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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	26
GUARANTEE GIVEN BY RBS HOLDINGS N.V. IN RESPECT OF DEBT OBLIGATIONS OF THE ROYAL BANK OF SCOTLAND N.V.	34
SUMMARY CONSOLIDATED FINANCIAL INFORMATION RELATING TO RBS HOLDINGS N.V.	36
GENERAL INFORMATION	38
FORWARD-LOOKING STATEMENTS	41
DOCUMENTS INCORPORATED BY REFERENCE	43

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 5 April 2011.

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 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 around the same time or shortly 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 “**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. The factors discussed below 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 its 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. are 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 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 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.

The Group's businesses, earnings and financial condition have been and will continue to be affected by the global economy and instability in the global financial markets

The performance of the Group has been and will continue to be influenced by the economic conditions of the countries in which it operates, particularly The Netherlands, the United Kingdom, other countries throughout Europe, the United States and Asia. The outlook for the global economy over the near to medium term remains challenging, particularly in The Netherlands, the United Kingdom, other European economies and the United States. In addition, the global financial system has yet to fully overcome the difficulties which first manifested themselves in August 2007 and financial markets conditions have not yet fully normalised. These conditions led to severe dislocation of financial markets around the world and unprecedented levels of illiquidity in 2008 and 2009, resulting in the development of significant problems at a number of the world's largest corporate institutions operating across a wide range of industry sectors, many of which are the Group's customers and counterparties in the ordinary course of its business. In response to this economic instability and market illiquidity, a number of governments, including the government of The Netherlands, the government of the United Kingdom and the governments of the other EU member states and the United States Government intervened in order to inject liquidity and capital into the financial system, and in some cases, to prevent the failure of these institutions.

Despite such measures, the volatility and disruption of the capital and credit markets have continued, with many forecasts predicting only modest levels of GDP growth in the near to medium term. Similar conditions are likely to exist in a number of the Group's key markets, including those in The Netherlands, the United Kingdom and the rest of Europe. These conditions have exerted, and may continue to exert, downward pressure on asset prices and on availability of credit for financial institutions and upward pressure on the cost of credit for financial institutions, including RBS Holdings and RBS N.V., and will continue to impact the credit quality of the Group's customers and counterparties. Such conditions, alone or in combination with regulatory changes or actions of other market participants, may cause the Group to incur losses or to experience further reductions in business activity, increased funding costs and funding pressures, decreased asset values, additional write-downs and impairment charges and lower profitability.

In particular, the performance of the Group may be affected by economic conditions impacting EU member states. For example, the financial problems recently experienced by the governments of certain EU member states (including Greece and Ireland) may lead to the issuance of significant volumes of debt by such member states and European Union entities, which may in turn reduce demand for debt issued by financial institutions and corporate borrowers. This, as well as credit rating downgrades experienced by such member states, could adversely affect the Group's access to the debt capital markets and may increase the Group's funding costs, which could have a material adverse impact on the Group's earnings, cash flow and financial condition. In addition, EU member states in which the Group operates have agreed to provide financial assistance to certain member states, currently Greece and Ireland, and may be required to provide financial assistance to other EU member states in the future, which may in turn have a negative impact on the financial condition of those EU member states providing the assistance. The Group's exposure to the economies of such member states has resulted in the Group making significant provisions. Should the adverse economic conditions currently faced by such member states be replicated in other EU member states, the risks discussed above would be exacerbated.

In addition, the Group will continue to be exposed to the risk of loss if major corporate borrowers or counterparty financial institutions fail or are otherwise unable to meet their obligations. The Group is currently exposed to country concentration risk in The Netherlands, the United States, the United Kingdom, Greece, Spain and the rest of Europe and certain business sector concentration risk relating to personal and banking and financial institution exposures and the natural resources sector. The Group's performance may also be affected by future recovery rates on assets and the historical assumptions underlying asset recovery rates, which (as has already occurred in certain instances) may no longer be accurate given the unprecedented market disruption and general economic instability. The precise nature of all the risks and uncertainties the Group faces as a result of current economic conditions cannot be predicted and many of these risks are outside the control of the Group.

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

The RBSG Group is in the course of implementing an extensive restructuring of its businesses, operations and assets, including those of the members of the RBSG Group, and may, in the future, consider making further changes to its business, operations, structure and assets.

As part of this restructuring 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 2013 and, during the course of 2010, 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 may 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. Tax liabilities could arise on the disposal of assets. Furthermore, where transactions are entered into for the purpose of selling non-core assets and businesses, they may be subject to conditions precedent, including government and regulatory approvals and completion mechanics that in certain cases may entail consent from customers. There is no assurance that such conditions precedent will be satisfied, or consents and approvals obtained, in a timely manner or at all. Any of the above factors could 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 securities issued by the Group (the "**Securities**").

In addition, the Group may be liable for any deterioration in businesses being sold between the announcement of the disposal and its completion. In certain cases, the period between the announcement of a transaction and its completion may be lengthy and may span many months. Other risks that may arise out of the disposal of the Group's assets include ongoing liabilities up to completion of the relevant transaction in respect of the assets and businesses disposed of, commercial and other risks associated with meeting covenants to the buyer during the period up to completion, the risk of employee and customer attrition in the period up to completion, substantive indemnity obligations in favour of the buyer, the risk of liability for breach of warranty, the need to continue to provide transitional service arrangements for potentially lengthy periods following completion of the relevant transaction to the businesses being transferred and redundancy and other transaction costs. Further, the Group may be required to enter into covenants agreeing not to compete in certain markets for specific periods of time. In addition, the Group will lose existing customers, deposits and other assets (both directly through the sale and potentially through the impact on the rest of the Group's business arising from implementing the restructuring plans) and the potential for realising additional associated revenues and margins that it otherwise might have achieved in the absence of such disposals.

Any of the above factors 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.

Any future restructuring may impact issues of securities by RBS Holdings and RBS N.V. and may result in changes to their businesses, operations and assets. Although it is difficult to determine the impact that such changes may have (if any) on RBS Holdings or RBS N.V., these changes may have a material adverse impact on their business, financial condition, results of operations and prospects and RBS Holdings' and RBS N.V.'s credit ratings, and may also negatively impact the value in the Securities.

Lack of liquidity is a risk to the Group's business and its ability to access sources of liquidity has been, and will continue to be, constrained

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 enterprise specific 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. During recent years, credit markets worldwide have experienced a severe reduction in liquidity and term-funding. During this time, the market perception of bank credit risk has changed significantly and banks that are deemed by the market to be riskier have issued debt at a premium to the cost of debt for

banks that are perceived by the market as being safer. The uncertainty regarding the perception of credit risk across different banking groups also led to reductions in inter-bank lending, and hence, in common with many other banking groups, the Group's access to traditional sources of liquidity has been, and may again be, restricted.

The Group's liquidity management focuses on maintaining a diverse and appropriate funding strategy for its assets, controlling the mismatch of maturities and carefully monitoring its undrawn commitments and contingent liabilities. However, the Group's ability to access sources of liquidity (for example, through the issue or sale of financial and other instruments or through the use of term loans) during recent periods of liquidity stress has been constrained to the point where it, in common with many other banking groups, has had to rely on shorter term and overnight funding with a consequent reduction in overall liquidity. While money market conditions improved during the course of 2009 and 2010, with the Group seeing a material reduction of funding from central banks, further tightening of credit markets could have a materially adverse impact on the Group. The Group, in common with other banking groups, may need to seek funds from alternative sources and potentially at higher costs than has previously been the case.

In addition, there is also a risk that corporate and financial institution counterparties with credit exposures may seek to reduce their credit exposures to banks, given current risk aversion trends. It is possible that credit market dislocation becomes so severe that overnight funding from non-government sources ceases to be available.

There can be no assurance that the measures described above, alongside other available measures, will succeed in improving the funding and liquidity in the markets in which the Group operates, or that these measures, combined with any increased cost of any funding currently available in the market, will not lead to a further increase in the Group's overall cost of funding or require the Group to consider disposals of other assets not previously identified for disposal to reduce its funding requirements, each of which could have a material adverse impact on the Group's financial condition and results of operations or result in a loss of value in the Securities.

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

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Group's businesses. Whilst some economies stabilised over the course of the last two years, 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 (such as the financial institution and natural resources sectors) and in a number of geographies (such as The Netherlands, the United Kingdom, the rest of Europe and the United States). The credit quality of the Group's borrowers and counterparties is impacted by prevailing economic and market conditions, as well as by the legal and regulatory landscape in their respective markets, and if there is a further deterioration in economic and market conditions in one or more markets in which the Group operates or there are changes to the legal or regulatory landscapes in such markets, this could worsen the credit quality of the Group's borrowers and counterparties and also impact the Group's ability to enforce contractual security rights.

The trends and risks affecting borrower 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 may result in a loss of value in the Securities.

The actual or perceived failure or worsening credit of the Group's counterparties has adversely affected and could continue to adversely affect the Group

The Group's ability to engage in routine funding transactions has been and will continue to be adversely affected by the actual or perceived failure or worsening credit of its counterparties, including other financial institutions and corporate borrowers. The Group has exposure to many different industries and counterparties and routinely executes transactions with counterparties in the financial industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds and other institutional clients. As a result, defaults by, or even the perceived creditworthiness of or concerns about, one or more corporate borrowers, financial institutions, sovereign counterparties or the financial services industry generally, have led to market-wide liquidity problems, losses and defaults and could lead to further losses being incurred by the Group or by other institutions. Many of these transactions expose the Group to credit risk in the event of default by the Group's counterparty or client and the Group does have significant exposures to certain individual counterparties (including counterparties in certain weakened sectors and geographic markets, particularly The Netherlands, the United Kingdom, the rest of Europe and the United States). 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.

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 recent events affecting asset-backed collateralised debt obligations, residential mortgage-backed securities and the leveraged loan market. In dislocated markets, hedging and other risk management strategies have proven not to 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 and its results of operations or result in a loss of value in the Securities.

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, 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, such as those experienced in recent years. 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 may affect income from foreign exchange dealing. RBS Holdings prepares its consolidated financial statements in euro. Fluctuations in the exchange rates used to translate other currencies into euro affect RBS Holdings' reported consolidated financial condition, results of operations and cash flows from year to year and those of the Group's non-eurozone operations.

The performance of financial markets may affect bond, equity and commodity prices and, therefore, cause changes in the value of the Group's investment and trading portfolios. This has been the case during the period since August 2007, with market disruptions and volatility resulting in significant variations in the value of such portfolios. As part of its ongoing derivatives operations, the Group also faces significant basis, volatility and correlation risks for which materialisation is highly dependent on relative changes in the first order risks referred to 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

RBS N.V. has been subject to a number of downgrades in the recent past. Any future reductions in the long-term or short-term credit ratings of RBS N.V. would further 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. 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 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, to grow organically and to pursue the RBSG Group's strategy of returning to standalone strength. The Group is required by regulators in The Netherlands, the United Kingdom, the United States 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.

On 17 December 2009, the Basel Committee on Banking Supervision (the "**Basel Committee**") proposed a number of fundamental reforms to the regulatory capital framework in its consultative document entitled "Strengthening the resilience of the banking sector". On 12 September 2010, the Group of Governors and Heads of Supervision, the oversight body of the Basel Committee, announced further details of the proposed substantial strengthening of existing capital requirements, and the reforms were endorsed by the G-20 leaders after the G-20 Summit in Seoul

in November 2010. On 16 December 2010, the Basel Committee published the Basel III rules in documents entitled “Basel III: A global regulatory framework for more resilient banks and banking systems” (containing the reforms relating to capital) and “Basel III: International framework for liquidity risk measurement, standards and monitoring” (containing the reforms relating to liquidity).

The Basel Committee's package of reforms includes increasing the minimum common equity requirement from 2 per cent. (before the application of regulatory adjustments) to 4.5 per cent. (after the application of stricter regulatory adjustments). The total Tier 1 capital requirement, which includes common equity and other qualifying financial instruments, will increase from 4 per cent. to 6 per cent. The total capital requirement (which comprises Tier 1 capital and Tier 2 capital) remains at 8 per cent. In addition, banks will be required to maintain, in the form of common equity (after the application of deductions), a capital conservation buffer of 2.5 per cent. 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 (or possibly other fully loss absorbing capital) 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. The liquidity coverage ratio is intended to promote resilience to potential liquidity stress scenarios lasting for a 30-day period. The net stable funding ratio is intended to limit over reliance on short-term wholesale funding and has been developed to provide a sustainable maturity structure of assets and liabilities. The Basel Committee is conducting further work on systemically important financial institutions and contingent capital in close coordination with the Financial Stability Board. The Basel Committee has stated that measures may include capital surcharges, contingent capital and 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. The Basel Committee is expected to complete by early to mid 2011 a methodology for identifying global systemically important financial institutions with a view to the Financial Stability Board and national authorities determining by mid-2011 those institutions to which the recommendations for global systemically important financial institutions will initially apply. In addition, by mid-2011, the Basel Committee is to complete a study of how much additional loss absorbency capacity global systemically important financial institutions should have and how much of such capacity could be provided by the various proposed instruments (which include contingent capital securities and bail-in debt).

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.

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 derisk 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, the United Kingdom and in other jurisdictions in which it operates, including the European Commission's public consultation on further possible changes to the Capital Requirements Directive launched in February 2010, may require the Group to raise additional Tier 1 (including Core Tier 1) and Tier 2 capital 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 2010, the Group's Tier 1 and Core Tier 1 capital ratios were 11.0 per cent. and 8.7 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 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 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 "Financial Statements — Accounting policies — Fair value — financial instruments" on pages 110 and 111 of the 2010 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 changes in market conditions, as has been the case during the recent financial crisis. In such circumstances, the Group's internal valuation models require the Group to make assumptions, judgements and estimates to establish fair value. In common with other financial institutions, these internal valuation models are complex, and the assumptions, judgements and estimates the Group is required to make often relate to matters that are inherently uncertain, such as expected cash flows, the ability of borrowers to service debt, residential and commercial property price appreciation and depreciation, and relative levels of defaults and deficiencies. Such assumptions, judgements and estimates may 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. Also, recent market volatility and illiquidity have challenged the factual bases of certain underlying assumptions and have made it difficult to value certain of the Group's financial instruments. Valuations in future periods, reflecting prevailing market conditions, may result in further significant changes in the fair values of these instruments, which could have a material adverse effect on the Group's results of operations and financial condition or result in a loss of value in the Securities.

The Group operates in markets that are highly competitive and consolidating. If the Group is unable to perform effectively, its business and results of operations will be adversely affected

The consolidation that has taken place in recent years among banking institutions in The Netherlands, the United Kingdom, the United States and throughout Europe continues to change the competitive landscape for banks and other financial institutions. If financial markets continue to be volatile, more banks may be forced to consolidate. This consolidation, in combination with the

introduction of new entrants into The Netherlands, the United States and United Kingdom markets from other European and Asian countries, could increase competitive pressures on the Group.

Furthermore, increased government ownership of, and involvement in, banks generally may have an impact on the competitive landscape in the major markets in which the Group operates. The effects of the substantial government shareholding and involvement in banks may differ from jurisdiction to jurisdiction, and such involvement may cause the Group to experience stronger competition for corporate, institutional and retail clients and greater pressure on profit margins. 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. Since the markets in which the Group operates are expected to remain highly competitive in all areas, 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.

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 (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 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 depends on the ability and experience of its senior management, which may include members of the Group's Supervisory Board and Managing Board, or other key employees. The loss of the services of certain key employees, particularly to competitors, could have an adverse impact on the Group's business. The Group's future success will also depend on its ability to attract, retain and remunerate highly skilled and qualified personnel 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 funding (such as the RBSG Group). In connection with its accession to the APS, the RBSG Group agreed with HM Treasury that it will be at the leading edge of implementing the G-20 principles and to consult with UK Financial Investments Limited in connection with the RBSG Group's remuneration policy and the RBSG Group made a commitment to HM Treasury to comply with the UK Financial Services Authority (the "FSA") Remuneration Code which came into force on 1 January 2010. On 1 January 2011, a revised FSA Remuneration Code came into effect to implement the requirements of the Capital Requirements Directive III. In addition, as a result of its accession to the APS, the RBSG Group also has reached agreement with HM Treasury in relation to remuneration arrangements for the executive directors of the RBSG Group and certain employees involved in the APS, including approval rights for the Asset Protection Agency on APS-related performance targets. The deferral and claw-back provisions implemented by the RBSG Group may impair the ability of the RBSG Group to attract and retain suitably qualified personnel in various parts of the RBSG Group's businesses.

In recent years, the Group has altered certain of the pension benefits it offers to staff and some employees continue to participate in defined benefit arrangements. The following two changes have been made to the United Kingdom defined benefit pension plans: (i) a yearly limit on the amount of any salary increase that will count for pension purposes; and (ii) a reduction in the severance lump sum for those who take an immediate undiscounted pension for redundancy.

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 continue to 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 difficulties in consultation processes with employee representative bodies in relevant jurisdictions and 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 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 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, changes to the regulations governing financial institutions and reviews of the industry, including nationalisations or injections of government capital in the United States, the United Kingdom and other European countries. In recent years, there has also been increasing focus in The Netherlands, the United Kingdom and 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 expects to face 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, the United Kingdom, the other parts of Europe in which the Group operates and the United States (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, but are not limited to:

- 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;
- 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 and the introduction of, and changes to, levies, fees or taxes 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
- other unfavourable political, military or diplomatic developments producing social instability or legal uncertainty which, in turn, may affect demand for the Group's products and services.

The Group is and may be subject to litigation and regulatory investigations that may impact 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, anti-money laundering charges and sanctions, compliance investigations and review by the European Commission under State Aid rules. Furthermore, 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" below.

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 RBS AA Pension Scheme in the UK and the Stichting Pensioenfonds RBS Nederland in The Netherlands are 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.

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

In May 2010, following a criminal investigation by the United States Department of Justice ("DoJ") into RBS N.V.'s dollar clearing activities, Office of Foreign Assets Control compliance procedures and other Bank Secrecy Act compliance matters, RBS N.V. (formerly ABN AMRO Bank N.V.) formally entered into a Deferred Prosecution Agreement (the "DPA") with the DoJ resolving the investigation. The investigation was in relation to activities before the Consortium Members acquired RBS Holdings including its subsidiary RBS N.V. The agreement was signed by RBS N.V. and is binding on that entity and its subsidiaries.

Pursuant to the DPA, RBS N.V. paid a penalty of US\$500 million and agreed that it will comply with the terms of the DPA and continue 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 31 March 2011, the DoJ and RBS N.V. filed a joint status report with the U.S. District Court notifying it that the parties would seek an extension of the duration of the DPA until 31 December 2011. The request states that RBS N.V. and the DoJ have agreed to seek the extension to allow RBS N.V. sufficient time to fulfil its obligations under the DPA. Failure to comply with the terms of the DPA during the duration of the DPA could result in the DoJ recommencing its investigations, the outcome of which would be uncertain and could result in public censure and fines or have a material adverse effect upon the Group's operations, any of which could have a material adverse effect on its business, reputation, results of operations and financial condition.

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

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.

Operational risks are inherent in the Group's operations

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 any Securities.

The Group is exposed to the risk of changes in tax legislation and its interpretation and to increases in the rate of corporate and other taxes in the jurisdictions in which it operates

The Group's activities are subject to tax at various rates around the world computed in accordance with local legislation and practice. Action by governments to increase tax rates or to impose additional taxes or to restrict the tax reliefs currently available to the Group would reduce the Group's profitability. Revisions to tax legislation or to its interpretation might also affect the Group's results in the future.

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 Group's business and earnings may be adversely affected by geopolitical conditions

The performance of the Group is significantly influenced by the geopolitical and economic conditions prevailing at any given time in the countries in which it operates, particularly The

Netherlands, the United Kingdom and other countries in Europe, the United States and Asia. For example, the Group has a presence in countries where businesses could be exposed to the risk of business interruption and economic slowdown following the outbreak of a pandemic, or the risk of sovereign default following the assumption by governments of the obligations of private sector institutions. Similarly, the Group faces the heightened risk of trade barriers, exchange controls and other measures taken by sovereign governments which may impact a borrower's ability to repay. Terrorist acts and threats and the response to them of governments in any of these countries could also adversely affect levels of economic activity and have an adverse effect upon the Group's business.

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 (see the risk factor above headed "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"). Those rules include a requirement that deferred tax assets which rely on future profitability of the Group to be realised may only receive limited recognition when calculating the common equity component of Tier 1 which therefore limits the amount of deferred tax assets which can count towards that component of Tier 1 capital. The implementation of the Basel III reforms will begin on 1 January 2013, however the 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" provide details of certain risks relating to the Asset Protection Scheme and the Contracts.

On 22 December 2009, the RBSG Group acceded to the Asset Protection Scheme 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 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 2010, included assets and exposures of RBS N.V. and its wholly-owned subsidiaries in the amount of €17.45 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.

There are limits on the coverage provided by the Contracts and uncovered exposures and risks may have a material adverse impact on the Group's business, financial condition, capital position, liquidity and results of operations

Protection under the Contracts, which is linked to the circumstances in which protection is available under the APS, may be limited or may cease to be available where (i) RBS N.V. Covered Assets are not correctly or sufficiently logged or described, (ii) a RBS N.V. Covered Asset is disposed of (in whole or in part) prior to a trigger event, (iii) the terms of the APS do not apply or are uncertain in their application, (iv) certain criminal conduct has or may have occurred in respect of RBS N.V. Covered Assets, (v) a breach of bank secrecy, confidentiality, data protection or similar laws has occurred or may occur, (vi) certain of the extensive governance, asset management, audit and reporting obligations under the UK Asset Protection Scheme Terms and Conditions (the "**Scheme Conditions**") are not complied with, where the Group is required to comply with, or to ensure that RBS can comply with, such obligations pursuant to the Contracts, (vii) the Group does not comply with, or enable RBS to comply with, the instructions of a step-in manager appointed by HM Treasury in respect of RBS N.V. Covered Assets or (viii) HM Treasury seeks to appoint a step-in manager in respect of RBS N.V. Covered Assets and it is not possible to obtain consent from the Dutch Central Bank (if required) to such step-in.

If the Group is required to seek consent from the Dutch Central Bank to such step-in, and such consent is not obtained by the date (which will be no less than 10 business days after the notice from HM Treasury) on which the step-in rights must be effective, and other options to effect compliance are not possible (at all or because the costs involved prove prohibitive), the relevant RBS N.V. Covered Assets would need to be withdrawn by the RBSG Group from the APS where permissible under the Scheme Conditions or, otherwise, with HM Treasury consent. 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.

The Group is subject to limitations on actions it can take in respect of the RBS N.V. Covered Assets and certain related assets and to extensive governance, asset management, audit and reporting obligations under the Scheme Conditions which the Group is required to comply with, or to ensure that RBS can comply with, pursuant to the Contracts. The Group's compliance with such relevant obligations is dependent on its ability to (i) implement efficiently and accurately approval processes and reporting, governance and management systems in accordance with the relevant obligations and (ii) comply with applicable laws and regulations where it does business. Since the Group's operational systems were not originally designed to facilitate compliance with these extensive continuing obligations, there is a risk that the Group will fail to comply with a number of

these obligations. Where the Group is in breach of the continuing obligations under the Scheme Conditions that it is required to comply with, or to ensure that RBS can comply with, pursuant to the Contracts or is otherwise unable to provide or verify information as required under the APS, recovery of losses under the Contracts may be adversely impacted and HM Treasury may in addition have the right to exercise certain step-in rights in respect of RBS N.V. Covered Assets, including the right to require RBS to appoint a step-in manager in relation to RBS N.V. Covered Assets who may exercise oversight, direct management rights and certain other rights. The occurrence of the risks or circumstances referred to above may impact the enforceability and/or level of protection available to the RBSG Group under the APS.

If the RBSG Group loses protection under the APS in respect of any RBS N.V. Covered Asset as a result of a failure of RBS N.V. to comply in a material respect with its obligations under the Contracts, the credit protection provided to the Group by the Contracts would be lost and any losses incurred on such asset would continue to be borne fully by the Group. This may materially reduce the protection anticipated by the Group for its stressed losses, in which case its business, results of operations and financial condition will suffer, its credit ratings may drop, its capital ratios may decline, its ability to lend and access funding will be further limited and its cost of funding may increase. The occurrence of any or all of such events may cause the price of the Securities to decline substantially.

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

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, which 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 applicable to the Group 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 and there have been four such appointments to date granting certain oversight rights in relation to certain specified assets. 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 negatively impact the Group's capital position

One of the objectives of the Contracts was to improve capital ratios at a consolidated level for the Group and at an individual level for certain relevant members of the Group. There is a risk that the interpretation of the relevant regulatory capital requirements by one or more of the relevant regulatory authorities may differ from that assumed by the Group, with the result that the anticipated improvement to the Group's capital ratios will not be fully achieved.

There is a further risk that, given that the current regulatory capital requirements and the regulatory bodies governing these requirements are subject to unprecedented levels of review and scrutiny both globally and locally, the regulatory capital treatment 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, which 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 substantially.

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

In order to fulfil (or as a consequence of fulfilling) its disclosure obligations under the Contracts by disclosing certain information to RBSG, RBS, and/or the subsequent disclosure to HM Treasury or the FSA or their disclosure of such information to third parties for certain specified purposes, the Group may incur the risk of civil suits, criminal liability or regulatory actions. Adverse regulatory action or adverse judgments in litigation could have a significant effect on the Group's reputation or results of operations or result in a loss of value in the Securities. Alternatively, in order to avoid the risk of such civil suits or regulatory actions or to avoid the risk of criminal liability, the RBSG Group may choose to or be required to remove RBS N.V. Covered Assets from the APS so as not to be required to disclose such information to HM Treasury or the FSA, with the result that such assets will not be protected by the APS, which would result in a loss of protection to the Group under the Contracts. The effect of the removal of such RBS N.V. Covered Assets will impact the level of protection available to the Group and may materially reduce the protection anticipated by the Group for its stressed losses, in which case its business, results of operations and financial condition will suffer.

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. 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 10, 1082 PP 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 143 of the 2010 Annual Report for an overview of the entities within the Group. RBS Holdings is controlled by RBSG, which is incorporated in the UK 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 three principal subsidiaries, RBS, National Westminster Bank Public Limited Company ("**NatWest**") and RBS N.V. Both RBS and NatWest are major United Kingdom clearing banks. In the United States, the RBSG Group's subsidiary Citizens is a large commercial banking organisation. Globally, the Group has a diversified customer base and provides a wide range of products and services to personal, commercial and large corporate and institutional customers.

Separation from ABN AMRO Holding N.V.

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

On 31 December 2010, the share capital of RFS Holdings B.V. was amended, such that approximately 98 per cent. of RFS Holdings' issued share capital is now held by RBSG, with the

remainder being held by Santander and the Dutch State. Ultimately it is expected that RFS Holdings B.V. will become a wholly-owned subsidiary of RBSG.

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, and unless the European Commission agrees otherwise, three series of hybrid capital instruments which are retained in the Group (identifiable by ISIN codes US74928K2087, US74928P2074 and US74928M2044) will be subject to a restriction on the payment of dividends and 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 (“**EMEA**”), the Americas and Asia. As at 31 December 2010, the Group had total consolidated assets of EUR 200 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 2013 and has completed the sales of businesses in Latin America, Asia, Europe and the Middle East.

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 EUR 600 million of assets and EUR 500 million of liabilities remain in RBS N.V. which will be transferred as soon as possible after legal separation to the new ABN AMRO Bank. These remaining assets are adequately funded and capitalised until their transfer after legal separation.

The net asset value of the assets and liabilities that are currently expected to remain for an interim period in the Group represented approximately 0.3 per cent. of the Group's assets as at 31 December 2010. 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.

Legal and Regulatory Proceedings

As a participant in the financial services industry, the Group operates in a legal and regulatory environment that exposes it to potentially significant litigation risks. As a result, RBS Holdings, RBS N.V. and other members of the Group are involved in various disputes and legal proceedings in The Netherlands, the United Kingdom, the United States and other jurisdictions, including litigation. Such cases are subject to many uncertainties, and their outcome is often difficult to predict, particularly in the earlier stages of a case.

Other than as set out in this section entitled "Legal and Regulatory Proceedings", so far as RBS Holdings and RBS N.V. are aware, neither they nor any of their subsidiaries are, or have been engaged in or have pending or threatened any governmental, legal or arbitration proceedings which may have or have had in the recent past (covering the 12 months immediately preceding the date of this document) a significant effect on RBS Holdings' or RBS N.V.'s consolidated financial position or consolidated profitability.

Litigation

Securitisation and securities related litigation in the United States

Group companies have been named as defendants in purported class actions and other lawsuits in the United States that relate to the securitisation and securities underwriting businesses. In general, the cases involve the issuance of mortgage backed securities, collateralised debt obligations, or public debt or equity where the plaintiffs have brought actions against the issuers and underwriters of such securities claiming that certain disclosures made in connection with the relevant offerings of such securities were false or misleading with respect to alleged "sub-prime" mortgage exposure. The Group considers that it has substantial and credible legal and factual defences to these claims and will continue to defend them vigorously. The Group cannot at this stage reliably estimate the liability, if any, that may arise as a result of or in connection with these lawsuits, individually or in the aggregate, or their effect on the Group's consolidated net assets, operating results or cash flows in any particular period.

World Online International NV.

In November 2009, the Supreme Court in The Netherlands gave a declaratory judgment against World Online International N.V., Goldman Sachs International and 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. 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.

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 the Group for US\$270 million. This is a clawback action similar to claims filed against six other institutions in December 2010. The Group invested in Madoff funds through feeder funds. The Trustee alleges that the Group received US\$71 million in redemptions from the feeder funds and US\$200 million from its swap counterparties while the Group "knew or should have known of Madoff's possible fraud." The Trustee alleges that those transfers were preferences or fraudulent conveyances under the United States bankruptcy code and New York law and he asserts the purported right to claw them back for the benefit of Madoff's estate. The Group considers that it has substantial and credible legal and factual defences to the claim and intends to defend it vigorously. The Group cannot at this stage reliably estimate any liability that may arise in connection with this claim or its effect on the Group's consolidated net assets, operating results or cash flows in any particular period.

Summary of other disputes, legal proceedings and litigation

The Group is engaged in other litigation 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 these other claims and proceedings will have a material adverse effect on the Group's financial position or profitability in any particular period.

Investigations

The Group's businesses and financial condition can be affected by the fiscal or other policies and other actions of various governmental and regulatory authorities in The Netherlands, the European Union, the United States and elsewhere. The Group has engaged, and will continue to engage, in discussions with relevant regulators, including in The Netherlands 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-anti-money laundering and applicable 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 impact 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 the retail banking and consumer credit industries in the European Union 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 businesses and earnings.

US dollar clearing activities

In May 2010, following a criminal investigation by the United States Department of Justice (“**DoJ**”) into RBS N.V.’s dollar clearing activities, Office of Foreign Assets Control compliance procedures and other Bank Secrecy Act compliance matters, RBS N.V. (formerly ABN AMRO Bank N.V.) formally entered into a Deferred Prosecution Agreement (the “**DPA**”) with the DoJ resolving the investigation. The investigation was in relation to activities before the Consortium Members acquired RBS Holdings including its subsidiary RBS N.V. The agreement was signed by RBS N.V. and is binding on that entity and its subsidiaries.

Pursuant to the DPA, RBS N.V. paid a penalty of US\$500 million and agreed that it will comply with the terms of the DPA and continue 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 31 March 2011, the DoJ and RBS N.V. filed a joint status report with the U.S. District Court notifying it that the parties would seek an extension of the duration of the DPA until 31 December 2011. The request states that RBS N.V. and the DoJ have agreed to seek the extension to allow RBS N.V. sufficient time to fulfil its obligations under the DPA. Failure to comply with the terms of the DPA during the duration of the DPA could result in the DoJ recommencing its investigations, the outcome of which would be uncertain and could result in public censure and fines or have a material adverse effect upon the Group’s operations, any of which could have a material adverse effect on its business, reputation, results of operations and financial condition.

Other investigations

In the United States, the Group and certain subsidiaries have received requests for information from various governmental agencies, self-regulatory organisations, and state governmental agencies including in connection with sub-prime mortgages and securitisations, collateralised debt obligations and synthetic products related to sub-prime mortgages. In particular, during March 2008, the Group was advised by the U.S. Securities and Exchange Commission that it had commenced a non-public, formal investigation relating to the Group’s United States sub-prime securities exposures and United States residential mortgage exposures. The Group and its subsidiaries are co-operating with these various requests for information and investigations.

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. The day-to-day management of RBS Holdings and RBS N.V. is vested with their Managing Boards.

The Supervisory Boards and Managing Boards of RBS Holdings and RBS N.V. are 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. However, given its standing in the Netherlands, the Group has chosen to adhere to the Dutch Corporate Governance Code as much as possible.

SUPERVISORY BOARDS

Responsibilities of the Supervisory Boards

The Supervisory Boards of RBS Holdings and RBS N.V. supervise the Managing Boards' 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 Boards are charged with assisting and advising the management of RBS Holdings and RBS N.V., respectively. In performing their duties, the members of the Supervisory Boards 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 Boards, including the approval of certain resolutions by the Managing Boards.

The Supervisory Boards of RBS Holdings and RBS N.V. are independent bodies. Members of the Supervisory Boards are appointed by the general meeting of shareholders of RBS Holdings and RBS N.V., respectively. The Supervisory Boards 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 Boards 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 Boards 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 websites does not form part of this Registration Document, unless expressly stated otherwise.

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

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

Composition of the Supervisory Boards

Following the legal separation, new Supervisory Boards of RBS Holdings and RBS N.V. were appointed.

The Supervisory Boards of RBS Holdings and RBS N.V. currently consist of the following members:

Bruce Van Saun	Chairman
Ron Teerlink	Vice-Chairman
Sietze Hepkema	
Miller McLean	
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 of RBS Holdings and RBS N.V. on 1 April 2010.

Appointed to the Board of RBSG in October 2009 as Group Finance Director, Mr. Van Saun has more than 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 he was responsible for the 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 of RBS Holdings and RBS N.V. 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 of RBS Holdings and RBS N.V. 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 Mergers and Acquisitions lawyer and co-head of the Global Corporate Practice at Allen & Overy LLP, where he has been working since 2000. 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 Claey's 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.

Miller McLean

Member of the Supervisory Board

Mr. McLean was appointed as a Member of the Supervisory Board on 16 February 2009. He was Group General Counsel and Group Secretary for the RBSG Group, a position he held since 2003. His responsibilities included group legal and company secretarial services including acting as general counsel to the Board, stock exchange listings, corporate governance and special projects such as acquisitions, disposals and joint ventures. Mr. McLean has had a long and distinguished career with the RBSG Group which he joined in 1970 as a graduate trainee, becoming a member of the executive in 1985. He is a Chartered Banker and Solicitor and was appointed a Fellow of the Chartered Institute of Bankers in Scotland in 1992, later becoming President from 2007 to 2009.

Mr. McLean retired as Group General Counsel and Group Secretary to the RBSG Group on 30 April 2010.

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 Chairman in 2002. Before joining the Board, he worked as the Managing Director of Pon's Automobiëlhandel, the importer of Volkswagen, Audi and Porsche in the Netherlands, 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.

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

Supervisory Board Committee

The RBS Holdings Supervisory Board and the RBS N.V. Supervisory Board (together, the "**Supervisory Board**") each has one standing committee, each 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 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.

Five meetings of the Risk and Audit Committee have occurred since legal separation on 1 April 2010.

MANAGING BOARDS

Responsibilities of the Managing Boards

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

The Chairman of each Managing Board leads the 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 Boards. 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 Boards are responsible for the management of the Divisions, Group Functions and Services. The Managing Boards have delegated certain tasks to committees, as described below.

Composition of the Managing Board

Following the legal separation, a new Managing Board of RBS Holdings and RBS N.V. was appointed.

The members of the Managing Board of RBS Holdings and RBS N.V. 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
Brian Stevenson	Head of Corporate Banking and Global Transaction Services
Marco Mazzucchelli	Head of Global Banking and Markets

Curriculum Vitae of Managing Board Members

Managing Board members as at 31 December 2010.

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 of RBS Holdings N.V. and The Royal Bank of Scotland N.V. 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 Bank N.V. 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 Bank N.V.'s corporate development team. From June 2007 to September 2007 he was acting Chief Financial Officer ("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 acquired businesses within the Group in addition to his role of CFO Netherlands for the Group. Currently, he continues to serve as CFO Netherlands as well as Group CFO.

Jeroen Kremers

Vice-Chairman and Chief Risk Officer

Mr. Kremers is Vice-Chairman of the Managing Board and Chief Risk Officer of RBS N.V. since April 2010. Previously, he was a member of the ABN AMRO Holding N.V. Managing Board from July 2009. He is also Head of Global Country Risk for RBSG Group. He 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 then became Director for Financial Markets in 1997 and was appointed Deputy Treasurer General. He also was an Economics Professor at Erasmus University Rotterdam from 1991 till 2003. In 2003, Mr Kremers left the Ministry and 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 Bank N.V. to become Head of Group Public Affairs. He left ABN AMRO Bank N.V. in 2008 after its takeover. He earned a DPhil at Nuffield College Oxford in 1985, following degrees in Quantitative Economics at Bristol University and in Econometrics at Tilburg University.

Michael Geslak

Chief Administrative Officer

Mr. Geslak joined ABN AMRO Bank N.V. 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 Bank N.V. 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 in the RBSG Group are Europe Middle East and Africa ("EMEA") Chief Operating Officer ("COO"), Business Services Business Partner for the Non-Core Division, and Chief Administrative Officer and Managing Board Member of the Group.

Brian Stevenson

Head of Corporate Banking and Global Transaction Services

Mr. Stevenson is the Chairman of Global Transaction Services, a Division of the RBSG Group. Global Transaction Services (GTS) was established in February 2008 as a new division of the RBSG Group which Brian led as Chief Executive. It comprises cash and liquidity management, trade finance, global merchant services and commercial cards. GTS serves corporate, financial institution and public sector clients across more than 37 countries. The combination of legacy ABN AMRO Holding N.V.'s international businesses with the RBS domestic franchises gives the bank a particularly strong position in European transaction services. GTS had an operating profit of £973m in 2009. Mr. Stevenson joined the RBSG Group in 2004 as Managing Director, Head of Corporate and Institutional Banking. From 1992 to 2004, Mr. Stevenson was with Deutsche Bank. He was responsible for running Deutsche Bank's Global Banking Business in London, before becoming the Chief Operating Officer for Global Banking. In his last position at Deutsche Bank, Mr. Stevenson was based in Hong Kong, where he was responsible for the Global Banking Business in Asia Pacific. In 1970 he joined Barclays Group and over the next years held various

positions in Barclays Bank PLC and Barclays Merchant Bank & BZW. Mr. Stevenson completed his MBA at Henley Management College. He is an Associate of the Chartered Institute of Bankers in the UK, and is a fellow of the Chartered Institute of Bankers in Scotland.

Marco Mazzucchelli

Head of Global Banking and Markets

Mr. Mazzucchelli joined the RBSG Group in March 2009 as Deputy Chief Executive Officer of Global Banking & Markets (GBM). He has direct responsibility for our Global Banking business and heads GBM in the EMEA Region. From 2004, he was Head of EMEA Investment Banking at Credit Suisse based in London and was member of the Operating Committee. Subsequently, he became Head of Business and Client Development for Credit Suisse EMEA and led several key client coverage initiatives across various divisions. Prior to that, he worked as a Managing Director at San Paolo IMI for nearly three years, where he served as Chief Executive Officer of the group's Insurance and Asset Management and as Chairman of its Alternative and Institutional businesses and International Private Banking. In 1998, Mr. Mazzucchelli was appointed CFO of the Monte Dei Paschi di Siena. Between 1990 and 1997, he worked for Morgan Stanley in London where he was a Managing Director in the Fixed Income division. Mr. Mazzucchelli's other professional roles include serving as Deputy Chairman of Euro MTS and as a Board Member of the Borsa Italiana.

He holds an Economics and Business degree from Bocconi University in Milan.

Managing Board Committees

The RBS Holdings Managing Board and the RBS N.V. Managing Board each has three standing committees: the first being a Risk & Control Committee (the Risk & Control Committee of RBS Holdings and of RBS N.V. together, the "**Risk & Control Committee**"), the second being an Asset & Liability Management Committee (the Asset & Liability Management Committee of RBS Holdings and RBS N.V. together, the "**ALCO**") and the third being a Disclosure Committee (the Disclosure Committee of RBS Holdings and RBS N.V., together the "**Disclosure Committee**").

Risk & Control Committee

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

Asset & Liability Management Committee

The Managing Boards have 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 Boards in fulfilling their 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 N.V. in this respect.

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 of RBS Holdings and RBS N.V. is: The Royal Bank of Scotland N.V., Gustav Mahlerlaan 10, 1082 PP 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 on 15 June 1998 by RBS Holdings (then named ABN AMRO Holding N.V.) in respect of debt obligations of RBS N.V. (then named ABN AMRO Bank N.V.):

"The undersigned, ABN AMRO Holding 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 ABN AMRO Bank N.V. after the date hereof.

Amsterdam June 15, 1998

ABN AMRO Holding N.V."

A copy of the 403 Declaration 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, nor is it limited to certain specific types of obligation. 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) 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.

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 2010 and 31 December 2009 and have been extracted without material adjustment from the audited 2010 Annual Report of RBS Holdings, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

Legal separation of ABN AMRO Bank N.V. took place on 1 April 2010. As a result the Group no longer consolidates the interests of ABN AMRO Bank N.V. and its results are classified as discontinued operations. Results for 2009 have been re-presented accordingly. The Group is majority owned by the RBSG Group and therefore the presentation of the Group's financial statements has been aligned with that of the RBSG Group, the ultimate parent company of RBS Holdings. Further details of the reclassifications are provided in the section headed "Financial Statements — Accounting policies — 2 Presentation of accounts — Restatements and changes in presentation" on pages 102 and 103 of the 2010 Annual Report. The changes do not affect the Group's accounting policies, results, total assets or total liabilities. The presentation of comparatives has been aligned accordingly.

	For the year ended 31 December 2010 (audited)	For the year ended 31 December 2009 (audited and re- presented)
	<i>(in millions of euros)</i>	
Operating profit/(loss) before tax	425	(4,847)
Tax (charge)/credit	(302)	465
Profit/(loss) from continuing operations	123	(4,382)
Profit/(loss) from discontinued operations, net of tax	985	(18)
Profit/(loss) for the year	1,108	(4,400)

	As at 31 December 2010 (audited)	As at 31 December 2009 (audited)
	<i>(in millions of euros)</i>	
Loans and advances	71,201	257,677
Debt securities and equity shares	74,894	102,036
Derivatives and settlement balances	31,845	60,790
Other assets	22,442	48,842
Total assets	200,382	469,345

	As at 31 December 2010 (audited)	As at 31 December 2009 (audited)
	<i>(in millions of euros)</i>	
Subordinated liabilities	6,894	14,666
Deposits	86,890	246,046
Derivatives, settlement balances and short positions	40,875	70,462
Other liabilities	60,751	119,255
Equity attributable to the shareholders of the parent company	4,948	18,880
Non-controlling interests	24	36
Total liabilities and equity	200,382	469,345

	As at 31 December 2010 (unaudited)	As at 31 December 2009 (unaudited)
	<i>(per cent.)</i>	
Core Tier 1 ratio	8.7	16.9
Tier 1 ratio	11.0	19.9
Total capital ratio	15.8	25.5

Share Capital: RBS Holdings

At 31 December 2010, 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 155 of the 2010 Annual Report.

Share Capital: RBS N.V.

At 31 December 2010, 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.

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 (c) 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 2010 (the end of the last financial period for which either audited financial information or interim financial information has been published).

There has been no material adverse change in the prospects of the Group taken as a whole since 31 December 2010 (the last date to which the latest audited published financial information of the Group was prepared).

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 29 April 2010 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.

Auditors

The consolidated financial statements of RBS Holdings for the years ended 31 December 2010 and 31 December 2009 as set out in the 2010 Annual Report and the 2009 Annual Report respectively, have been audited by Deloitte Accountants B.V. ("**Deloitte**"). Deloitte have issued unqualified auditors' reports on the financial statements for the years ended 31 December 2010 and 31 December 2009. Deloitte is located at Orlyplein 10, P.O. Box 58110, 1043 DP Amsterdam, the Netherlands. The individual auditors of Deloitte are members 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 220 of the 2010 Annual Report;
- (ii) the section headed "Business review — Risk and balance sheet management — Participation in UK Government's Asset Protection Scheme" on pages 78 and 79 of the 2010 Annual Report; and
- (iii) the first two paragraphs under the heading "Risk Factors – Risks relating to the Asset Protection Scheme" 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”).

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, 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, the Group’s future financial performance, the level and extent of future impairments and write-downs, 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 of the 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 financial condition of the RBSG Group; the global economy and instability in the global financial markets, and their impact on the financial industry in general and on the Group in particular; the financial stability of other financial institutions, and the Group’s counterparties and borrowers; the ability to complete restructurings on a timely basis, or at all, including the disposal of certain non-core assets and assets and businesses required as part of the EC State Aid restructuring plan of the RBSG Group; organisational restructuring; the ability to access sufficient funding to meet liquidity needs; the extent of future write-downs and impairment charges caused by depressed asset valuations; the inability to hedge certain risks economically; 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; 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, 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 the Dutch Central Bank, the Bank of England, the Board of Governors of the Federal Reserve System and other G7 central banks; pension fund shortfalls; litigation and regulatory investigations; general operational risks; insurance claims; reputational risk; general geopolitical and economic conditions in the Netherlands and in other countries in which the Group has significant business activities or investments; changes in Dutch and foreign laws, regulations, accounting standards and taxes, including changes in regulatory capital regulations and liquidity requirements; the protection provided to the Group pursuant to the Contracts and their effect on the Group’s financial and capital position; limitations on, or additional requirements imposed on, the Group’s activities as a result of HM Treasury’s

investment in the 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 are (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 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; and
- (c) the ABN AMRO Holding N.V. Annual Report 2009 (the “**2009 Annual Report**”) (excluding the section headed “Risk Factors” on pages 61 to 68) which includes the audited consolidated annual financial statements of ABN AMRO Holding N.V. (now renamed RBS Holdings N.V.) as at and for the year ended 31 December 2009 (prepared in accordance with IFRS). The audited consolidated annual financial statements of ABN AMRO Holding N.V. appear on pages 82 to 235 of the 2009 Annual Report and the auditor's report thereon appears on pages 193 to 197 of the 2009 Annual Report.

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.

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INDEPENDENT PUBLIC ACCOUNTANTS

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

Deloitte Accountants B.V.

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