

In 2007, RBS Holdings, which was jointly owned by the RBSG Group, the Dutch State (successor to Fortis Bank Nederland (Holding) N.V.) and Santander (together the "**Consortium Members**") completed the acquisition of ABN AMRO Holding N.V.

On 6 February 2010, the businesses of ABN AMRO Holding N.V. acquired by the Dutch State were legally demerged to a newly established company, ABN AMRO Bank N.V. which on 1 April 2010 was transferred to ABN AMRO Group N.V., itself owned by the Dutch State.

Following legal separation, RBS Holdings N.V. (formerly ABN AMRO Holding N.V.) has one operating subsidiary, The Royal Bank of Scotland N.V. (RBS N.V.), a fully operational bank within the Group. RBS N.V. is independently rated and regulated by the Dutch Central Bank. Certain assets within RBS N.V. continue to be shared by the Consortium Members.

On 19 April 2011, the Group announced the proposed transfers of a substantial part of the business activities of RBS N.V. to RBS. Subject to, among other matters, regulatory and other approvals, it is expected that the transfers will be implemented on a phased basis over a period

ending 31 December 2013. A large part of the transfers is expected to have taken place by the end of 2012.

On 17 October 2011, the Group completed the transfer of a substantial part of the UK activities of RBS N.V. to RBS pursuant to Part VII of FSMA.

On 26 March 2012, the Group announced that (1) RBS N.V. (as the demerging company) and RBS II B.V. (as the acquiring company) had that day filed a proposal with the Dutch Trade Register for a legal demerger and (2) following a preliminary hearing at the Court of Session in Scotland, RBS and RBS II B.V. had that day made filings with Companies House in the UK and the Dutch Trade Register respectively for a proposed cross-border merger of RBS II B.V. into RBS (together with the proposal for the legal demerger, the “**Proposals**”). Upon implementation of the Proposals, a substantial part of the business conducted by RBS N.V. in The Netherlands as well as in certain EMEA branches of RBS N.V. (the “**Transferring Businesses**”) will be transferred to RBS. The Proposals will be implemented by the demerger of the Transferring Businesses into RBS II B.V. (a Dutch company licensed as a bank in The Netherlands that has been established specifically for the purposes of the Dutch Scheme) by way of a Dutch statutory demerger (the “**Demerger**”), followed by the merger of RBS II B.V. into RBS plc through a cross-border merger (the “**Merger**” and, together with the Demerger, the “**Dutch Scheme**”). RBS and RBS N.V. have discussed the Dutch Scheme in detail with De Nederlandsche Bank and the Financial Services Authority. Implementation of the Dutch Scheme is subject, amongst other matters, to regulatory and court approvals. If granted, the regulatory approvals will be granted on the basis that the Demerger will not proceed unless the Merger is to proceed thereafter. Subject to these matters, it is expected that the Dutch Scheme will take effect on 9 July 2012.

Pursuant to the Dutch Scheme, RBS may become the issuer of Securities issued by RBS N.V. after the date of this Registration Document and before the effective date of the Dutch Scheme. From or around 23 March 2012, RBS N.V. will include provisions in the issue or offer documents (including term sheets) for any new issues of Securities which are eligible for the Dutch Scheme to indicate whether or not RBS is expected to become the issuer of those Securities as a result of the Dutch Scheme (subject to the relevant Securities not having been exercised, redeemed or repurchased and cancelled prior to the implementation of the Dutch Scheme). In connection with the Dutch Scheme, any liability of RBS Holdings under the 403 Declaration (as defined and explained in “Guarantee Given by RBS Holdings N.V. in respect of Debt Obligations of The Royal Bank of Scotland N.V.”) will, from the effective date of the Dutch Scheme, cease to apply in relation to any securities which transfer to RBS as a result of the Dutch Scheme.

Certain unaudited pro forma financial information illustrating the effect of the Proposed Transfers is set out in the 2011 Annual Report (as defined in “Documents Incorporated by Reference” below).

Approximately 98 per cent. of the issued share capital of RFS Holdings is now held by the RBSG Group.

Remedies in relation to the Approval for the State Aid provided to the RBSG Group

As referred to in the risk factor headed “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”, on 26 November 2009, RBSG entered into a State Aid Commitment Deed with HM Treasury containing commitments and undertakings given by RBSG to HM Treasury that are designed to ensure that HM Treasury is able to comply with the commitments given by it to the European Commission for the purpose of obtaining approval for the State Aid provided to RBSG.

As part of these commitments and undertakings three series of hybrid capital instruments which are retained in the Group (identifiable by ISIN codes US74928K2087, US74928P2074 and US74928M2044) are subject to a restriction on the payment of discretionary dividends and discretionary coupons and on the exercise of any call rights, unless in any such case there is a legal obligation to do so, for an effective period of two years commencing on 1 April 2011.

Business overview

RBS N.V. is a bank licensed and regulated by the Dutch Central Bank (*De Nederlandsche Bank*).

RBS N.V. operates on a significant scale across Europe, the Middle East and Africa, the Americas and Asia. As at 31 December 2011, the Group had total consolidated assets of €146.7 billion.

The Group 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 RBS Holdings 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 (the “**Shared Assets**”), 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 N.V. 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 the end of 2013 and during the course of 2010 and 2011, it concluded the sales of businesses in Latin America, Asia, Europe and the Middle East.

Organisational change

In January 2012, the RBSG Group announced changes to its wholesale banking operations in light of a changed market and regulatory environment. The changes will see the reorganisation of the RBSG Group’s wholesale businesses into ‘Markets’ and ‘International Banking’ and the exit and downsizing of selected activities. The changes will ensure the wholesale businesses continue to deliver against the RBSG Group’s strategy.

4.6.1.1
4.6.2
11.5.1.1
11.5.1.3

The changes will include an exit from cash equities, corporate brokering, equity capital markets and mergers and acquisitions businesses. Significant reductions in balance sheet, funding requirements and cost base in the remaining wholesale businesses will be implemented.

Existing GBM and GTS divisions will be reorganised as follows:

- The 'Markets' business will maintain its focus on fixed income, with strong positions in debt capital raising, securitisation, risk management, foreign exchange and rates. It will serve the corporate and institutional clients of all RBSG Group businesses.
- GBM's corporate banking business will combine with the international businesses of the RBSG Group's GTS arm into a new 'International Banking' unit and provide clients with a 'one-stop shop' access to the RBSG Group's debt financing, risk management and payments services. This international corporate business will be self-funded through its stable corporate deposit base.

The RBSG Group's wholesale business will retain its international footprint to ensure that it can serve its customers' needs globally. The RBSG Group believes that despite current challenges to the sector, wholesale banking services can play a central role in supporting cross border trade and capital flows, financing requirements and risk management and the RBSG Group remains committed to this business.

Going forward, the Group will comprise the following segments:

- International Banking
- Markets
- Central Items
- Non-Core

Assets and liabilities to be transferred after legal separation

A number of assets and liabilities of the Dutch State acquired businesses were not part of the legal demerger. At legal separation on 1 April 2010, approximately €600 million of assets and €500 million of liabilities remained in RBS N.V. due to amongst others, regulatory requirements. These will be transferred to the new ABN AMRO Bank. These remaining assets are adequately funded and capitalised.

Sufficient capital remains in the Group to cover the Dutch State interest and the Santander interest in the remaining Shared Assets until such time that these are sold, wound-down, redeemed or otherwise settled.

Litigation and investigations

The RBSG Group and certain RBSG Group members are party to legal proceedings, investigations and regulatory matters in The Netherlands, the United Kingdom, the United States and other jurisdictions, arising out of their normal business operations. All such matters are periodically reassessed with the assistance of external professional advisers, where appropriate, to determine the likelihood of the Group incurring a liability. The Group recognises a provision for a liability in relation to these matters when it is probable that an outflow of economic benefits will be required to settle an obligation which has arisen as a result of past events, and for which a reliable estimate can be made of the amount of the obligation.

In many proceedings, it is not possible to determine whether any loss is probable or to estimate the amount of any loss. Numerous legal and factual issues may need to be resolved, including through potentially lengthy discovery and determination of important factual matters, and by

addressing novel or unsettled legal questions relevant to the proceedings in question, before a liability can be reasonably estimated for any claim. The Group cannot predict if, how, or when such claims will be resolved or what the eventual settlement, fine, penalty or other relief, if any, may be, particularly for claims that are at an early stage in their development or where claimants seek substantial or indeterminate damages.

While the outcome of the legal proceedings, investigations and regulatory matters in which the Group is involved is inherently uncertain, management believes that, based on the information available to it, appropriate provisions have been made in respect of legal proceedings, investigations and regulatory matters as at 31 December 2011.

Other than as set out in the sections entitled "Litigation" and "Investigations, reviews and proceedings" on pages 25 to 28, no member of the Group is, or has been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which RBS Holdings or RBS N.V. is aware) during the 12 months prior to the date of this Registration Document, which may have, or have had in the recent past, significant effects on the financial position or profitability of RBS Holdings, RBS N.V. and/or the Group taken as a whole.

In each of the material legal proceedings and investigations, reviews and proceedings described below, unless specifically noted otherwise, it is not possible to reliably estimate with any certainty the liability, if any, or the effect these proceedings, investigations and reviews, and any related developments, may have on the Group. However, in the event that any such matters were resolved against the Group, these matters could, individually or in the aggregate, have a material adverse effect on the Group's consolidated net assets, operating results or cash flows in any particular period.

Litigation

Madoff

In December 2010, Irving Picard, as Trustee for the bankruptcy estates of Bernard L. Madoff and Bernard L. Madoff Investment Securities LLC filed a claim against RBS N.V. for approximately US\$271 million. This is a clawback action similar to claims filed against six other institutions in December 2010. RBS N.V. (or its subsidiaries) invested in Madoff funds through feeder funds. The Trustee alleges that RBS N.V. received US\$71 million in redemptions from the feeder funds and US\$200 million from its swap counterparties while RBS N.V. "knew or should have known of Madoff's possible fraud". The Trustee alleges that those transfers were preferences or fraudulent conveyances under the US bankruptcy code and New York law and he asserts the purported right to claw them back for the benefit of Madoff's estate. A further claim, for US\$21.8 million, was filed in October 2011. The Group considers that it has substantial and credible legal and factual defences to these claims and intends to defend itself vigorously.

London Interbank Offered Rate ("LIBOR")

Certain members of the RBSG Group have been named as defendants in a number of class actions and individual claims filed in the US with respect to the setting of LIBOR. The complaints are substantially similar and allege that certain members of the RBSG Group and other panel banks, individually and collectively violated US commodities and antitrust laws and state common law by manipulating LIBOR and prices of LIBOR-based derivatives in various markets through various means. The RBSG Group considers that it has substantial and credible legal and factual defences to these and prospective claims.

World Online

In November 2009, the Supreme Court in The Netherlands gave a declaratory judgment against World Online International N.V. ("**World Online**"), Goldman Sachs International and ABN AMRO Bank N.V. (now known as RBS N.V.) in relation to claims arising out of the World Online initial public offering of 2000. It held that these defendants had committed certain wrongful acts in connection with the initial public offering. The judgment does not establish liability or the amount of any loss. The defendant banks have agreed to pay settlement sums to certain investors and are in discussions regarding claims of other investors, including a potential new claim brought to the Group's attention in December 2011 on behalf of a group of individuals linked to a company acquired by World Online in 2000. The Group does not believe that such settlements or any final liability or loss will have a significant effect on the Group's financial position or profitability.

Summary of other disputes, legal proceedings and litigation

In addition to the matters described above, members of the Group are engaged in other legal proceedings in The Netherlands and a number of overseas jurisdictions, including the United Kingdom and the United States, involving claims by and against them arising in the ordinary course of business. The Group has reviewed these other actual, threatened and known potential claims and proceedings and, after consulting with its legal advisers, does not expect that the outcome of any of these other claims and proceedings will have a significant effect on the Group's consolidated net assets, operating results or cash flows in any particular period.

Investigations, reviews and proceedings

The Group's businesses and financial condition can be affected by the fiscal or other policies and actions of various governmental and regulatory authorities in The Netherlands, the United Kingdom, the EU, the United States and elsewhere. The Group has engaged, and will continue to engage, in discussions with relevant regulators, including in The Netherlands, the United Kingdom and the United States, on an ongoing and regular basis regarding operational, systems and control evaluations and issues, including those related to compliance with applicable anti-bribery, anti-money laundering and sanctions regimes. It is possible that any matters discussed or identified may result in investigatory or other action being taken by the regulators, increased costs being incurred by the Group, remediation of systems and controls, public or private censure, restriction of the Group's business activities or fines. Any of these events or circumstances could have a significant effect on the Group, its business, authorisations and licences, reputation, results of operations or the price of securities issued by it.

Political and regulatory scrutiny of the operation of retail banking and consumer credit industries in The Netherlands, the United Kingdom, the EU, the United States and elsewhere continues. The nature and impact of future changes in policies and regulatory action are not predictable and are beyond the Group's control but could have a significant effect on the Group's consolidated net assets, operating results or cash flows in any particular period.

The Group is cooperating fully with the investigations and proceedings described below.

US dollar clearing activities

In May 2010, following a criminal investigation by the United States Department of Justice ("**DoJ**") DoJ into its dollar clearing activities, Office of Foreign Assets Control compliance procedures and other Bank Secrecy Act compliance matters, RBS N.V. formally entered into a Deferred Prosecution Agreement (the "**DPA**") with the DoJ resolving the investigation. Pursuant to the DPA, RBS N.V. paid a penalty of US\$500 million in 2010 and agreed to comply with the terms of the DPA and to co-operate fully with any further investigations. Payment of the penalty was made from a provision established in April 2007 when an agreement in principle to settle was first announced. On 20 December 2011, the DoJ filed a motion with the US District Court to dismiss the criminal

information underlying the DPA, stating that RBS N.V. had met the terms and obligations of the DPA. The US District Court granted the DoJ's motion on the same day, and this matter is now fully resolved.

Independent Commission on Banking

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.

On 19 December 2011 the UK Government published a response to the Final Report (the "**Response**"), reaffirming its intention to accept the majority of the ICB's recommendations. The Government agreed that "vital banking services – in particular the taking of retail deposits – should only be provided by 'ring-fenced banks', and that these banks should be prohibited from undertaking certain investment banking activities." It also broadly accepted the ICB's recommendations on loss absorbency and on competition.

The UK Government has now embarked on an extensive consultation on how exactly the general principles outlined by the ICB should be implemented, and intends to bring forward a White Paper in the spring of 2012. Its intention is to complete primary and secondary legislation before the end of the current Parliamentary term in May 2015 and to implement the ring-fencing measures as soon as practicable thereafter and the loss absorbency measures by 2019. The UK Government also stated its determination that changes to the account switching process should be completed by September 2013, as already scheduled.

With regard to the competition aspects, the UK Government recommended a number of initiatives aimed at improving transparency and switching in the market and ensuring a level playing field for new entrants. In addition, the UK Government has recommended that HM Treasury should consult on regulating the UK Payments Council and has confirmed that the Financial Conduct Authority's remit will include competition.

Until the UK Government consultation is concluded and significantly more detail is known on how the precise legislative and regulatory framework is to be implemented it is impossible to estimate the potential impact of these measures with any level of precision.

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 and the Response, the effects of which could have a negative impact on the Group's consolidated net assets, operating results or cash flows in any particular period.

LIBOR

The RBSG Group continues to receive requests from various regulators investigating the setting of LIBOR and other interest rates, including the US Commodity Futures Trading Commission, the US Department of Justice, the European Commission, the FSA and the Japanese Financial Services Agency. The authorities are seeking documents and communications related to the process and procedures for setting LIBOR and other interest rates, together with related trading information. In addition to co-operating with the investigations as described above, the RBSG Group is also keeping relevant regulators informed. It is not possible to estimate with any certainty what effect these investigations and any related developments may have on the Group.

Other investigations

The Federal Reserve and state banking supervisors have been reviewing the RBSG Group's US operations and RBSG and its subsidiaries have been required to make improvements with respect

to various matters, including enterprise-wide governance, US Bank Secrecy Act and anti-money laundering compliance, risk management and asset quality. The RBSG Group is in the process of implementing measures for matters identified to date.

On 27 July 2011, the RBSG Group consented to the issuance of a Cease and Desist Order (the “**Order**”) setting forth measures required to address deficiencies related to governance, risk management and compliance systems and controls identified by the Federal Reserve and state banking supervisors during examinations of RBS and RBS N.V. branches in 2010. The Order requires the RBSG Group to strengthen its US corporate governance structure, to develop an enterprise-wide risk management programme, and to develop and enhance its programmes to ensure compliance with US law, particularly the US Bank Secrecy Act and anti-money laundering laws, rules and regulations. The RBSG Group has established a strategic and remedial programme of change to address the identified concerns and is committed to working closely with the US bank regulators to implement the remedial measures required by the Order.

The RBSG Group’s operations include businesses outside the United States that are responsible for processing US dollar payments. The RBSG Group is conducting a review of its policies, procedures and practices in respect of such payments and has initiated discussions with UK and US authorities to discuss its historical compliance with applicable laws and regulations, including US economic sanctions regulations.

Although the RBSG Group cannot currently determine when the review of its operations will be completed or what the outcome of its discussions with UK and US authorities will be, the investigation costs, remediation required or liability incurred could have a material adverse effect on the Group’s consolidated net assets, operating results or cash flows in any particular period.

The RBSG Group may become subject to formal and informal supervisory actions and may be required by its US banking supervisors to take further actions and implement additional remedial measures with respect to these and additional matters. Any limitations or conditions placed on the RBSG Group’s activities in the United States, as well as the terms of any supervisory action applicable to RBSG and its subsidiaries, could have a material adverse effect on the Group’s consolidated net assets, operating results or cash flows in any particular period.

During March 2008, the RBSG Group was advised by the SEC that it had commenced a non-public, formal investigation relating to the RBSG Group’s United States sub-prime securities exposures and United States residential mortgage exposures. In December 2010, the SEC contacted the RBSG Group and indicated that it would also examine valuations of various RBS N.V. structured products, including collateralised debt obligations.

CORPORATE GOVERNANCE

GOVERNANCE

Boards and Committees

RBS Holdings and RBS N.V. are public companies with limited liability incorporated under the laws of The Netherlands. Both companies have a two-tier system of corporate governance; consisting of a Supervisory Board and a Managing Board (each as defined below). The day-to-day management of RBS Holdings and RBS N.V. is vested with the relevant Managing Board.

The Supervisory Boards of RBS Holdings and RBS N.V. (together, the “**Supervisory Board**”) are comprised of the same members. The Managing Boards of RBS Holdings and RBS N.V. (together, the “**Managing Board**”) are also comprised of the same members.

The Dutch Banking Code (*Code Banken*) was drawn up by The Netherlands Bankers' Association (*NVB*) in response to the report entitled “Restoring Trust” (*Naar herstel van vertrouwen*), which was published by the Advisory Committee on the Future of Banks (*Adviescommissie Toekomst Banken*) on 7 April 2009. The recommendations of the Advisory Committee’s report have been used as the basis for the Dutch Banking Code. The Dutch Banking Code came into force on 1 January 2010. RBS N.V. has published on its website an overview of its compliance with the Banking Code.

Neither RBS Holdings nor RBS N.V. is obliged to comply with the principles of the Dutch Corporate Governance Code (the *Code Frijns*), which are mandatory only for listed companies and therefore neither RBS Holdings nor RBS N.V. does comply with the Dutch Corporate Governance Code. However, given its standing in The Netherlands, the Group has chosen to adhere to the provisions of the Dutch Corporate Governance Code as much as possible.

SUPERVISORY BOARD

Responsibilities of the Supervisory Board

The Supervisory Board supervises the Managing Board’s conduct of the Group’s business and the general course of affairs of RBS Holdings and RBS N.V. and their respective associated businesses. In addition, the Supervisory Board is charged with assisting and advising the management of RBS Holdings and RBS N.V., respectively. In performing their duties, the members of the Supervisory Board are guided by the interests of RBS Holdings and RBS N.V. and their respective associated businesses and take into account the relevant interests of the Group’s stakeholders. Certain powers are vested with the Supervisory Board, including the approval of certain resolutions by the Managing Board.

The Supervisory Board is an independent body. Members of the Supervisory Board are appointed by the general meeting of shareholders of RBS Holdings and RBS N.V., respectively. The Supervisory Board nominate one or more candidates for each vacant seat.

Supervisory Board members are appointed for a term of four years and may be re-appointed after that term. Members of the Supervisory Board may serve a maximum of three 4-year terms, or 12 years from the date of their first appointment. As a principle, each member agrees to retire by the day on which the annual general meeting of shareholders of RBS Holdings is held in the year in which he or she reaches the age of 70.

Candidates recommended for appointment or re-appointment to the Supervisory Board should meet the criteria of the membership profile, which are set out in the Rules Governing the Supervisory Board’s Principles and Best Practices of RBS Holding, which are available on the Group’s website at www.rbs.nl. These rules also include the terms of reference of the Risk and

Audit Committee. Information on that website does not form part of this Registration Document, unless expressly stated otherwise.

In the case of an actual or potential conflict of interest of material significance between a member of the Supervisory Board and the Group, the Chairman of the Supervisory Board shall be notified.

The Chairman and Vice Chairman are appointed by each Supervisory Board from among its members.

Composition of the Supervisory Board

Following the legal separation, a new Supervisory Board was appointed.

The Supervisory Board currently consists of the following members:

Bruce Van Saun	Chairman
Ron Teerlink	Vice-Chairman
Sietze Hepkema	
Chris Campbell	
Henk Rottinghuis	

Curriculum Vitae of Supervisory Board Members

Bruce Van Saun

Chairman of the Supervisory Board

Mr. Van Saun was appointed to the Supervisory Board on 1 April 2010.

Appointed to the Board of RBSG in October 2009 as Group Finance Director, Mr. Van Saun has over 25 years of financial services experience. From 1997 to 2008 he held a number of senior positions with Bank of New York and later with Bank of New York Mellon, most recently as vice chairman and chief financial officer, and before that responsible for Asset Management and Market Related businesses. Prior to that he held senior positions with Deutsche Bank, Wasserstein, Perella Group and Kidder Peabody & Co. He has served on several corporate boards as a non-executive director and has been active in numerous community organisations.

Ron Teerlink

Vice-Chairman of the Supervisory Board

Mr. Teerlink was appointed to the Supervisory Board on 1 April 2010.

In April 2008 Mr. Teerlink joined the RBSG Group as Chief Executive of Business Services, becoming the Group Chief Administrative Officer in February 2009. At the same time, he was re-appointed to the Managing Board to oversee the integration programme. Mr. Teerlink started his career with ABN Bank in 1986 as an IT/Systems analyst and held various functional positions before becoming Chief Operating Officer of the Wholesale Clients Business in 2002. He was appointed Chief Executive Officer of Group Shared Services in 2004 and joined ABN AMRO Holding N.V.'s Managing Board in January 2006, where he was responsible for Services and Market Infrastructure. Mr. Teerlink holds a Masters degree in Economics from Amsterdam's Vrije Universiteit.

Sietze Hepkema

Member of the Supervisory Board

Mr. Hepkema is a corporate and M&A lawyer at Allen & Overy LLP. He was Senior Partner of the Amsterdam office from 1999 to 2009 and a member of the firm's Board from 2000 to 2010. Before

joining Allen & Overy, Mr. Hepkema was Partner at Loeff Claeys Verbeke for 12 years, where he was appointed to the Managing Board in 1989. Between 1981 and 1987 he worked at Graham & James in San Francisco and Singapore. Over the past ten years, Mr Hepkema has advised on many major transactions in The Netherlands, including the merger of KLM and Air France, the merger of NYSE and Euronext, and the acquisition of Organon by ScheringPlough. He holds a Master of Laws from the Erasmus University Rotterdam and an LLM from Harvard Law School.

Mr. Hepkema joined the Supervisory Board on 1 September 2010.

Chris Campbell

Member of the Supervisory Board

Mr. Campbell was appointed as a Member of the Supervisory Board on 23 June 2011. Mr. Campbell joined RBS in August 2005 as Deputy General Counsel and Director, Group Legal and became Group General Counsel in May 2010. Prior to joining RBS, Mr. Campbell was a partner for 18 years in Scotland's largest law firm, Dundas & Wilson, and was Managing Partner from 1996 until he joined RBS in 2005. In his role as Group General Counsel, Mr. Campbell has overall responsibility for advising the RBS Group Board and Executive Committee and for the provision of legal support to all of RBS's businesses globally. His responsibilities also include the Group Secretariat and Regulatory Affairs functions.

Henk Rottinghuis

Member of the Supervisory Board

Mr. Rottinghuis has been a Member of the Executive Board of Pon Holdings B.V. since 1999 and was appointed CEO in 2001, a position he held for nearly 10 years. Before joining the Board, he worked as the Managing Director of Pon's Automobielhandel, the importer of Volkswagen, Audi and Porsche in The Netherlands and Poland, and was responsible for all import activities in the automotive arm of Pon Holdings. Mr. Rottinghuis started his career in 1982 at the Royal Nedlloyd Group, a shipping and transport group, where he held various management positions for a period of ten years. He holds a Master of Laws from the Rijksuniversiteit Groningen, and has followed an executive programme at Harvard Business School. He holds several Board positions with larger family companies.

Mr. Rottinghuis was appointed to the Supervisory Board on 1 September 2010.

Supervisory Board Committee

Each Supervisory Board has one standing committee, being a Risk & Audit Committee (together, the "**Risk & Audit Committee**").

The Risk & Audit Committee is appointed by the Supervisory Board from its own members. The Risk & Audit Committee derives its authority from the Supervisory Board, the RBSG Group Board Risk Committee and the RBSG Group Audit Committee. Its Terms of Reference are set out in Annex C of the Rules Governing the Supervisory Board's Principles and Best Practices.

In line with good corporate governance, the rules governing the Risk & Audit Committee have been reviewed to ensure that objectives are, where possible, fully aligned and consistent with the terms of reference of both the RBSG Group Audit Committee and the RBSG Group Board Risk Committee and are adequate and appropriate oversight and escalation mechanisms are implemented. Also, the rules have been reviewed in light of the requirements as stated in the Dutch Banking Code.

The external auditor is appointed or reappointed by the General Meeting of Shareholders for a period of one year on the advice of the Supervisory Board. The Risk & Audit Committee has the delegated responsibility for the engagement of the external auditor. For this purpose it evaluates

the independence of the external auditor, the measures used to control the quality of the external auditor's work, and the annual audit budget. The Risk & Audit Committee's policy on auditor independence governs the appointment, compensation and oversight of the external auditor. To ensure the external auditor's independence, the Auditor Independence Policy prohibits the external auditor from providing certain non-audit services to the Group.

The Risk & Audit Committee is furthermore responsible for pre-approving audit, audit-related and permitted non-audit services provided by the external auditor. In exercising its pre-approval authority, the Risk & Audit Committee considers whether the proposed services are consistent with the continued independence of the external auditor. During each meeting of the Risk & Audit Committee, an overview is presented of the non-audit services that were initiated during the period under review.

All members of the Supervisory Board are members of the Risk and Audit Committee. The Chairman of the Supervisory Board is also the Chairman of the Risk and Audit Committee.

5 meetings of the Risk and Audit Committee have occurred in 2011.

MANAGING BOARD

Responsibilities of the Managing Board

The members of the Managing Board collectively manage the company and are responsible for its strategy, structure and performance. The members of the Managing Board are appointed by the general meeting of shareholders of RBS Holdings and RBS N.V., respectively. The Supervisory Board nominates one or more candidates for each vacant seat. If the Supervisory Board nominates two or more candidates for a vacant seat, the nomination list is binding. The members of the Managing Board are accountable both collectively and individually for all decisions taken by the Managing Board.

The Chairman of each Managing Board leads the relevant Managing Board in its overall management of the Group to achieve its performance goals and ambitions. The Chairman is the main point of liaison with the Supervisory Board. The Chief Financial Officer is responsible for the financial affairs of the Group, and the Chief Risk Officer is responsible for the Group's risk management and operational risk control. Alongside their overall corporate responsibilities, the members of the Managing Board are responsible for the management of the Divisions, Group Functions and Services. The Managing Board has delegated certain tasks to committees, as described below.

Composition of the Managing Board

Following the legal separation, a new Managing Board was appointed.

The members of the Managing Board currently comprise:

Jan de Ruiter	Chairman
Pieter van der Harst	Chief Financial Officer
Jeroen Kremers	Vice-Chairman and Chief Risk Officer
Michael Geslak	Chief Administration Officer
Richard Hemsley	Head of Corporate Banking and Global Transaction Services

Curriculum Vitae of Managing Board Members

Managing Board members as at 31 December 2011.

Jan de Ruiter

Chairman

Mr. de Ruiter started his career at the Dutch Credit Insurance (“**NCM**”) in 1984 and moved to ABN Bank in 1987. During his 21 years with ABN AMRO Bank N.V., he held various positions in the wholesale division of the bank. From 1987 until 1993 he was a team member of the Institutional Equity Sales team in Amsterdam and from 1993 until 1998 Head of the European Equity sales team, based in London. In 1998 he became the Head of Equity Capital Markets for The Netherlands (Managing Director ABN AMRO Rothschild). Mr. de Ruiter was appointed Corporate Managing Director of ABN AMRO Bank N.V. in 2000. In 2003 he became one of the two joint Chief Executive Officers of ABN AMRO Rothschild. In 2004 he also became responsible for the global Merger & Acquisitions franchise of ABN AMRO Bank N.V. He held both positions until the end of 2007. At the beginning of 2008, following the successful consortium bid for ABN AMRO Bank N.V., he became the country executive of RBS in The Netherlands and was appointed as Chairman of the Managing Board on 1 April 2010. Mr. de Ruiter graduated from the HEAO in Utrecht in 1983 (Economics/Law) and also holds an MBA degree from Webster University.

Pieter van der Harst

Chief Financial Officer

Mr. van der Harst obtained a Degree in Economics in 1985 at the Erasmus University in Rotterdam.

He started his career at the Dutch subsidiary of Banque Indosuez, where, after several functions in risk management and operations, he became Director of Financial Markets in 1993. After the sale of this entity to Dutch savings bank SNS Bank in 1997, he served as Managing Director of SNS Financial Markets, leading the treasury, funding and trading activities of the bank.

Mr. van der Harst joined ABN AMRO in 2000 as Finance Director at Bouwfonds, a subsidiary active in residential mortgages and real estate development, finance and asset management. Following the sale of Bouwfonds in 2006, he joined ABN AMRO’s corporate development team. From June 2007 to September 2007 he was acting CFO at ABN AMRO Asset Management. From September 2007 through May 2008 he served as CFO for ABN AMRO’s business unit North America.

From June 2008 to the legal separation date of April 1 2010, he fulfilled the role of CFO of the RBS Group acquired businesses, in addition to his role of CFO for RBS in The Netherlands. Currently, he continues to serve as CFO for RBS in The Netherlands.

Jeroen Kremers

Vice-Chairman and Chief Risk Officer

Mr. Kremers is Vice-Chairman of the Managing Board and has been Chief Risk Officer of RBS N.V. since April 2010. He is also Head of Global Country Risk for RBSG Group. Mr. Kremers began his career in 1986 as an Economist for the International Monetary Fund in Washington DC. In 1989 he became Senior Economist at The Netherlands Ministry of Finance, and subsequently deputy Director for Financial and Economic Policy. He became Director for Financial Markets in 1997 and was appointed deputy Treasurer General. He also was a visiting Professor of Economics at Erasmus University Rotterdam in 1991-2003. In 2003, Mr. Kremers was elected Executive Director of the International Monetary Fund, representing a constituency of 12 European countries. He remained there until 2007, when he moved to ABN AMRO to become Head of Group Public Affairs. He served on its Managing Board in 2009-2010 after joining RBS. He earned a DPhil at

Nuffield College Oxford in 1985, following degrees in Quantitative Economics at Bristol University and in Econometrics at Tilburg University. Mr. Kremers is a member of the Senior Advisory Board of Oliver Wyman Financial Services, the Supervisory Board of Maastricht University and the Supervisory Board of Nederlandse Spoorwegen NV.

Michael Geslak

Chief Administrative Officer

Mr. Geslak joined ABN AMRO in New York in 1988 as an accountant and held various positions in Investment Banking financial reporting and control. In 1992 he formed the Market Risk function in New York, and after moving to Chicago in 1993 became Head of Market Risk for North America. In 1995 he became Head of Investment Banking Operations and Product Control in Chicago, which was later expanded to cover all Investment Banking Operations for North America. In 2000 he was promoted to Chief Administrative Officer for Wholesale Banking in the Americas. During this time he led the integration of businesses acquired from ING Barings into Wholesale Banking within ABN AMRO.

Mr. Geslak then moved to London as Global Chief Information Officer for ABN AMRO Wholesale Banking and managed the provision of all technology to the Global Markets and Global Transaction Services businesses. In 2006 he became Head of Services for Global Markets and BU Europe. Mr. Geslak's current roles are Chief Administration Officer for RBS N.V. and he has the additional responsibility of Programme Director of N.V. Integration, running the integration programme for RBS to fully segregate from the Dutch State acquired businesses..

Richard Hemsley

Head of Corporate Banking and Global Transaction Services

Mr. Hemsley joined the RBS Group in 1983 to work for NatWest where he held a wide variety of roles in retail banking, corporate banking and head office functions. In 2000 he became Head of Lending Operations in Group Manufacturing and was appointed to Director, Group Security & Fraud four years later. In 2005 Mr. Hemsley was appointed Managing Director in, Manufacturing Operations with key responsibilities for customer service improvement In 2008 he became Chief Operating Officer of Business Services and his current role is Chief Operating Officer of Global Transaction Banking in RBS Group.

Mr. Hemsley is a Fellow of the Chartered Institute of Bankers in Scotland and has also completed the Advanced Management Programme at Harvard Business School.

Managing Board Committees

The Managing Board has four standing committees: the first being a Risk & Control Committee (the "**Risk & Control Committee**"), the second being an Asset & Liability Management Committee (the "**ALCO**"), the third being a Disclosure Committee (the "**Disclosure Committee**") and the fourth being a Power of Attorney Committee (the "**PoA Committee**").

Risk & Control Committee

The Risk & Control Committee oversees the risk framework within the Group, monitors the actual risk profile and advises the Managing Board. Its scope is credit, market, operational and regulatory risk within the Group.

Asset & Liability Management Committee

The Managing Board has delegated to the ALCO responsibility for the management of capital, liquidity, interest rate risk and foreign exchange risk. This includes, among other tasks, responsibility for reviewing, approving and allocating balance sheet, capital, liquidity and funding limits.

Disclosure Committee

The Disclosure Committee advises and assists the Managing Board in fulfilling its responsibilities for overseeing the accuracy and timeline of public disclosures made by the companies. This includes, among other things, reviewing and advising on the adequacy of the design and establishment of controls and other procedures, including procedures currently used by RBS Holdings and RBS N.V. in this respect.

PoA Committee

The PoA Committee has the authority to appoint holders of a Senior or a Divisional Power of Attorney (in relation to GBM, GTS, Business Services, Global Restructuring Group and NCD) on behalf of RBS N.V.

Conflicts of interest and addresses

There are no actual or potential conflicts of interest between the duties to RBS Holdings and/or RBS N.V. of the members of the Supervisory Board and the Managing Board set out above and their private interests and/or other duties which are of material significance to RBS Holdings, RBS N.V. and/or any of such members. Except as described under “– Supervisory Board – Curriculum Vitae of Supervisory Board Members” and “– Managing Board – Curriculum Vitae of Managing Board Members”, the Supervisory Board and Managing Board members do not perform principal activities outside the RBSG Group.

The business address of the members of the Supervisory Board and Managing Board is: The Royal Bank of Scotland N.V., Gustav Mahlerlaan 350, 1082 ME Amsterdam, The Netherlands.

GUARANTEE GIVEN BY RBS HOLDINGS N.V. IN RESPECT OF DEBT OBLIGATIONS OF THE ROYAL BANK OF SCOTLAND N.V.

Set out below is an English translation of the guarantee, which is in the form of a declaration in terms of Article 2:403 of the Dutch Civil Code (referred to below as a “**403 Declaration**”) given by RBS Holdings in respect of debt obligations of RBS N.V.:

“The undersigned, [RBS Holdings] N.V., hereby declares, in accordance with article 403, paragraph 1, subsection f of Book 2 of The Netherlands Civil Code, to be jointly and severally liable for all debts resulting from juridical acts performed by [The Royal Bank of Scotland] N.V. after the date hereof.”

A copy of the 403 Declaration has been deposited with and can be obtained from the Trade Register of the Amsterdam Chamber of Commerce at De Ruyterkade 5, P.O. Box 2852, 1000 CW Amsterdam, The Netherlands.

The 403 Declaration constitutes a statement of joint and several liability governed by and construed in accordance with the laws of The Netherlands. The 403 Declaration is part of the Dutch company law provisions designed to enable subsidiaries of parent companies which publish consolidated annual accounts to obtain an exemption from the requirements to separately publish their own annual accounts. One of the conditions for obtaining such exemption is that a 403 Declaration is issued by the parent company and deposited with the Trade Register of the Chamber of Commerce in the place where the subsidiary is established. The statutory provisions relating to 403 Declarations are contained in Article 2:403 and following of the Dutch Civil Code. A 403 Declaration is an unqualified statement by the parent company that the parent company is jointly and severally liable with the subsidiary for the debts of the subsidiary. The 403 Declaration set out above constitutes the legal, valid and binding obligation of RBS Holdings, enforceable in accordance with its terms. The effect of the issue and deposit by RBS Holdings of its 403 Declaration is that RBS Holdings and RBS N.V. have become jointly and severally liable for all debts of RBS N.V. arising from transactions entered into by RBS N.V. after the date of the deposit. The 403 Declaration accordingly constitutes a guarantee by RBS Holdings for any debt instruments issued by RBS N.V. after the date of deposit. If RBS N.V. should default under such debt instruments, holders concerned may claim against both or either of RBS Holdings and RBS N.V. The liability of RBS Holdings under the 403 Declaration is unconditional and not limited in amount. It is limited to obligations arising out of contracts entered into by RBS N.V. The liability of RBS Holdings under the 403 Declaration does not include obligations of RBS NV following from statute, such as tax and tort. Legal defences available to RBS N.V. against the holder concerned will likewise be available to RBS Holdings. A 403 Declaration may be revoked by the giver at any time. If the 403 Declaration is revoked by RBS Holdings, the situation under Dutch law would be as follows:

- (1) subject as set out below in connection with the Dutch Scheme, RBS Holdings would remain liable in respect of debt instruments issued by RBS N.V. after the date of deposit but prior to the effective date of such revocation; and
- (2) RBS Holdings would not be liable for debt instruments issued by RBS N.V. after the effective date of such revocation.

In connection with the Dutch Scheme, any liability of RBS Holdings under the 403 Declaration will, from the effective date of the Dutch Scheme, cease to apply in relation to any debt obligations of RBS N.V. which (1) transfer to RBS as a result of the Dutch Scheme or (2) have otherwise transferred to RBS prior to the effective date of the Dutch Scheme. Implementation of the Dutch

Scheme is subject, amongst other matters, to regulatory and court approvals. Subject to these matters, it is expected that the Dutch Scheme will take effect on 9 July 2012.

The law of The Netherlands provides that in the event that RBS N.V. is no longer a subsidiary of RBS Holdings or otherwise a group company of RBS Holdings, the revocation of the 403 Declaration is under certain conditions capable of releasing RBS Holdings from all obligations under the 403 Declaration. However, in such event, there are detailed statutory provisions to protect the rights of creditors of RBS N.V.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION RELATING TO RBS HOLDINGS N.V.

The following tables summarise certain financial information of RBS Holdings for its financial years ended 31 December 2011 and 31 December 2010 and have been extracted without adjustment from the audited 2011 Annual Report of RBS Holdings, which were prepared in accordance with IFRS.

	For the year ended 31 December 2011 (audited)	For the year ended 31 December 2010 (audited)
<i>(in millions of euros)</i>		
Operating profit/(loss) before tax.....	(263)	425
Tax (charge)/credit.....	(433)	(302)
Profit/(loss) from continuing operations.....	(696)	123
Profit/(loss) from discontinued operations, net of tax	40	985
Profit/(loss) for the year.....	(656)	1,108

	As at 31 December 2011 (audited)	As at 31 December 2010 (audited)
<i>(in millions of euros)</i>		
Loans and advances	56,631	71,201
Debt securities and equity shares	42,738	74,894
Derivatives and settlement balances	21,746	31,845
Other assets	25,557	22,442
Total assets	146,672	200,382

	As at 31 December 2011 (audited)	As at 31 December 2010 (audited)
	<i>(in millions of euros)</i>	
Subordinated liabilities	6,859	6,894
Deposits	86,121	86,890
Derivatives, settlement balances and short positions	23,277	40,875
Other liabilities	27,076	60,751
Equity attributable to the shareholders of the parent company	3,318	4,948
Non-controlling interests	21	24
Total liabilities and equity	146,672	200,382

	As at 31 December 2011 (unaudited)	As at 31 December 2010 (unaudited)
	<i>(per cent.)</i>	
Core Tier 1 ratio	8.4	8.7
Tier 1 ratio	12.0	11.0
Total capital ratio	17.5	15.8

Share Capital: RBS Holdings

At 31 December 2011, RBS Holding's issued share capital comprised 3,306,843,332 ordinary shares with a par value per ordinary share of €0.56. There are no issued ordinary shares that have not been fully paid. The total issued ordinary share capital is €1,851,832,265.92. For a summary of the rights attaching to the ordinary shares, see "Financial Statements — Notes to the accounts — 24 Share capital" on page 167 of the 2011 Annual Report.

Share Capital: RBS N.V.

At 31 December 2011, RBS N.V.'s issued share capital comprised 255,573,705 ordinary shares with a par value per ordinary share of €4.50. There are no issued ordinary shares that have not been fully paid. The total issued ordinary share capital is €1,150,081,672.50.

DELOITTE ASSURANCE REPORT - UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION RELATING TO RBS HOLDINGS N.V.

On 23 March 2012, RBS Holdings published updated unaudited pro forma financial information in respect of the Proposed Transfers to RBS. This pro forma financial information is set out on pages 227-230 of the 2011 Annual Report (as defined in “Documents Incorporated by Reference” below) which is incorporated by reference herein. Set out below is an Assurance Report issued by Deloitte Accountants B.V. in respect of such pro forma financial information.

Each of RBS Holdings N.V. and RBS N.V. confirm that the information in the Assurance Report has been accurately reproduced and that as far as each of RBS Holdings N.V. and RBS N.V. is aware and able to ascertain from information published by Deloitte Accountants B.V., no facts have been omitted which would render the Assurance Report inaccurate or misleading.

“Deloitte Accountants B.V.

Orlyplein 10
1043 DP Amsterdam
P.O. Box 58110
1040 HC Amsterdam
Netherlands

Tel: +31 (88) 2882888

Fax: +31 (88) 2889739

www.deloitte.nl

Assurance Report on the Unaudited Pro Forma Condensed Consolidated Financial Information

To: the holders of debt instruments issued by The Royal Bank of Scotland N.V. and RBS Holdings N.V.

Introduction

In accordance with Commission Regulation No. 809/2004 (the “**Prospectus Regulation**”), we report on the unaudited pro forma condensed consolidated financial information as included on page 227 to 230 in the 2011 Annual report and Accounts of RBS Holdings N.V., which comprise the unaudited pro forma condensed consolidated balance sheet as at 31 December 2011, the unaudited pro forma condensed consolidated statement of income for the year ended 31 December 2011 and the notes thereto (together the “pro forma financial information”).

Management’s responsibility

The pro forma financial information has been prepared on the basis described in the pro forma financial information and is for illustrative purposes only to illustrate the estimated effects of the proposed transfers from RBS Holdings N.V. to The Royal Bank of Scotland plc on the condensed consolidated financial information as if such proposed transfer of businesses had occurred on the balance sheet date of 31 December 2011 or on 1 January 2011 for the statement of income as presented in the pro forma financial information. The pro forma financial information addresses a hypothetical situation and, therefore, does not represent the actual financial position or results of RBS Holdings N.V. It is the responsibility of the management of RBS Holdings N.V. to prepare the pro forma financial information in accordance with the requirements of the Prospectus Regulation.

Auditor’s responsibility

It is our responsibility to provide the conclusion as required by Annex II item 7 of the Prospectus Regulation. We are not responsible for expressing any other opinion on the pro forma financial

information or on any of its constituent elements. In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Scope

We conducted our procedures in accordance with Dutch law and Standard 3850N "Assurance and Other Engagements related to Prospectuses". Our work, which involved no examination of any of the underlying financial information, consisted primarily of comparing the information in the pro forma financial information with the source documents, considering the evidence supporting the pro forma financial information and of enquiries with management of RBS Holdings N.V. We planned and performed our procedures so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the recognition and measurement policies of RBS Holdings N.V. We believe that our procedures performed provide a reasonable basis for our conclusion.

Opinion

In our opinion the unaudited pro forma condensed consolidated balance sheet as at 31 December 2011 and the unaudited pro forma condensed consolidated statement of income for the year ended 31 December 2011:

- a. have been properly compiled on the basis described in the basis of preparation paragraph; and
- b. that basis is consistent with the accounting policies as set out on pages 113 to 124 of the 2011 Annual Report and Accounts of RBS Holdings N.V.

2.7

This report is required by the Prospectus Regulation and is provided for the purpose of complying with that Prospectus Regulation and for no other purpose. We accept no responsibility to, and deny any liability to, any person or in any way arising from or in connection with the use of this report outside the Netherlands.

Amsterdam, 23 March 2012

Deloitte Accountants B.V.

M.B. Hengeveld"

GENERAL INFORMATION

RBS Holding's Objects

Article 2 of the articles of association of RBS Holdings, adopted on 1 April 2010, provides that the objects of RBS Holdings are:

- (i) the participation in, collaboration with and financing, administration and management of other enterprises and companies, to provide security for the debts of third parties, and the performance of all acts, activities and services which are related or may be conducive thereto;
- (ii) to render services and to perform activities as a financial services provider (*financiële dienstverlener*) as defined in the Financial Supervision Act (*Wet op het financieel toezicht*) and the performance of all other acts and activities which are related or may be conducive thereto, all in the broadest possible sense; and
- (iii) the fostering of the direct and indirect interests of all those who are involved in any way with RBS Holdings and the safeguarding of the continuity of RBS Holdings and its affiliated enterprise(s).

RBS N.V.'s Objects

Article 2 of the articles of association of RBS N.V., adopted on 1 April 2010, provides that the objects of RBS N.V. are:

- (i) to engage in banking and stockbroking, to administer the assets of third parties, to act as trustee, administrator and executor of wills and as a member of the managing or supervisory boards or liquidator of companies or other organisations, to provide insurance services and to engage in all transactions, activities and services which may relate or be conducive thereto, all in the widest sense;
- (ii) to participate in, co-operate with, finance, administer and manage other enterprises and companies and to engage in all transactions, activities and services which may relate or be conducive to the above; and
- (iii) to foster the direct and indirect interests of all involved in RBS N.V., in whatever way, and to safeguard the continuity of RBS N.V. and the enterprise(s) associated therewith.

Documents Available for Inspection

So long as this Registration Document is valid as described in Article 9 of the Prospectus Directive, copies of the following documents will, when published, be available, free of charge, from the registered office of RBS N.V.:

- (i) a copy of this Registration Document.
- (ii) the documents incorporated by reference into this Registration Document as set out in paragraphs (a) to (g) in the section "Documents Incorporated by Reference" below; and
- (iii) an English translation of the Articles of Association (*statuten*) of each of RBS Holdings and RBS N.V. as in force and effect on the date of this Registration Document.

Copies of these documents as well as any annual financial statements and interim financial information to be published in the future are also accessible via http://www.investors.rbs.com/RBS_NV. Other than the information explicitly incorporated by reference into this Registration Document, the information found at that website does not form part of and is not incorporated by reference into this Registration Document.

A copy of the 403 Declaration is available for inspection at the Trade Register of the Amsterdam Chamber of Commerce at De Ruyterkade 5, P.O. Box 2852, 1000 CW Amsterdam, The Netherlands.

No Significant Change and No Material Adverse Change

There has been no significant change in the trading or financial position of the Group taken as a whole since 31 December 2011 (the end of the last financial period for which audited financial information of the Group has been published).

There has been no material adverse change in the prospects of the Group taken as a whole since 31 December 2011 (the date of the last published audited financial information of the Group).

Financial Information

On the basis of article 403 of part 9 of Book 2 of The Netherlands Civil Code, RBS N.V. is not required to publish annual financial statements. Only abbreviated financial statements are required to be drawn up and approved by the Management Board of RBS N.V. The shareholders of RBS N.V. have agreed to this in a declaration of consent, dated 16 March 2012 and filed with the Chamber of Commerce in Amsterdam. The assets and liabilities and the income statement of RBS N.V. are fully consolidated in the consolidated financial statements of RBS Holdings N.V. for the periods covered by the financial information incorporated by reference into this Registration Document.

Independent Auditors

The consolidated financial statements of RBS Holdings for the years ended 31 December 2011 and 31 December 2010 as set out in the 2011 Annual Report and the 2010 Annual Report respectively, have been audited by Deloitte Accountants B.V. ("**Deloitte**"). Deloitte have issued unqualified independent auditors' reports on the financial statements for the years ended 31 December 2011 (on 22 March 2012) and 31 December 2010 (on 28 March 2011). Deloitte is located at Orlyplein 10, P.O. Box 58110, 1043 DP Amsterdam, The Netherlands. The Auditor of Deloitte is a member of the Royal NIVRA (the *Koninklijke Nederlands Instituut van registeraccountants*), which is a member of the International Federation of Accountants (IFAC). Following legal separation, Deloitte have continued as the auditors of RBS Holdings and RBS N.V.

Material Contracts

RBS Holdings and RBS N.V. and their respective subsidiaries are party to various contracts in the ordinary course of business. For a description of contracts that are not entered into in the ordinary course of RBS Holdings' and/or RBS N.V.'s business which could result in any member of the Group being under an obligation or entitlement that is material to RBS Holdings' and/or RBS N.V.'s ability to meet its obligation to security holders in respect of securities being issued by RBS Holdings or RBS N.V. on the basis of, *inter alia*, this Registration Document please refer to:

- (i) the paragraph "Additional Information — Material contracts" on page 235 of the 2011 Annual Report;
- (ii) the section headed "Business review — Risk and balance sheet management — Asset Protection Scheme" on pages 92 and 93 of the 2011 Annual Report; and
- (iii) the risk factor under the heading "Risk Factors – Risks relating to the Asset Protection Scheme and the Contracts (as defined below)" in relation to the amendment and restatement of the Contracts (as defined in the section headed "Risk Factors – Risks relating to the Asset Protection Scheme and the Contracts (as defined below)").

FORWARD-LOOKING STATEMENTS

Certain sections in, or incorporated by reference in, this Registration Document contain “forward-looking statements”, such as statements that include the words “expect”, “estimate”, “project”, “anticipate”, “believes”, “should”, “intend”, “plan”, “could”, “probability”, “risk”, “Value-at-Risk (VaR)”, “target”, “goal”, “objective”, “will”, “endeavour”, “outlook”, “optimistic”, “prospects” and similar expressions or variations on such expressions.

In particular, this Registration Document includes forward-looking statements relating, but not limited to: the Group’s restructuring plans, divestments, capitalisation, portfolios, net interest margin, capital ratios, liquidity, risk-weighted assets, return on equity, cost : income ratios, leverage and loan : deposit ratios, funding and risk profile, certain ring-fencing proposals, sustainability targets, the Group’s future financial performance, the level and extent of future impairments and write-downs, including sovereign debt impairments, the protection provided by the Contracts, and the Group’s potential exposures to various types of market risks, such as interest rate risk, foreign exchange rate risk and commodity and equity price risk. These statements are based on current plans, estimates and projections, and are subject to inherent risks, uncertainties and other factors which could cause actual results to differ materially from the future results expressed or implied by such forward-looking statements. For example, certain market risk disclosures are dependent on choices about key model characteristics and assumptions and are subject to various limitations. By their nature, certain of the market risk disclosures are only estimates and, as a result, actual future gains and losses could differ materially from those that have been estimated.

Other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in, or incorporated by reference in, this Registration Document include, but are not limited to: the global economic and financial market conditions and other geopolitical risks, and their impact on the financial industry in general and on the Group in particular; the ability to access sufficient sources of liquidity and funding; the recommendations made by the ICB and their potential implications; the ability to implement strategic plans on a timely basis, or at all, including the disposal of certain non-core assets and assets and businesses required as part of the State Aid restructuring plan; organisational restructuring, including any adverse consequences of a failure to transfer, or delay in transferring, certain business assets and liabilities from RBS N.V. to RBS; the deteriorations in borrower and counterparty credit quality; the extent of future write-downs and impairment charges caused by depressed asset valuations; unanticipated turbulence in interest rates, yield curves, foreign currency exchange rates, credit spreads, bond prices, commodity prices, equity prices and basis, volatility and correlation risks; changes in the credit ratings of the Group; ineffective management of capital or changes to capital adequacy or liquidity requirements; litigation and regulatory investigations; changes to the valuation of financial instruments recorded at fair value; competition and consolidation in the banking sector; the ability of the Group to attract or retain senior management or other key employees; regulatory or legal changes (including those requiring any restructuring of the Group’s operations) in The Netherlands, the United States, the United Kingdom, the rest of Europe and other countries in which the Group operates or a change in policy of the government of The Netherlands; changes to regulatory requirements relating to capital and liquidity; changes to the monetary and interest rate policies of central banks and other governmental and regulatory bodies; changes in Dutch and foreign laws, regulations, accounting standards and taxes, including changes in regulatory capital regulations and liquidity requirements; pension fund shortfalls; general operational risks; reputational risk; general geopolitical and economic conditions in the Netherlands and in other countries in which the Group has significant business activities or investments; the protection provided to the Group pursuant to the Contracts and their effect on the Group’s financial and capital position; the cross liability resulting from the legal demerger of ABN

AMRO Bank N.V. and the Dutch Scheme; limitations on, or additional requirements imposed on, the Group's activities as a result of HM Treasury's investment in RBSG Group; and the success of the Group in managing the risks involved in the foregoing.

The forward-looking statements contained in, or incorporated by reference in, this Registration Document speak only as of the date of this Registration Document, and the Group does not undertake to update any forward-looking statement to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

For a further discussion of certain risks faced by the Group, see "Risk Factors" on pages 3 to 20.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been (1) publicly available and (2) approved by the AFM or filed with it, shall be deemed to be incorporated in, and form part of, this Registration Document:

- (a) the Articles of Association (*statuten*) of each of RBS Holdings and RBS N.V. as in force and effect on the date of this Registration Document;
- (b) the RBS Holdings N.V. Annual Report 2011 (the “**2011 Annual Report**”) (excluding the section headed “Business Review — Risk Factors” on page 10 and the section headed “Additional Information — Risk Factors” on pages 236 to 245) which includes the audited consolidated annual financial statements of RBS Holdings as at and for the year ended 31 December 2011 (prepared in accordance with IFRS). The audited consolidated annual financial statements of RBS Holdings appear on pages 107 up to and including 213 of the 2011 Annual Report and the auditor’s report thereon appears on page 215 of the 2011 Annual Report;
- (c) the RBS Holdings N.V. Annual Report 2010 (the “**2010 Annual Report**”) (excluding the section 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 (prepared in accordance with IFRS). The audited consolidated annual financial statements of RBS Holdings appear on pages 96 to 193 of the 2010 Annual Report and the auditor’s report thereon appears on page 199 of the 2010 Annual Report;
- (d) the following sections of the 2011 Annual Report and Accounts of RBSG, which were published by RBSG on 9 March 2012:
 - (i) Independent auditor’s report on page 306;
 - (ii) Consolidated income statement on page 307;
 - (iii) Consolidated statement of comprehensive income on page 308;
 - (iv) Consolidated balance sheet as at 31 December 2011 on page 309;
 - (v) Consolidated statement of changes in equity on pages 310 to 312;
 - (vi) Consolidated cash flow statement on page 313;
 - (vii) Accounting policies on pages 314 to 326;
 - (viii) Notes on the consolidated accounts on pages 327 to 419;
 - (ix) Parent company financial statements and notes on pages 420 to 431;
 - (x) Essential reading – Highlights on page 1;
 - (xi) Chairman’s statement on page 9;
 - (xii) Group Chief Executive’s review on pages 10 to 11;
 - (xiii) Our key targets on page 13;
 - (xiv) Our business and our strategy on pages 14 to 18;
 - (xv) Divisional review on pages 19 to 29;
 - (xvi) Business review on pages 32 to 249;
 - (xvii) Corporate governance on pages 258 to 262;

- (xviii) Letter from the Chair of the Remuneration Committee on pages 272 to 273;
 - (xix) Directors' remuneration report on pages 274 to 295;
 - (xx) Report of the Directors on pages 298 to 302;
 - (xxi) Directors' interests in shares on page 303;
 - (xxii) Financial Summary on pages 433 to 441;
 - (xxiii) Exchange rates on page 441;
 - (xxiv) Economic and monetary environment on page 442;
 - (xxv) Supervision on page 443;
 - (xxvi) Regulatory developments and reviews on page 444;
 - (xxvii) Description of property and equipment on page 445;
 - (xxviii) Major shareholders on page 445;
 - (xxix) Material contracts on pages 445 to 450; and
 - (xxx) Glossary of terms on pages 476 to 483;
- (e) the following sections of the 2010 Annual Report and Accounts of RBSG, which were published by RBSG on 17 March 2011:
- (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 10 to 19;
 - (xiv) Divisional review on pages 21 to 41;
 - (xv) Business review on pages 50 to 224 (excluding the financial information on page 51, pages 56 to 77, pages 106 to 118 and page 131 which is indicated as being "pro forma");
 - (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; and
 - (xxviii) Glossary of terms on pages 434 to 439;
- (f) the section headed "Risk Factors" on pages 3 to 25 of the registration document (the "**RBSG Registration Document**") dated 24 February 2012 of RBSG;
- (g) the press release entitled "Securities issued by, and guarantees of securities granted by, RBS N.V.: Expected Dutch Scheme" which was published via the RNS on 23 March 2012;
- (h) the list of all of RBS N.V.'s Structured Retail Products published by RBS N.V. and appearing at http://www.investors.rbs.com/RBS_NV which lists RBS N.V.'s Structured Retail Products for which it is possible that RBS can become the issuer of such securities under the Dutch Scheme and details whether or not RBS is expected to become the issuer of those securities pursuant to the Dutch Scheme (subject to the relevant securities not having been exercised, redeemed or repurchased and cancelled prior to the implementation of the Dutch Scheme);
- (i) the list of all of RBS N.V.'s Fixed Income Securities (excluding Structured Retail Products) published by RBS N.V. and appearing at http://www.investors.rbs.com/RBS_NV which lists all RBS N.V.'s Fixed Income Securities (excluding Structured Retail Products) and details whether or not RBS is expected to become the issuer of those securities pursuant to the Dutch Scheme (subject to the relevant securities not having been exercised, redeemed or repurchased and cancelled prior to the implementation of the Dutch Scheme); and
- (j) the press release entitled "Further step in proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc: Dutch Scheme" (excluding the sections entitled "Unaudited pro forma condensed consolidated financial information relating to RBSH Group", "Unaudited pro forma condensed consolidated balance sheet as at 31 December 2011", "Unaudited pro forma condensed consolidated statement of income for the year ended 31 December 2011" and "Notes to pro forma financial information relating to RBSH Group" set out in the Appendix thereto) which was published by RBSG, RBS, RBS Holdings, RBS N.V. and RBS II B.V. via the RNS on 26 March 2012.

Copies of the documents incorporated by reference into this Registration Document as well as any annual and interim consolidated financial statements for RBS Holdings to be published in the future are accessible via http://www.investors.rbs.com/RBS_NV (other than the information explicitly incorporated by reference into this Registration Document, the information found at this website does not form part of and is not incorporated by reference into this Registration Document).

Copies of the documents incorporated by reference into this Registration Document are also available on request, free of charge, by writing or telephoning us at:

The Royal Bank of Scotland Group plc, Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, e-mail investor.relations@rbs.com.

Any information or other documents themselves incorporated by reference, either expressly or implicitly, in the documents incorporated by reference in this Registration Document shall not form part of this Registration Document, except where such information or other documents are specifically incorporated by reference into this Registration Document.

It should be noted that, except as set forth above, no other portion of the above documents is incorporated by reference into this Registration Document. In addition, where sections of any of the above documents which are incorporated by reference into this Registration Document cross-reference other sections of the same document which are not incorporated by reference into this Registration Document, such cross-referenced information shall not form part of this Registration Document.

RBS HOLDINGS N.V. AND THE ROYAL BANK OF SCOTLAND N.V.

Office address

Gustav Mahlerlaan 350
1082 ME Amsterdam
The Netherlands

Mailing address

Post Office Box 12925
1100 AX Amsterdam
The Netherlands

INDEPENDENT AUDITORS

To RBS Holdings N.V. and to The Royal Bank of Scotland N.V.

Deloitte Accountants B.V.

Orlyplein 10
P.O. Box 58110
1043 DP Amsterdam
The Netherlands