

13 February 2013

**The Royal Bank of Scotland N.V.**  
(incorporated in the Netherlands with its statutory seat in Amsterdam)

and

**The Royal Bank of Scotland plc**  
(incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980  
registered number SC090312)

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SUPPLEMENT

IN ACCORDANCE WITH SECTION 16(1) OF THE GERMAN SECURITIES PROSPECTUS ACT

(*WERTPAPIERPROSPEKTGESETZ*; "**WPPG**")

TO THE FOLLOWING BASE PROSPECTUSES

(THE "**BASE PROSPECTUSES**):

BASE PROSPECTUS DATED 11 AUGUST 2009 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS

(THE "**BONUS DISCOUNT BASE PROSPECTUS 2009**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "**CERTIFICATES 2009**")

(**TENTH SUPPLEMENT**)

BASE PROSPECTUS DATED 12 AUGUST 2010 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS

(THE "**BONUS DISCOUNT BASE PROSPECTUS 2010**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "**CERTIFICATES 2010**")

(**ELEVENTH SUPPLEMENT**)

BASE PROSPECTUS DATED 9 AUGUST 2011 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS

(THE "**BONUS DISCOUNT BASE PROSPECTUS 2011**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "CERTIFICATES 2011")  
(SEVENTH SUPPLEMENT)

BASE PROSPECTUS DATED 26 JUNE 2012 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS  
(THE "BONUS DISCOUNT BASE PROSPECTUS 2012")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "CERTIFICATES 2012")  
(FOURTH SUPPLEMENT)

BASE PROSPECTUS DATED 20 MAY 2010 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS  
(THE "ETN FIXED MATURITY BASE PROSPECTUS 2010")

RELATING TO **EXCHANGE TRADED NOTES AND EXCHANGE TRADED COMMODITIES WITH A FIXED  
MATURITY** (THE "NOTES 2010")  
(TWELFTH SUPPLEMENT)

(THE CERTIFICATES 2009, THE CERTIFICATES 2010, THE CERTIFICATES 2011, THE CERTIFICATES  
2012 AND THE NOTES 2010, THE "SECURITIES")

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**If, before this Supplement is published, investors have already agreed to purchase or subscribe for Securities issued under the Final Terms to the Base Prospectuses which have been published by the date of this Supplement, such investors shall have the right to withdraw their declaration of purchase or subscription in accordance with Section 16(3) WpPG within a period of two working days from the date of publication of this Supplement, provided that the new factor, mistake or inaccuracy referred to in Section 16(1) WpPG arose before the final closing of the offer to the public and the delivery of the securities.**

**The withdrawal (for which no reasons need to be given) must be declared by written notice to that entity to which the relevant investor addressed the declaration of purchase or subscription. Timely dispatch of notice is sufficient to comply with the notice period.**

During the validity of the Base Prospectuses and as long as any Securities issued in connection with the Base Prospectuses are listed on any stock exchange or offered to the public, copies of this Supplement and of the Base Prospectuses, as supplemented, will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com) and via the Issuer's website [www.rbs.de/markets](http://www.rbs.de/markets) for investors in Germany, [www.rbsbank.at/markets](http://www.rbsbank.at/markets) for investors in Austria and [www.rbs.com/markets](http://www.rbs.com/markets) for all other investors (or any successor website).

The purpose of this Supplement is:

(i) to update the Base Prospectuses with respect to the press release entitled "Update on past sales of Interest Rate Hedging Products" which was published by The Royal Bank of Scotland Group plc ("**RBSG**") on 31 January 2013; and

(ii) to update the Base Prospectuses with respect to the press release entitled "RBS reaches LIBOR settlements" which was published by RBSG on 6 February 2013.

1. In the Base Prospectuses, in the section "**INFORMATION ABOUT THE ROYAL BANK OF SCOTLAND PLC**", the subsection "**FSA agreement in relation to interest rate swap products for small and medium enterprises**" shall be replaced as follows:

**FSA agreement in relation to interest rate swap products for small and medium enterprises**

On 29 June 2012, RBS announced that it, in common with a number of other UK banks, had reached an agreement with the FSA on an approach to the mis-selling issues surrounding interest rate swap products for small and medium enterprises (SMEs). The agreement includes an independent review process which is intended to provide certainty for affected customers and other stakeholders. In respect of less sophisticated customers who entered into more complex swap products, RBS has agreed to provide direct and immediate redress.

In its Q2 2012 results, RBSG provided £50 million for the redress it expects to offer retail clients who were sold structured collar products. As a result of an announcement by the FSA dated 31 January 2013 relating to interest rate hedging products ("**IRHP**") RBSG will, in its 2012 Annual Results, meaningfully increase its provisions to meet the additional costs of redress across its broader SME IRHP portfolio (attributable primarily to products sold in the period 2001 to 2008 when interest rates were higher). This larger provision will be determined once RBSG has further engaged with the FSA on its position. RBSG expects that this provision will remain consistent with the achievement of its target capital ratios.

2. In the Base Prospectuses, in the section "**INFORMATION ABOUT THE ROYAL BANK OF SCOTLAND PLC**", the paragraph headed "*LIBOR*" in the subsection "**Investigations**" shall be replaced as follows:

*LIBOR*

On 6 February 2013, RBSG announced that the RBSG Group has reached a settlement with the FSA in the United Kingdom, the United States Commodity Futures Trading Commission ("**CFTC**") and the United States Department of Justice ("**DOJ**"), in relation to investigations into submissions, communications and procedures around the setting of the London Interbank Offered Rate ("**LIBOR**"). The RBSG Group has agreed to pay penalties of £87.5 million, USD 325 million and USD 150 million to the FSA, CFTC and DOJ respectively, to resolve the investigations. As part of the agreement with the DOJ, RBS has entered into a deferred prosecution agreement in relation to one count of wire fraud relating to Swiss Franc LIBOR and one count for an antitrust violation relating to Yen LIBOR. RBS Securities Japan Limited has also agreed to enter a plea of guilty to one count of wire fraud relating to Yen LIBOR. Among other things, the RBSG Group has dismissed a number of employees for misconduct as a result of its investigations into these matters.

The RBSG Group will continue to cooperate in the investigations by the FSA, CFTC and DOJ, as well as investigations by various other governmental, regulatory and competition authorities. The other authorities include the European Commission and the Japan Financial Services Agency.

London, 13 February 2013

**The Royal Bank of Scotland N.V.,  
London Branch**

By:

JÖRN PEGLOW  
Authorised Signatory

London, 13 February 2013

**The Royal Bank of Scotland plc**

By:

JÖRN PEGLOW  
Authorised Signatory

7 November 2012

**The Royal Bank of Scotland N.V.**  
(incorporated in the Netherlands with its statutory seat in Amsterdam)

and

**The Royal Bank of Scotland plc**  
(incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980  
registered number SC090312)

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SUPPLEMENT

IN ACCORDANCE WITH SECTION 16(1) OF THE GERMAN SECURITIES PROSPECTUS ACT

(*WERTPAPIERPROSPEKTGESETZ*; "**WPPG**")

TO THE FOLLOWING BASE PROSPECTUSES

(THE "**BASE PROSPECTUSES**):

BASE PROSPECTUS DATED 11 AUGUST 2009 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS

(THE "**BONUS DISCOUNT BASE PROSPECTUS 2009**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "**CERTIFICATES 2009**")

(**NINTH SUPPLEMENT**)

BASE PROSPECTUS DATED 12 AUGUST 2010 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS

(THE "**BONUS DISCOUNT BASE PROSPECTUS 2010**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "**CERTIFICATES 2010**")

(**TENTH SUPPLEMENT**)

BASE PROSPECTUS DATED 9 AUGUST 2011 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS

(THE "**BONUS DISCOUNT BASE PROSPECTUS 2011**")



RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "**CERTIFICATES 2011**")  
(**SIXTH SUPPLEMENT**)

BASE PROSPECTUS DATED 26 JUNE 2012 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS  
(THE "**BONUS DISCOUNT BASE PROSPECTUS 2012**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "**CERTIFICATES 2012**")  
(**THIRD SUPPLEMENT**)

BASE PROSPECTUS DATED 20 MAY 2010 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS  
(THE "**ETN FIXED MATURITY BASE PROSPECTUS 2010**")

RELATING TO **EXCHANGE TRADED NOTES AND EXCHANGE TRADED COMMODITIES WITH A FIXED**  
**MATURITY** (THE "**NOTES 2010**")  
(**ELEVENTH SUPPLEMENT**)

(THE CERTIFICATES 2009, THE CERTIFICATES 2010, THE CERTIFICATES 2011, THE CERTIFICATES  
2012 AND THE NOTES 2010, THE "**SECURITIES**")

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**If, before this Supplement is published, investors have already agreed to purchase or subscribe for Securities issued under the Final Terms to the Base Prospectuses which have been published by the date of this Supplement, such investors shall have the right to withdraw their declaration of purchase or subscription in accordance with Section 16(3) WpPG within a period of two working days from the date of publication of this Supplement, provided that the new factor, mistake or inaccuracy referred to in Section 16(1) WpPG arose before the final closing of the offer to the public and the delivery of the securities.**

**The withdrawal (for which no reasons need to be given) must be declared by written notice to that entity to which the relevant investor addressed the declaration of purchase or subscription. Timely dispatch of notice is sufficient to comply with the notice period.**

During the validity of the Base Prospectuses and as long as any Securities issued in connection with the Base Prospectuses are listed on any stock exchange or offered to the public, copies of this Supplement and of the Base Prospectuses, as supplemented, will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com) and via the Issuer's website [www.rbs.de/markets](http://www.rbs.de/markets) for investors in Germany, [www.rbsbank.at/markets](http://www.rbsbank.at/markets) for investors in Austria and [www.rbs.com/markets](http://www.rbs.com/markets) for all other investors (or any successor website).

The purpose of this Supplement is:

(i) to update the Base Prospectuses with respect to the press release entitled "Statement on disposal of UK Branch-based Business" which was published by The Royal Bank of Scotland Group plc ("**RBSG**") on 15 October 2012 and the press release entitled "RBS exits UK Government's Asset Protection Scheme" which was published by RBSG on 17 October 2012; and

(ii) to update the Base Prospectuses with respect to the unaudited Interim Management Statement Q3 2012 of RBSG for the third quarter 2012 ended 30 September 2012 which were published on 2 November 2012.

1. In the Base Prospectuses, in the section "**SUMMARY**", the second paragraph under the heading "**General Information about RBS**" shall be replaced as follows:

According to the unaudited Interim Management Statement Q3 2012 of RBSG for the third quarter 2012 ended 30 September 2012, the RBSG Group had total assets of £1,377 billion and owners's equity of £73 billion as at 30 September 2012. The RBSG Group's capital ratios as at that date were a total capital ratio of 14.6 per cent, a Core Tier 1 capital ratio 11.1 per cent and a Tier 1 capital ratio of 13.4 per cent.

2. In the Base Prospectuses, in the section "**ZUSAMMENFASSUNG (GERMAN LANGUAGE VERSION OF THE SUMMARY)**", the second paragraph under the heading "**Allgemeine Informationen über die RBS**" shall be replaced as follows:

Nach dem ungeprüften Zwischenbericht Q3 2012 des Managements (*Interim Management Statement Q3 2012*) der RBSG für das am 30. September 2012 endende dritte Quartal 2012 betragen zum 30. September 2012 die Gesamtvermögenswerte der RBSG Gruppe £1,377 Mrd., und das Eigenkapital der RBSG Gruppe betrug £73 Mrd. Die Kapitalquoten der RBSG Gruppe zu diesem Datum betragen 14,6% für die Gesamtkapitalquote, 11,1% für die Kernkapitalquote (*Core Tier 1*) und 13,4% für die Kapitalquote (*Tier 1*).

3. In the Bonus Discount Base Prospectus 2009, Bonus Discount Base Prospectus 2010, Bonus Discount Base Prospectus 2011 and the ETN Fixed Maturity Base Prospectus 2010, in the section "INFORMATION ABOUT THE ROYAL BANK OF SCOTLAND PLC" the first paragraph of the subsection "RBS Registration Document" shall be replaced as follows:

### **RBS Registration Document**

The required information about The Royal Bank of Scotland plc acting either through its principal office in Edinburgh, Scotland or through its London office or any other office, as specified in the Final Terms, is contained in the registration document of The Royal Bank of Scotland plc dated 24 February 2012 (the "RBS Registration Document") which was approved by the competent authority in the United Kingdom (Financial Services Authority; the "FSA") and which is incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference"), excluding:

- (i) the following information within the section "Introduction":
  - (x) the final sentence of the fourth paragraph of such section on page 1, which begins with the words "Moody's Investors Service Limited";
  - (y) the seventh paragraph of such section on page 2, which begins with the words "As defined by Moody's"; and
  - (z) limb (ii) of the eighth paragraph of such section on page 2, which begins with the words "the publication entitled "Rating Symbols and Definitions December 2011";
- (ii) the sub-section "Assets, owners' equity and capital ratios" under the section "Description of the Royal Bank of Scotland plc" on page 26;
- (iii) the sub-section "No Significant Change and No Material Adverse Change" under the section "General Information" on page 63; and
- (iv) items (a) to (f) in the section "Documents Incorporated by Reference" on pages 67 to 69.

4. In the Bonus Discount Base Prospectus 2012, in the section "**INFORMATION ABOUT THE ROYAL BANK OF SCOTLAND PLC**" the first paragraph of the subsection "**RBS Registration Document**" shall be replaced as follows:

### **RBS Registration Document**

The required information about The Royal Bank of Scotland plc acting either through its principal office in Edinburgh, Scotland or through its London office or any other office, as specified in the Final Terms, as Issuer is contained in the registration document of The Royal Bank of Scotland plc dated 24 February 2012 (the "**RBS Registration Document**") which was approved by the competent authority in the United Kingdom (Financial Services Authority; the "**FSA**") and which is incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference"), excluding:

- (i) the following information within the section "Introduction":
  - (x) the final sentence of the fourth paragraph of such section on page 1, which begins with the words "Moody's Investors Service Limited";
  - (y) the seventh paragraph of such section on page 2, which begins with the words "As defined by Moody's"; and
  - (z) limb (ii) of the eighth paragraph of such section on page 2, which begins with the words "the publication entitled "Rating Symbols and Definitions December 2011";
- (ii) the sub-section "Assets, owners' equity and capital ratios" under the section "Description of the Royal Bank of Scotland plc" on page 26;
- (iii) the sub-section "No Significant Change and No Material Adverse Change" under the section "General Information" on page 63; and
- (iv) items (a) to (f) in the section "Documents Incorporated by Reference" on pages 67 to 69.

5. In the Bonus Discount Base Prospectus 2009, Bonus Discount Base Prospectus 2010, Bonus Discount Base Prospectus 2011 and the ETN Fixed Maturity Base Prospectus 2010, in the section **"INFORMATION ABOUT THE ROYAL BANK OF SCOTLAND PLC"**, the subsection **"Additional information about RBS"** shall be replaced as follows:

### **Additional information about RBS**

In addition, the following English language documents are incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference"):

(a) The following sections of the Annual Report and Accounts 2010 of RBSG for the year ended 31 December 2010 (the **"Relevant Sections of the Annual Report 2010 of RBSG"**) which were published on 17 March 2011:

- (i) Independent auditor's report on page 267;
- (ii) Consolidated income statement on page 268;
- (iii) Consolidated statement of comprehensive income on page 269;
- (iv) Balance sheets as at 31 December 2010 on page 270;
- (v) Statements of changes in equity on pages 271 to 273;
- (vi) Cash flow statements on page 274;
- (vii) Accounting policies on pages 275 to 286;
- (viii) Notes on the accounts on pages 287 to 385;
- (ix) Essential reading – We have met, and in some cases exceeded, the targets for the second year of our Strategic Plan on page 1;
- (x) Chairman's statement on pages 2 to 3;
- (xi) Group Chief Executive's review on pages 4 to 5;
- (xii) Our key targets on page 7;
- (xiii) Our business and our strategy on pages 10 to 19;
- (xiv) Divisional review on pages 20 to 41;
- (xv) Business review on pages 50 to 224 (excluding the financial information on page 51, pages 56 to 77, pages 106 to 118 and page 131 which is indicated as being "pro forma");
- (xvi) Report of the directors on pages 230 to 234;
- (xvii) Corporate governance on pages 235 to 245;
- (xviii) Letter from the Chair of the Remuneration Committee on pages 246 to 247;



- (xix) Directors' remuneration report on pages 248 to 263;
  - (xx) Directors' interests in shares on page 264;
  - (xxi) Financial summary on pages 387 to 395;
  - (xxii) Exchange rates on page 395;
  - (xxiii) Economic and monetary environment on page 396;
  - (xxiv) Supervision on page 397;
  - (xxv) Regulatory developments and reviews on pages 398 to 399;
  - (xxvi) Description of property and equipment on page 399;
  - (xxvii) Major shareholders on page 399;
  - (xxviii) Material contracts on pages 399 to 404; and
  - (xxix) Glossary of terms on pages 434 to 439;
- (b) the Annual Report and Accounts 2010 of RBS (the "**Annual Report 2010 of RBS**") (including (i) the audited consolidated annual financial statements of RBS and (ii) the non-consolidated balance sheet of RBS, in each case together with the audit report thereon) for the year ended 31 December 2010 (excluding the sections "Financial Review" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) which were published on 15 April 2011;
- (c) the following sections of the Annual Report and Accounts 2011 of RBSG for the year ended 31 December 2011 (the "**Relevant Sections of the Annual Report 2011 of RBSG**") which were published on 9 March 2012:
- (i) Independent auditors' report on page 306;
  - (ii) Consolidated income statement on page 307;
  - (iii) Consolidated statement of comprehensive income on page 308;
  - (iv) Consolidated balance sheet at 31 December 2011 on page 309;
  - (v) Consolidated statements of changes in equity on pages 310 to 312;
  - (vi) Consolidated cash flow statement on page 313;
  - (vii) Accounting policies on pages 314 to 326;
  - (viii) Notes on the consolidated accounts on pages 327 to 419;
  - (ix) Parent company financial statements and notes on pages 420 to 431;
  - (x) Essential reading Highlights on page 1;
  - (xi) Chairman's statement on page 9;
  - (xii) Group Chief Executive's review on pages 10 to 11;

- (xiii) Our key targets on page 13;
  - (xiv) Our business and our strategy on pages 14 to 18;
  - (xv) Divisional review on pages 19 to 29;
  - (xvi) Business review on pages 32 to 249;
  - (xvii) Corporate governance on pages 258 to 262;
  - (xviii) Letter from the Chair of the Remuneration Committee on pages 272 to 273;
  - (xix) Directors' remuneration report on pages 274 to 295;
  - (xx) Report of the directors on pages 298 to 302;
  - (xxi) Directors' interests in shares on page 303;
  - (xxii) Financial summary on pages 433 to 441;
  - (xxiii) Exchange rates on page 441;
  - (xxiv) Economic and monetary environment on page 442;
  - (xxv) Supervision on page 443;
  - (xxvi) Regulatory developments and reviews on page 444;
  - (xxvii) Description of property and equipment on page 445;
  - (xxviii) Major shareholders on page 445;
  - (xxix) Material contracts on pages 445 to 450; and
  - (xxx) Glossary of terms on pages 476 to 483;
- (d) the Annual Report and Accounts 2011 of RBS (the "**Annual Report 2011 of RBS**") (including (i) the audited consolidated annual financial statements of RBS and (ii) the non-consolidated balance sheet of RBS, in each case together with the audit report thereon) for the year ended 31 December 2011 (excluding the sections "Financial review – Risk factors" on page 6 and "Risk factors" on pages 283 to 296) which were published on 26 March 2012;
- (e) the press release "Divisional Reorganisation and Group Reporting Changes (effective 1 January 2012)" (the "**Press Release dated 1 May 2012**") which was published by RBSG on 1 May 2012;
- (f) the unaudited Interim Management Statement Q3 2012 of RBSG (the "**Unaudited Interim Statement of RBSG**") for the third quarter ended 30 September 2012 (excluding the last sentence in the paragraph headed "Fair value of own debt and derivative liabilities" on page 5 of the Unaudited Interim Statement of RBSG) which was published on 2 November 2012;

- (g) the unaudited Results 2012 of RBS for the half year ended 30 June 2012 (the "**Unaudited Interim Results 2012 of RBS**") which were published on 31 August 2012;
- (h) the press release entitled "Statement on disposal of UK Branch-based Business" (the "**Press Release dated 15 October 2012**") which was published by RBSG on 15 October 2012; and
- (i) the press release entitled "RBS exits UK Government's Asset Protection Scheme" (the "**Press Release dated 17 October 2012**") which was published on 17 October 2012.

The information about RBSG was obtained in the English language from RBSG. It has been accurately reproduced and as far as the Issuer is able to ascertain from information published by RBSG, no facts have been omitted which would render the reproduced information inaccurate or misleading.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

Unless provided otherwise in any supplement to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG, the information contained in the RBS Registration Document and this Base Prospectus is the most recent information available about RBS.

6. In the Bonus Discount Base Prospectus 2012, in the section "**INFORMATION ABOUT THE ROYAL BANK OF SCOTLAND PLC**" the subsection "**Additional information about RBS**" shall be replaced as follows:

### **Additional information about RBS**

In addition, the following English language documents are incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference"):

- (a) The following sections of the Annual Report and Accounts 2010 of RBSG for the year ended 31 December 2010 (the "**Relevant Sections of the Annual Report 2010 of RBSG**") which were published on 17 March 2011:
  - (i) Independent auditor's report on page 267;
  - (ii) Consolidated income statement on page 268;
  - (iii) Consolidated statement of comprehensive income on page 269;
  - (iv) Balance sheets as at 31 December 2010 on page 270;
  - (v) Statements of changes in equity on pages 271 to 273;
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  - (ix) Essential reading – We have met, and in some cases exceeded, the targets for the second year of our Strategic Plan on page 1;
  - (x) Chairman's statement on pages 2 to 3;
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  - (xxv) Regulatory developments and reviews on pages 398 to 399;
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  - (xxvii) Major shareholders on page 399;
  - (xxviii) Material contracts on pages 399 to 404; and
  - (xxix) Glossary of terms on pages 434 to 439;
- (b) the Annual Report and Accounts 2010 of RBS (the "**Annual Report 2010 of RBS**") (including (i) the audited consolidated annual financial statements of RBS and (ii) the non-consolidated balance sheet of RBS, in each case together with the audit report thereon) for the year ended 31 December 2010 (excluding the sections "Financial Review" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) which were published on 15 April 2011;
- (c) the following sections of the Annual Report and Accounts 2011 of RBSG for the year ended 31 December 2011 (the "**Relevant Sections of the Annual Report 2011 of RBSG**") which were published on 9 March 2012:
- (i) Independent auditors' report on page 306;
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  - (xxx) Glossary of terms on pages 476 to 483;
- (d) the Annual Report and Accounts 2011 of RBS (the "**Annual Report 2011 of RBS**") (including (i) the audited consolidated annual financial statements of RBS and (ii) the non-consolidated balance sheet of RBS, in each case together with the audit report thereon) for the year ended 31 December 2011 (excluding the sections "Financial review – Risk factors" on page 6 and "Risk factors" on pages 283 to 296) which were published on 26 March 2012;
- (e) the press release "Divisional Reorganisation and Group Reporting Changes (effective 1 January 2012)" (the "**Press Release dated 1 May 2012**") which was published by RBSG on 1 May 2012;
- (f) the unaudited Interim Management Statement Q3 2012 of RBSG (the "**Unaudited Interim Statement of RBSG**") for the third quarter ended 30 September 2012 (excluding the last sentence in the paragraph headed "Fair value of own debt and derivative liabilities" on page 5 of the Unaudited Interim Statement of RBSG) which was published on 2 November 2012;
- (g) the unaudited Results 2012 of RBS for the half year ended 30 June 2012 (the "**Unaudited Interim Results 2012 of RBS**") which were published on 31 August 2012;

- (h) the press release entitled "Statement on disposal of UK Branch-based Business" (the **"Press Release dated 15 October 2012"**) which was published by RBSG on 15 October 2012; and
- (i) the press release entitled "RBS exits UK Government's Asset Protection Scheme" (the **"Press Release dated 17 October 2012"**) which was published on 17 October 2012.

The information about RBSG was obtained in the English language from RBSG. It has been accurately reproduced and as far as RBS N.V. and RBS are aware and are able to ascertain from information published by RBSG, no facts have been omitted which would render the reproduced information inaccurate or misleading.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

Unless provided otherwise in any supplement to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG, the information contained in the RBS Registration Document and this Base Prospectus is the most recent information available about RBS.

7. In the Bonus Discount Base Prospectus 2009 and in the ETN Fixed Maturity Base Prospectus 2010, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced as follows:

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### **DOCUMENTS INCORPORATED BY REFERENCE**

---

The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the RBS N.V. Registration Document (excluding any references in the RBS N.V. Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the RBS N.V. Registration Document (i) the last sentence in the second paragraph of the section "Risk Factors" and (ii) the last sentence of the paragraph "The Group is reliant on the RBSG Group", and excluding items (a) to (j) (including) in the section "Documents Incorporated by Reference" on pages 46 to 48 of the RBS N.V. Registration Document) (incorporated in the third paragraph of the cover page of this Base Prospectus);
- (b) the RBS Registration Document, excluding:
  - (i) the following information within the section "Introduction":
    - (x) the final sentence of the fourth paragraph of such section on page 1, which begins with the words "Moody's Investors Service Limited";
    - (y) the seventh paragraph of such section on page 2, which begins with the words "As defined by Moody's"; and
    - (z) limb (ii) of the eighth paragraph of such section on page 2, which begins with the words "the publication entitled "Rating Symbols and Definitions December 2011"";
  - (ii) the sub-section "Assets, owners' equity and capital ratios" under the section "Description of the Royal Bank of Scotland plc" on page 26;
  - (iii) the sub-section "No Significant Change and No Material Adverse Change" under the section "General Information" on page 63; and
  - (iv) items (a) to (f) in the section "Documents Incorporated by Reference" on pages 67 to 69;
- (c) the Articles of Association (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);



- (d) the Announcement (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (e) the Annual Report and Accounts 2011 of RBS Holdings (excluding the section "Business Review - Risk Factors" on page 10 and the section "Additional Information - Risk Factors" on pages 236 to 245 of the Annual Report and Accounts 2011 of RBS Holdings) (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (f) the Annual Report 2010 of RBS Holdings (excluding the section "Business Review - Risk Factors" on page 9 and the section "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010 of RBS Holdings) (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (g) the Relevant Sections of the Annual Report 2011 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (h) the Relevant Sections of the Annual Report 2010 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (i) the Annual Report 2011 of RBS (excluding the sections "Financial review – Risk factors" on page 6 and "Risk factors" on pages 283 to 296) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (j) the Annual Report 2010 of RBS (excluding the sections "Financial Review" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (k) the Unaudited Interim Statement of RBSG (excluding the last sentence in the paragraph headed "Fair value of own debt and derivative liabilities" on page 5 of the Unaudited Interim Statement of RBSG); (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (l) the Unaudited Interim Results 2012 of RBS Holdings (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee");

- (m) the Unaudited Interim Results 2012 of RBS (incorporated under the heading "Additional information about RBS" of the section "Information about the Royal Bank of Scotland plc");
- (n) the Press Release dated 1 May 2012 (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (o) the Press Release dated 15 October 2012 (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (p) the Press Release dated 17 October 2012 (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (q) the press release "Further step in proposed transfers of a substantial part of the business activities of RBS N.V. to RBS: Dutch Scheme" which was published by RBSG on 26 March 2012;
- (r) the press release "Securities issued by, and guarantees of securities granted by, RBS N.V.: Expected Dutch Scheme" which was published by RBS N.V. and RBS on 23 March 2012; and
- (s) the List of Securities which was published by RBS N.V. and RBS on 23 March 2012.

The documents referred to in (a), (c)-(f), (l) and (q)-(s) were filed with the AFM. The documents referred to in (b), (g)-(k) and (m)-(p) were filed with the FSA.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(s) will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com).

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

8. In the Bonus Discount Base Prospectus 2010, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced as follows:

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### **DOCUMENTS INCORPORATED BY REFERENCE**

---

The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the RBS N.V. Registration Document (excluding any references in the RBS N.V. Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the RBS N.V. Registration Document (i) the last sentence in the second paragraph of the section "Risk Factors" and (ii) the last sentence of the paragraph "The Group is reliant on the RBSG Group", and excluding items (a) to (j) (including) in the section "Documents Incorporated by Reference" on pages 46 to 48 of the RBS N.V. Registration Document) (incorporated in the third paragraph of the cover page of this Base Prospectus);
- (b) the RBS Registration Document, excluding:
  - (i) the following information within the section "Introduction":
    - (x) the final sentence of the fourth paragraph of such section on page 1, which begins with the words "Moody's Investors Service Limited";
    - (y) the seventh paragraph of such section on page 2, which begins with the words "As defined by Moody's"; and
    - (z) limb (ii) of the eighth paragraph of such section on page 2, which begins with the words "the publication entitled "Rating Symbols and Definitions December 2011"";
  - (ii) the sub-section "Assets, owners' equity and capital ratios" under the section "Description of the Royal Bank of Scotland plc" on page 26;
  - (iii) the sub-section "No Significant Change and No Material Adverse Change" under the section "General Information" on page 63; and
  - (iv) items (a) to (f) in the section "Documents Incorporated by Reference" on pages 67 to 69;
- (c) the Articles of Association (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);

- (d) the Announcement (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (e) the Annual Report and Accounts 2011 of RBS Holdings (excluding the section "Business Review - Risk Factors" on page 10 and the section "Additional Information - Risk Factors" on pages 236 to 245 of the Annual Report and Accounts 2011 of RBS Holdings) (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (f) the Annual Report 2010 of RBS Holdings (excluding the section "Business Review - Risk Factors" on page 9 and the section "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010 of RBS Holdings) (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (g) the Relevant Sections of the Annual Report 2011 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (h) the Relevant Sections of the Annual Report 2010 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (i) the Annual Report 2011 of RBS (excluding the sections "Financial review – Risk factors" on page 6 and "Risk factors" on pages 283 to 296) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (j) the Annual Report 2010 of RBS (excluding the sections "Financial Review" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (k) the Unaudited Interim Statement of RBSG (excluding the last sentence in the paragraph headed "Fair value of own debt and derivative liabilities" on page 5 of the Unaudited Interim Statement of RBSG); (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (l) the Unaudited Interim Results 2012 of RBS Holdings (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee");

- (m) the Unaudited Interim Results 2012 of RBS (incorporated under the heading "Additional information about RBS" of the section "Information about the Royal Bank of Scotland plc");
- (n) the Conditions 2009 (incorporated under the heading "Increases" of the section "General Information" of this Base Prospectus);
- (o) the Press Release dated 1 May 2012 (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (p) the Press Release dated 15 October 2012 (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (q) the Press Release dated 17 October 2012 (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (r) the press release "Further step in proposed transfers of a substantial part of the business activities of RBS N.V. to RBS: Dutch Scheme" which was published by RBSG on 26 March 2012;
- (s) the press release "Securities issued by, and guarantees of securities granted by, RBS N.V.: Expected Dutch Scheme" which was published by RBS N.V. and RBS on 23 March 2012; and
- (t) the List of Securities which was published by RBS N.V. and RBS on 23 March 2012.

The documents referred to in (a), (c)-(f), (l) and (r)-(t) were filed with the AFM. The documents referred to in (b), (g)-(k), (m) and (o)-(q) were filed with the FSA. The document referred to in (n) was filed with the BaFin.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(t) will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com).

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

9. In the Bonus Discount Base Prospectus 2011, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced as follows:

---

### **DOCUMENTS INCORPORATED BY REFERENCE**

---

The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the RBS N.V. Registration Document (excluding any references in the RBS N.V. Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the RBS N.V. Registration Document (i) the last sentence in the second paragraph of the section "Risk Factors" and (ii) the last sentence of the paragraph "The Group is reliant on the RBSG Group", and excluding items (a) to (j) (including) in the section "Documents Incorporated by Reference" on pages 46 to 48 of the RBS N.V. Registration Document) (incorporated in the third paragraph of the cover page of this Base Prospectus);
- (b) the RBS Registration Document, excluding:
  - (i) the following information within the section "Introduction":
    - (x) the final sentence of the fourth paragraph of such section on page 1, which begins with the words "Moody's Investors Service Limited";
    - (y) the seventh paragraph of such section on page 2, which begins with the words "As defined by Moody's"; and
    - (z) limb (ii) of the eighth paragraph of such section on page 2, which begins with the words "the publication entitled "Rating Symbols and Definitions December 2011"";
  - (ii) the sub-section "Assets, owners' equity and capital ratios" under the section "Description of the Royal Bank of Scotland plc" on page 26;
  - (iii) the sub-section "No Significant Change and No Material Adverse Change" under the section "General Information" on page 63; and
  - (iv) items (a) to (f) in the section "Documents Incorporated by Reference" on pages 67 to 69;
- (c) the Articles of Association (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);

- (d) the Announcement (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (e) the Annual Report and Accounts 2011 of RBS Holdings (excluding the section "Business Review - Risk Factors" on page 10 and the section "Additional Information - Risk Factors" on pages 236 to 245 of the Annual Report and Accounts 2011 of RBS Holdings) (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (f) the Annual Report 2010 of RBS Holdings (excluding the section "Business Review - Risk Factors" on page 9 and the section "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010 of RBS Holdings) (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (g) the Relevant Sections of the Annual Report 2011 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (h) the Relevant Sections of the Annual Report 2010 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (i) the Annual Report 2011 of RBS (excluding the sections "Financial review – Risk factors" on page 6 and "Risk factors" on pages 283 to 296) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (j) the Annual Report 2010 of RBS (excluding the sections "Financial Review" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (k) the Unaudited Interim Statement of RBSG (excluding the last sentence in the paragraph headed "Fair value of own debt and derivative liabilities" on page 5 of the Unaudited Interim Statement of RBSG); (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (l) the Unaudited Interim Results 2012 of RBS Holdings (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee");

- (m) the Unaudited Interim Results 2012 of RBS (incorporated under the heading "Additional information about RBS" of the section "Information about the Royal Bank of Scotland plc");
- (n) the Conditions 2009 (incorporated under the heading "Increases" of the section "General Information" of this Base Prospectus);
- (o) the Conditions 2010 (incorporated under the heading "Increases" of the section "General Information" of this Base Prospectus);
- (p) the Press Release dated 1 May 2012 (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (q) the Press Release dated 15 October 2012 (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (r) the Press Release dated 17 October 2012 (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (s) the press release "Further step in proposed transfers of a substantial part of the business activities of RBS N.V. to RBS: Dutch Scheme" which was published by RBSG on 26 March 2012;
- (t) the press release "Securities issued by, and guarantees of securities granted by, RBS N.V.: Expected Dutch Scheme" which was published by RBS N.V. and RBS on 23 March 2012; and
- (u) the List of Securities which was published by RBS N.V. and RBS on 23 March 2012.

The documents referred to in (a), (c)-(f), (l) and (s)-(u) were filed with the AFM. The documents referred to in (b), (g)-(k), (m) and (p)-(r) were filed with the FSA. The documents referred to in (n)-(o) were filed with the BaFin.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(u) will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com).

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.



10. In the Bonus Discount Base Prospectus 2012, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced as follows:

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### **DOCUMENTS INCORPORATED BY REFERENCE**

---

The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the RBS N.V. Registration Document (excluding any references in the RBS N.V. Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the RBS N.V. Registration Document (i) the last sentence in the second paragraph of the section "Risk Factors" and (ii) the last sentence of the paragraph "The Group is reliant on the RBSG Group", and excluding items (a) to (j) (including) in the section "Documents Incorporated by Reference" on pages 46 to 48 of the RBS N.V. Registration Document) (incorporated in the third paragraph of the cover page of this Base Prospectus);
- (b) the RBS Registration Document, excluding:
  - (i) the following information within the section "Introduction":
    - (x) the final sentence of the fourth paragraph of such section on page 1, which begins with the words "Moody's Investors Service Limited";
    - (y) the seventh paragraph of such section on page 2, which begins with the words "As defined by Moody's"; and
    - (z) limb (ii) of the eighth paragraph of such section on page 2, which begins with the words "the publication entitled "Rating Symbols and Definitions December 2011"";
  - (ii) the sub-section "Assets, owners' equity and capital ratios" under the section "Description of the Royal Bank of Scotland plc" on page 26;
  - (iii) the sub-section "No Significant Change and No Material Adverse Change" under the section "General Information" on page 63; and
  - (iv) items (a) to (f) in the section "Documents Incorporated by Reference" on pages 67 to 69;
- (c) the Articles of Association (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);

- (d) the Announcement (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (e) the Annual Report and Accounts 2011 of RBS Holdings (excluding the section "Business Review - Risk Factors" on page 10 and the section "Additional Information - Risk Factors" on pages 236 to 245 of the Annual Report and Accounts 2011 of RBS Holdings) (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (f) the Annual Report 2010 of RBS Holdings (excluding the section "Business Review - Risk Factors" on page 9 and the section "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010 of RBS Holdings) (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (g) the Relevant Sections of the Annual Report 2011 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (h) the Relevant Sections of the Annual Report 2010 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (i) the Annual Report 2011 of RBS (excluding the sections "Financial review – Risk factors" on page 6 and "Risk factors" on pages 283 to 296) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (j) the Annual Report 2010 of RBS (excluding the sections "Financial Review" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (k) the Unaudited Interim Statement of RBSG (excluding the last sentence in the paragraph headed "Fair value of own debt and derivative liabilities" on page 5 of the Unaudited Interim Statement of RBSG); (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (l) the Unaudited Interim Results 2012 of RBS Holdings (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee");

- (m) the Unaudited Interim Results 2012 of RBS (incorporated under the heading "Additional information about RBS" of the section "Information about the Royal Bank of Scotland plc");
- (n) the Conditions 2009 (incorporated under the heading "Increases" of the section "General Information" of this Base Prospectus);
- (o) the Conditions 2010 (incorporated under the heading "Increases" of the section "General Information" of this Base Prospectus);
- (p) the Conditions 2011 (incorporated under the heading "Increases" of the section "General Information" of this Base Prospectus);
- (q) the Press Release dated 1 May 2012 (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (r) the Press Release dated 15 October 2012 (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (s) the Press Release dated 17 October 2012 (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (t) the press release "Further step in proposed transfers of a substantial part of the business activities of RBS N.V. to RBS: Dutch Scheme" which was published by RBSG on 26 March 2012;
- (u) the press release "Securities issued by, and guarantees of securities granted by, RBS N.V.: Expected Dutch Scheme" which was published by RBS N.V. and RBS on 23 March 2012; and
- (v) the List of Securities which was published by RBS N.V. and RBS on 23 March 2012.

The documents referred to in (a), (c)-(f), (l) and (t)-(v) were filed with the AFM. The documents referred to in (b), (g)-(k), (m) and (q)-(s) were filed with the FSA. The documents referred to in (n)-(p) were filed with the BaFin.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(v) will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: investor.relations@rbs.com.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

London, 7 November 2012

**The Royal Bank of Scotland N.V.,  
London Branch**

By:

JÖRN PEGLOW  
Authorised Signatory

London, 7 November 2012

**The Royal Bank of Scotland plc**

By:

JÖRN PEGLOW  
Authorised Signatory

2 October 2012

**The Royal Bank of Scotland N.V.**  
(incorporated in the Netherlands with its statutory seat in Amsterdam)

and

**The Royal Bank of Scotland plc**  
(incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980  
registered number SC090312)

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SUPPLEMENT

IN ACCORDANCE WITH SECTION 16(1) OF THE GERMAN SECURITIES PROSPECTUS ACT

(*WERTPAPIERPROSPEKTGESETZ*; "**WPPG**")

TO THE FOLLOWING BASE PROSPECTUSES

(THE "**BASE PROSPECTUSES**):

BASE PROSPECTUS DATED 11 AUGUST 2009 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS

(THE "**BONUS DISCOUNT BASE PROSPECTUS 2009**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "**CERTIFICATES 2009**")

(**EIGHTH SUPPLEMENT**)

BASE PROSPECTUS DATED 12 AUGUST 2010 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS

(THE "**BONUS DISCOUNT BASE PROSPECTUS 2010**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "**CERTIFICATES 2010**")

(**NINTH SUPPLEMENT**)

BASE PROSPECTUS DATED 9 AUGUST 2011 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS

(THE "**BONUS DISCOUNT BASE PROSPECTUS 2011**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "CERTIFICATES 2011")  
(FIFTH SUPPLEMENT)

BASE PROSPECTUS DATED 26 JUNE 2012  
(THE "BONUS DISCOUNT BASE PROSPECTUS 2012")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "CERTIFICATES 2012")  
(SECOND SUPPLEMENT)

BASE PROSPECTUS DATED 20 MAY 2010 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS  
(THE "ETN FIXED MATURITY BASE PROSPECTUS 2010")

RELATING TO **EXCHANGE TRADED NOTES AND EXCHANGE TRADED COMMODITIES WITH A FIXED  
MATURITY** (THE "NOTES 2010")  
(TENTH SUPPLEMENT)

(THE CERTIFICATES 2009, THE CERTIFICATES 2010, THE CERTIFICATES 2011, THE CERTIFICATES  
2012 AND THE NOTES 2010, THE "SECURITIES")

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**If, before this Supplement is published, investors have already agreed to purchase or subscribe for Securities issued under the Final Terms to the Base Prospectuses which have been published by the date of this Supplement, such investors shall have the right to withdraw their declaration of purchase or subscription in accordance with Section 16(3) WpPG within a period of two working days from the date of publication of this Supplement, provided that the new factor, mistake or inaccuracy referred to in Section 16(1) WpPG arose before the final closing of the offer to the public and the delivery of the securities.**

**The withdrawal (for which no reasons need to be given) must be declared by written notice to that entity to which the relevant investor addressed the declaration of purchase or subscription. Timely dispatch of notice is sufficient to comply with the notice period.**

During the validity of the Base Prospectuses and as long as any Securities issued in connection with the Base Prospectuses are listed on any stock exchange or offered to the public, copies of this Supplement and of the Base Prospectuses, as supplemented, will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com) and via the Issuer's website [www.rbs.de/markets](http://www.rbs.de/markets) for investors in Germany, [www.rbsbank.at/markets](http://www.rbsbank.at/markets) for investors in Austria and [www.rbs.com/markets](http://www.rbs.com/markets) for all other investors (or any successor website).

The purpose of this Supplement is:

(i) to update the Base Prospectuses with respect to the unaudited Interim Results for the half year ended 30 June 2012 of RBS Holdings N.V. ("**RBS Holdings**") which were published on 31 August 2012;

(ii) to update the Base Prospectuses with respect to the unaudited Abbreviated Interim Financial Report for the half year ended 30 June 2012 of The Royal Bank of Scotland N.V. ("**RBS N.V.**") which was published on 31 August 2012; and

(iii) to update the Base Prospectuses with respect to the unaudited Results for the half year ended 30 June 2012 of The Royal Bank of Scotland plc ("**RBS**") which were published on 31 August 2012.



1. In the Bonus Discount Base Prospectus 2009, Bonus Discount Base Prospectus 2010, Bonus Discount Base Prospectus 2011 and the ETN Fixed Maturity Base Prospectus 2010, in the section "**SUMMARY**", the second paragraph under the heading "**Overview**" shall be replaced as follows:

The Issuer operates across Europe, the Middle East and Africa (EMEA), the Americas and Asia. According to the unaudited Interim Results for the half year ended 30 June 2012 of RBS Holdings, the Group had total consolidated assets of EUR 114 billion as at 30 June 2012, the Group's Tier 1 and Core Tier 1 capital ratios were 11.7 per cent. and 8.5 per cent., respectively, as at that date.

2. In the Bonus Discount Base Prospectus 2012, in the section "**SUMMARY**" the second paragraph under the heading "**RBS N.V. – Overview**" shall be replaced as follows:

RBS N.V. operates across Europe, the Middle East and Africa (EMEA), the Americas and Asia. According to the unaudited Interim Results for the half year ended 30 June 2012 of RBS Holdings, the Group had total consolidated assets of EUR 114 billion as at 30 June 2012, the Group's Tier 1 and Core Tier 1 capital ratios were 11.7 per cent. and 8.5 per cent., respectively, as at that date.

3. In the Bonus Discount Base Prospectus 2009, Bonus Discount Base Prospectus 2010, Bonus Discount Base Prospectus 2011 and the ETN Fixed Maturity Base Prospectus 2010, in the section "**SUMMARY**", the paragraph with the heading "**Financial Information relating to the Issuer**" shall be replaced as follows:

**Financial Information relating to the Issuer:**

According to the unaudited Abbreviated Interim Financial Report for the half year ended 30 June 2012 of the Issuer, the Issuer recorded a loss for 2011 of EUR 1,016 million. Its total assets were EUR 134 billion at 30 June 2012.

4. In the Bonus Discount Base Prospectus 2012, in the section "**SUMMARY**" the paragraph with the heading "**Financial Information relating to RBS N.V.**" shall be replaced as follows:

**Financial Information relating to  
RBS N.V.:**

According to the unaudited Abbreviated Interim Financial Report for the half year ended 30 June 2012 of RBS N.V., RBS N.V. recorded a loss for 2011 of EUR 1,016 million. Its total assets were EUR 134 billion at 30 June 2012.

5. In the Base Prospectuses, in the section "**SUMMARY**", the third paragraph under the heading "**General Information about RBS**" shall be replaced as follows:

According to the unaudited Results for the half year ended 30 June 2012 of RBS, the RBS Group had total assets of £1,359 billion and shareholder's equity of £62 billion as at 30 June 2012. The RBS Group's capital ratios as at that date were a total capital ratio of 15.4 per cent, a Core Tier 1 capital ratio of 9.9 per cent and a Tier 1 capital ratio of 11.6 per cent.

6. In the Bonus Discount Base Prospectus 2009, Bonus Discount Base Prospectus 2010, Bonus Discount Base Prospectus 2011 and the ETN Fixed Maturity Base Prospectus 2010, in the section "**ZUSAMMENFASSUNG (GERMAN LANGUAGE VERSION OF THE SUMMARY)**", the second paragraph under the heading "**Überblick**" shall be replaced as follows:

Die Emittentin ist in Europa, im Nahen Osten und Afrika (EMEA), in Amerika und Asien tätig. Nach dem ungeprüften Halbjahresbericht der RBS Holdings zum 30. Juni 2012 (*Interim Results for the half year ended 30 June 2012*) hatte die Gruppe zum 30. Juni 2012 konsolidierte Vermögenswerte von EUR 114 Mrd., und betragen die Kernkapitalquote (*Tier 1*) und die harte Kernkapitalquote (*Core Tier 1*) der Gruppe zu diesem Datum 11,7 % bzw. 8,5 %.

7. In the Bonus Discount Base Prospectus 2012, in the section "**ZUSAMMENFASSUNG (GERMAN LANGUAGE VERSION OF THE SUMMARY)**", the second paragraph under the heading "**RBS N.V. - Überblick**" shall be replaced as follows:

RBS N.V. ist in Europa, im Nahen Osten und Afrika (EMEA), in Amerika und Asien tätig. Nach dem ungeprüften Halbjahresbericht der RBS Holdings zum 30. Juni 2012 (*Interim Results for the half year ended 30 June 2012*) hatte die Gruppe zum 30. Juni 2012 konsolidierte Vermögenswerte von EUR 114 Mrd., und betragen die Kernkapitalquote (*Tier 1*) und die harte Kernkapitalquote (*Core Tier 1*) der Gruppe zu diesem Datum 11,7 % bzw. 8,5 %.

8. In the Bonus Discount Base Prospectus 2009, Bonus Discount Base Prospectus 2010, Bonus Discount Base Prospectus 2011 and the ETN Fixed Maturity Base Prospectus 2010, in the section "**ZUSAMMENFASSUNG (GERMAN LANGUAGE VERSION OF THE SUMMARY)**", the paragraph with the heading "**Finanzangaben der Emittentin**" shall be replaced as follows:

**Finanzangaben der Emittentin:**

Nach dem ungeprüften verkürzten Halbjahresbericht der Emittentin zum 30. Juni 2012 (*Abbreviated Interim Financial Report for the half year ended 30 June 2012*) verzeichnete die Emittentin für 2011 einen Verlust in Höhe von EUR 1.016 Mio. Ihre Gesamtvermögenswerte betragen zum 30. Juni 2012 EUR 134 Mrd.



9. In the Bonus Discount Base Prospectus 2012, in the section "**ZUSAMMENFASSUNG (GERMAN LANGUAGE VERSION OF THE SUMMARY)**" the paragraph under the heading "**Finanzangaben der RBS N.V.**" shall be replaced as follows:

**Finanzangaben der RBS N.V.:**

Nach dem ungeprüften verkürzten HalbjahresberichtF der RBS N.V. zum 30. Juni 2012 (*Abbreviated Interim Financial Report for the half year ended 30 June 2012*) verzeichnete die RBS N.V. für 2011 einen Verlust in Höhe von EUR 1.016 Mio. Ihre Gesamtvermögenswerte betragen zum 30. Juni 2012 EUR 134 Mrd.

10. In the Base Prospectuses, in the section "**ZUSAMMENFASSUNG (GERMAN LANGUAGE VERSION OF THE SUMMARY)**", the third paragraph under the heading "**Allgemeine Informationen über die RBS**" shall be replaced as follows:

Nach den ungeprüften Finanzinformationen der RBS zum 30. Juni 2012 (*Results for the half year ended 30 June 2012*) betragen die Gesamtvermögenswerte der RBS-Gruppe zum 30. Juni 2012 £1.359 Mrd. und das Eigenkapital betrug £62 Mrd. Die Kapitalquoten der RBS-Gruppe zu diesem Datum betragen 15,4 % für die Gesamtkapitalquote, 9,9 % für die Kernkapitalquote (*Core Tier 1*) und 11,6 % für die Kapitalquote (*Tier 1*).

11. In the Bonus Discount Base Prospectus 2009, Bonus Discount Base Prospectus 2010, Bonus Discount Base Prospectus 2011 and the ETN Fixed Maturity Base Prospectus 2010, in the section "INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE GUARANTEE" the subsections "Additional Information about the Issuer and the Guarantor" and "Significant changes" shall be replaced as follows:

### **Additional information about the Issuer and the Guarantor**

In addition, the following documents are incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference"):

- (a) the English language version of the Articles of Association (*Statuten*) of each of the Guarantor and the Issuer as in force and effect on the date of the RBS N.V. Registration Document (the "**Articles of Association**");
- (b) the announcement entitled "The Royal Bank of Scotland Group plc ("**RBS**") announces strategic and organisational changes in its investment banking/wholesale business" which was published on 12 January 2012 (the "**Announcement**");
- (c) the Annual Report and Accounts 2011 of RBS Holdings N.V. (the "**Annual Report and Accounts 2011 of RBS Holdings**") (excluding the section headed "Business Review - Risk Factors" on page 10 and the section headed "Additional Information - Risk Factors" on pages 236 to 245 of the Annual Report and Accounts 2011) which includes the audited consolidated annual financial statements of RBS Holdings as at and for the year ended 31 December 2011 (prepared in accordance with International Financial Reporting Standards as adopted by the European Union). The audited consolidated annual financial statements of RBS Holdings appear on pages 108 up to and including 213 of the Annual Report and Accounts 2011 and the auditor's report thereon appears on page 215 of the Annual Report and Accounts 2011;
- (d) the Annual Report 2010 of RBS Holdings N.V. (the "**Annual Report 2010 of RBS Holdings**") (excluding the section headed "Business Review - Risk Factors" on page 9 and the section headed "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010) 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 International Financial Reporting Standards as adopted by the European Union). The audited consolidated annual financial statements of RBS Holdings appear on pages 96 to 193 of the Annual Report 2010 and the auditor's report thereon appears on page 199 of the Annual Report 2010; and
- (e) the unaudited Interim Results for the half year ended 30 June 2012 of RBS Holdings N.V. (the "**Unaudited Interim Results 2012 of RBS Holdings**") which include unaudited condensed consolidated financial statements of RBS Holdings for the half year ended 30 June 2012.

The Issuer has published a press release dated 19 April 2011 regarding proposed transfers of a substantial part of the business activities of RBS N.V. to RBS (the "**Press Release dated 19 April 2011**") which is attached hereinafter as Annex 1. For the purposes of this Base Prospectus, references in this press release regarding persons not placing any reliance on the information contained in such press release or the Pro forma financial information in connection with making an investment decision (or for any other purpose) concerning securities or guarantees which are expected to be retained by RBS N.V. shall be deemed to be deleted.

The Abbreviated Financial Statements 2011 of The Royal Bank of Scotland N.V. (the "**Financial Statements 2011 of the Issuer**") which include the audited abbreviated annual financial statements of the Issuer for the financial year ended 31 December 2011 are attached as Annex 2.

The Abbreviated Financial Statements 2010 of The Royal Bank of Scotland N.V. (the "**Financial Statements 2010 of the Issuer**") which include the audited abbreviated annual financial statements of the Issuer for the financial year ended 31 December 2010 are attached as Annex 3.

The unaudited Abbreviated Interim Financial Report for the half year ended 30 June 2012 of The Royal Bank of Scotland N.V. (the "**Unaudited Interim Financial Report 2012 of the Issuer**") which includes the unaudited abbreviated interim financial statements of the Issuer for the half year ended 30 June 2012 is attached as Annex 4.

The information about the Guarantor was obtained in the English language from the Guarantor. It has been accurately reproduced and as far as the Issuer is able to ascertain from information published by the Guarantor, no facts have been omitted which would render the reproduced information inaccurate or misleading.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

Unless provided otherwise in any supplement to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG, the information contained in the RBS N.V. Registration Document and this Base Prospectus is the most recent information available about the Issuer and the Guarantor.

### **Significant changes**

There has been no significant change in the financial or trading position of the Group consisting of the Guarantor and its consolidated subsidiaries (including the Issuer) since 30 June 2012 and there has been no significant change in the financial position of the Issuer since 30 June 2012. There has been no material adverse change in the prospects of the Guarantor since 31 December 2011, and there has been no material adverse change in the prospects of the Issuer since 31 December 2011.

12. In the Bonus Discount Base Prospectus 2012, in the section "**INFORMATION ABOUT THE ROYAL BANK OF SCOTLAND N.V., THE GUARANTOR AND THE GUARANTEE**" the subsections "**Additional Information about RBS N.V. and the Guarantor**" and "**Significant changes**" shall be replaced as follows:

### **Additional information about RBS N.V. and the Guarantor**

In addition, the following documents are incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference"):

- (a) the English language version of the Articles of Association (*Statuten*) of each of the Guarantor and the Issuer as in force and effect on the date of the RBS N.V. Registration Document (the "**Articles of Association**");
- (b) the announcement entitled "The Royal Bank of Scotland Group plc ("**RBS**") announces strategic and organisational changes in its investment banking/wholesale business" which was published on 12 January 2012 (the "**Announcement**");
- (c) the Annual Report and Accounts 2011 of RBS Holdings N.V. (the "**Annual Report and Accounts 2011 of RBS Holdings**") (excluding the section headed "Business Review - Risk Factors" on page 10 and the section headed "Additional Information - Risk Factors" on pages 236 to 245 of the Annual Report and Accounts 2011) which includes the audited consolidated annual financial statements of RBS Holdings as at and for the year ended 31 December 2011 (prepared in accordance with International Financial Reporting Standards as adopted by the European Union). The audited consolidated annual financial statements of RBS Holdings appear on pages 108 up to and including 213 of the Annual Report and Accounts 2011 and the auditor's report thereon appears on page 215 of the Annual Report and Accounts 2011;
- (d) the Annual Report 2010 of RBS Holdings N.V. (the "**Annual Report 2010 of RBS Holdings**") (excluding the section headed "Business Review - Risk Factors" on page 9 and the section headed "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010) 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 International Financial Reporting Standards as adopted by the European Union). The audited consolidated annual financial statements of RBS Holdings appear on pages 96 to 193 of the Annual Report 2010 and the auditor's report thereon appears on page 199 of the Annual Report 2010; and
- (e) the unaudited Interim Results for the half year ended 30 June 2012 of RBS Holdings N.V. (the "**Unaudited Interim Results 2012 of RBS Holdings**") which include unaudited condensed consolidated financial statements of RBS Holdings for the half year ended 30 June 2012.

The Issuer has published a press release dated 19 April 2011 regarding proposed transfers of a substantial part of the business activities of RBS N.V. to RBS (the "**Press Release dated 19 April 2011**") which is attached hereinafter as Annex 1. For the purposes of this Base Prospectus, references in this press release regarding persons not placing any reliance on the information contained in such press release or the Pro forma financial information in connection with making an investment decision (or for any other purpose) concerning securities or guarantees which are expected to be retained by RBS N.V. shall be deemed to be deleted.

The Abbreviated Financial Statements 2011 of The Royal Bank of Scotland N.V. (the "**Financial Statements 2011 of RBS N.V.**") which include the audited abbreviated annual financial statements of RBS N.V. for the financial year ended 31 December 2011 are attached as Annex 2.

The Abbreviated Financial Statements 2010 of The Royal Bank of Scotland N.V. (the "**Financial Statements 2010 of RBS N.V.**") which include the audited abbreviated annual financial statements of RBS N.V. for the financial year ended 31 December 2010 are attached as Annex 3.

The unaudited Abbreviated Interim Financial Report for the half year ended 30 June 2012 of The Royal Bank of Scotland N.V. (the "**Unaudited Interim Financial Report 2012 of RBS N.V.**") which includes the unaudited abbreviated interim financial statements of RBS N.V. for the half year ended 30 June 2012 is attached as Annex 4.

The information about the Guarantor was obtained in the English language from the Guarantor. It has been accurately reproduced and as far as RBS N.V. and RBS are aware and are able to ascertain from information published by the Guarantor, no facts have been omitted which would render the reproduced information inaccurate or misleading.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

Unless provided otherwise in any supplement to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG, the information contained in the RBS N.V. Registration Document and this Base Prospectus is the most recent information available about RBS N.V. and the Guarantor.

## **Significant changes**

There has been no significant change in the financial or trading position of the Group consisting of the Guarantor and its consolidated subsidiaries (including RBS N.V.) since 30 June 2012 and there has been no significant change in the financial position of RBS N.V. since 30 June 2012. There has been no material adverse change in the prospects of the Guarantor since 31 December 2011, and there has been no material adverse change in the prospects of RBS N.V. since 31 December 2011.

13. In the Bonus Discount Base Prospectus 2009, Bonus Discount Base Prospectus 2010, Bonus Discount Base Prospectus 2011 and the ETN Fixed Maturity Base Prospectus 2010 after the section "**ANNEX 3: FINANCIAL STATEMENTS 2010 OF THE ISSUER**" the following section shall be inserted:

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**ANNEX 4: UNAUDITED INTERIM FINANCIAL REPORT 2012 OF THE ISSUER**

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# **The Royal Bank of Scotland N.V.**

**Abbreviated Interim Financial Report for the half year ended  
30 June 2012**

**Amsterdam, 31 August 2012**



**The Royal Bank of Scotland N.V.**  
**Abbreviated interim financial report for the half year ended 30 June 2012**

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## **Management's report on the abbreviated interim financial statements**

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The Managing Board declares that, to the best of its knowledge, the abbreviated interim financial statements give a true and fair view, in all material respects, of the financial position and the results of The Royal Bank of Scotland N.V. (RBS N.V.) as at 30 June 2012 and for the period then ended.

Amsterdam,  
30 August 2012

Jan de Ruiter  
Chairman of the Managing Board

Pieter van der Harst  
Chief Financial Officer

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## Abbreviated interim financial statements

## **Basis of presentation**

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On the basis of article 403 of part 9 of Book 2 of the Netherlands Civil Code, The Royal Bank of Scotland N.V. (RBS N.V.) is not required to publish annual financial statements. Only abbreviated financial statements need to be drawn up and approved by the company directors. The shareholder of RBS N.V. has agreed to this in a declaration of consent, dated 16 March 2012 and filed with the Chamber of Commerce in Amsterdam.

Furthermore a statement of liability by the parent company (RBS Holdings N.V.) is filed with the Chamber of Commerce in Amsterdam. In accordance with the AFM Transparency Directive, which is effective as of 1 January 2009, the interim financial statements of an Issuer which is not required to prepare and file consolidated financial statements, should include in the abbreviated balance sheet and in the abbreviated income statement the same items as were included in the latest published financial statements. The assets and liabilities and the income statement of RBS N.V. are fully consolidated in the interim condensed consolidated financial statements for the half year ended 30 June 2012 of RBS Holdings N.V., dated 30 August 2012.

The income statement and balance sheet as presented on pages 5 and 6 of this report are derived from the presentation of the RBS N.V. income statement and balance sheet on pages 52 up to and including 54 of the RBS Holdings N.V. Interim Financial Results for the half year ended 30 June 2012, dated 30 August 2012, which is included as an appendix to this report.

Both the abbreviated interim financial statements of RBS N.V. and the interim condensed consolidated financial statements of RBS Holdings N.V. for the half year ended 30 June 2012 are unaudited.

The condensed consolidated interim financial statements of RBS Holdings N.V. for the half year ended 30 June 2012 are presented in accordance with International Accounting Standard 34 'Interim Financial Reporting'. The condensed consolidated interim financial statements for the half year ended 30 June 2012 of RBS Holdings N.V. do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with RBS Holdings N.V.'s audited Annual Report and Accounts for the year ended 31 December 2011, which was prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU).

**RBS N.V.**  
**Company income statement**  
**for the half year ended 30 June 2012 (unaudited)**

	First half 2012 €m	First half 2011 €m
Net interest income	260	254
Results from consolidated subsidiaries	(37)	130
Non-interest (loss)/income	(346)	268
<b>Total Income</b>	<b>(123)</b>	652
Operating expenses	(793)	(1,104)
Impairment losses	(97)	(1,090)
<b>Operating loss before tax</b>	<b>(1,013)</b>	(1,542)
Tax (charge)/credit	(14)	86
Profit from discontinued operations	11	22
<b>Loss for the reporting period</b>	<b>(1,016)</b>	(1,434)
Non-controlling interests	-	-
<b>Loss attributable to controlling interests</b>	<b>(1,016)</b>	(1,434)

**RBS N.V.**  
**Company balance sheet**  
**at 30 June 2012 (unaudited)**

	<b>30 June 2012 €m</b>	31 December 2011 €m
<b>Assets</b>		
Cash and balances at central banks	529	11,812
Loans and advances to banks	38,658	53,750
Loans and advances to customers	5,454	24,979
Debt securities	24,140	38,211
Equity shares	903	2,955
Settlement balances	359	2,576
Derivatives	12,696	18,606
Intangible assets	11	46
Property, plant and equipment	17	74
Deferred taxation	329	395
Investment in Group undertakings	2,649	2,863
Prepayments, accrued income and other assets	1,331	4,237
Assets of disposal groups	47,366	4,788
<b>Total assets</b>	<b>134,442</b>	<b>165,292</b>
<b>Liabilities and equity</b>		
Deposits by banks	56,341	76,911
Customer accounts	3,655	33,469
Debt securities in issue	8,027	17,473
Settlement balances and short positions	578	3,386
Derivatives	12,429	19,323
Accruals, deferred income and other liabilities	1,841	2,938
Retirement benefit liabilities	31	58
Deferred taxation	6	47
Subordinated liabilities	4,565	4,449
Liabilities of disposal groups	44,490	3,914
Controlling interests	2,479	3,324
<b>Total liabilities and equity</b>	<b>134,442</b>	<b>165,292</b>

14. In the Bonus Discount Base Prospectus 2012 after the section "**ANNEX 3: FINANCIAL STATEMENTS 2010 OF RBS N.V.**" the following section shall be inserted:

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**ANNEX 4: UNAUDITED INTERIM FINANCIAL REPORT 2012 OF RBS N.V.**

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# **The Royal Bank of Scotland N.V.**

**Abbreviated Interim Financial Report for the half year ended  
30 June 2012**

**Amsterdam, 31 August 2012**



**The Royal Bank of Scotland N.V.**  
**Abbreviated interim financial report for the half year ended 30 June 2012**

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## **Management's report on the abbreviated interim financial statements**

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The Managing Board declares that, to the best of its knowledge, the abbreviated interim financial statements give a true and fair view, in all material respects, of the financial position and the results of The Royal Bank of Scotland N.V. (RBS N.V.) as at 30 June 2012 and for the period then ended.

Amsterdam,  
30 August 2012

Jan de Ruiter  
Chairman of the Managing Board

Pieter van der Harst  
Chief Financial Officer

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## Abbreviated interim financial statements

## **Basis of presentation**

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On the basis of article 403 of part 9 of Book 2 of the Netherlands Civil Code, The Royal Bank of Scotland N.V. (RBS N.V.) is not required to publish annual financial statements. Only abbreviated financial statements need to be drawn up and approved by the company directors. The shareholder of RBS N.V. has agreed to this in a declaration of consent, dated 16 March 2012 and filed with the Chamber of Commerce in Amsterdam.

Furthermore a statement of liability by the parent company (RBS Holdings N.V.) is filed with the Chamber of Commerce in Amsterdam. In accordance with the AFM Transparency Directive, which is effective as of 1 January 2009, the interim financial statements of an Issuer which is not required to prepare and file consolidated financial statements, should include in the abbreviated balance sheet and in the abbreviated income statement the same items as were included in the latest published financial statements. The assets and liabilities and the income statement of RBS N.V. are fully consolidated in the interim condensed consolidated financial statements for the half year ended 30 June 2012 of RBS Holdings N.V., dated 30 August 2012.

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Both the abbreviated interim financial statements of RBS N.V. and the interim condensed consolidated financial statements of RBS Holdings N.V. for the half year ended 30 June 2012 are unaudited.

The condensed consolidated interim financial statements of RBS Holdings N.V. for the half year ended 30 June 2012 are presented in accordance with International Accounting Standard 34 'Interim Financial Reporting'. The condensed consolidated interim financial statements for the half year ended 30 June 2012 of RBS Holdings N.V. do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with RBS Holdings N.V.'s audited Annual Report and Accounts for the year ended 31 December 2011, which was prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU).

**RBS N.V.**  
**Company income statement**  
**for the half year ended 30 June 2012 (unaudited)**

	First half 2012 €m	First half 2011 €m
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<b>Operating loss before tax</b>	<b>(1,013)</b>	(1,542)
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Profit from discontinued operations	11	22
<b>Loss for the reporting period</b>	<b>(1,016)</b>	(1,434)
Non-controlling interests	-	-
<b>Loss attributable to controlling interests</b>	<b>(1,016)</b>	(1,434)

**RBS N.V.**  
**Company balance sheet**  
**at 30 June 2012 (unaudited)**

	<b>30 June 2012 €m</b>	31 December 2011 €m
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Cash and balances at central banks	529	11,812
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Loans and advances to customers	5,454	24,979
Debt securities	24,140	38,211
Equity shares	903	2,955
Settlement balances	359	2,576
Derivatives	12,696	18,606
Intangible assets	11	46
Property, plant and equipment	17	74
Deferred taxation	329	395
Investment in Group undertakings	2,649	2,863
Prepayments, accrued income and other assets	1,331	4,237
Assets of disposal groups	47,366	4,788
<b>Total assets</b>	<b>134,442</b>	<b>165,292</b>
<b>Liabilities and equity</b>		
Deposits by banks	56,341	76,911
Customer accounts	3,655	33,469
Debt securities in issue	8,027	17,473
Settlement balances and short positions	578	3,386
Derivatives	12,429	19,323
Accruals, deferred income and other liabilities	1,841	2,938
Retirement benefit liabilities	31	58
Deferred taxation	6	47
Subordinated liabilities	4,565	4,449
Liabilities of disposal groups	44,490	3,914
Controlling interests	2,479	3,324
<b>Total liabilities and equity</b>	<b>134,442</b>	<b>165,292</b>

15. In the Bonus Discount Base Prospectus 2009, Bonus Discount Base Prospectus 2010, Bonus Discount Base Prospectus 2011 and the ETN Fixed Maturity Base Prospectus 2010, in the section **"INFORMATION ABOUT THE ROYAL BANK OF SCOTLAND PLC"**, the subsection **"Additional information about RBS"** shall be replaced as follows:

### **Additional information about RBS**

In addition, the following English language documents are incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference"):

(a) The following sections of the Annual Report and Accounts 2010 of RBSG for the year ended 31 December 2010 (the **"Relevant Sections of the Annual Report 2010 of RBSG"**) which were published on 17 March 2011:

- (i) Independent auditor's report on page 267;
- (ii) Consolidated income statement on page 268;
- (iii) Consolidated statement of comprehensive income on page 269;
- (iv) Balance sheets as at 31 December 2010 on page 270;
- (v) Statements of changes in equity on pages 271 to 273;
- (vi) Cash flow statements on page 274;
- (vii) Accounting policies on pages 275 to 286;
- (viii) Notes on the accounts on pages 287 to 385;
- (ix) Essential reading – We have met, and in some cases exceeded, the targets for the second year of our Strategic Plan on page 1;
- (x) Chairman's statement on pages 2 to 3;
- (xi) Group Chief Executive's review on pages 4 to 5;
- (xii) Our key targets on page 7;
- (xiii) Our business and our strategy on pages 10 to 19;
- (xiv) Divisional review on pages 20 to 41;
- (xv) Business review on pages 50 to 224 (excluding the financial information on page 51, pages 56 to 77, pages 106 to 118 and page 131 which is indicated as being "pro forma");
- (xvi) Report of the directors on pages 230 to 234;
- (xvii) Corporate governance on pages 235 to 245;
- (xviii) Letter from the Chair of the Remuneration Committee on pages 246 to 247;

- (xix) Directors' remuneration report on pages 248 to 263;
  - (xx) Directors' interests in shares on page 264;
  - (xxi) Financial summary on pages 387 to 395;
  - (xxii) Exchange rates on page 395;
  - (xxiii) Economic and monetary environment on page 396;
  - (xxiv) Supervision on page 397;
  - (xxv) Regulatory developments and reviews on pages 398 to 399;
  - (xxvi) Description of property and equipment on page 399;
  - (xxvii) Major shareholders on page 399;
  - (xxviii) Material contracts on pages 399 to 404; and
  - (xxix) Glossary of terms on pages 434 to 439;
- (b) the Annual Report and Accounts 2010 of RBS (the "**Annual Report 2010 of RBS**") (including (i) the audited consolidated annual financial statements of RBS and (ii) the non-consolidated balance sheet of RBS, in each case together with the audit report thereon) for the year ended 31 December 2010 (excluding the sections "Financial Review" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) which were published on 15 April 2011;
- (c) the following sections of the Annual Report and Accounts 2011 of RBSG for the year ended 31 December 2011 (the "**Relevant Sections of the Annual Report 2011 of RBSG**") which were published on 9 March 2012:
- (i) Independent auditors' report on page 306;
  - (ii) Consolidated income statement on page 307;
  - (iii) Consolidated statement of comprehensive income on page 308;
  - (iv) Consolidated balance sheet at 31 December 2011 on page 309;
  - (v) Consolidated statements of changes in equity on pages 310 to 312;
  - (vi) Consolidated cash flow statement on page 313;
  - (vii) Accounting policies on pages 314 to 326;
  - (viii) Notes on the consolidated accounts on pages 327 to 419;
  - (ix) Parent company financial statements and notes on pages 420 to 431;
  - (x) Essential reading Highlights on page 1;
  - (xi) Chairman's statement on page 9;
  - (xii) Group Chief Executive's review on pages 10 to 11;



- (xiii) Our key targets on page 13;
  - (xiv) Our business and our strategy on pages 14 to 18;
  - (xv) Divisional review on pages 19 to 29;
  - (xvi) Business review on pages 32 to 249;
  - (xvii) Corporate governance on pages 258 to 262;
  - (xviii) Letter from the Chair of the Remuneration Committee on pages 272 to 273;
  - (xix) Directors' remuneration report on pages 274 to 295;
  - (xx) Report of the directors on pages 298 to 302;
  - (xxi) Directors' interests in shares on page 303;
  - (xxii) Financial summary on pages 433 to 441;
  - (xxiii) Exchange rates on page 441;
  - (xxiv) Economic and monetary environment on page 442;
  - (xxv) Supervision on page 443;
  - (xxvi) Regulatory developments and reviews on page 444;
  - (xxvii) Description of property and equipment on page 445;
  - (xxviii) Major shareholders on page 445;
  - (xxix) Material contracts on pages 445 to 450; and
  - (xxx) Glossary of terms on pages 476 to 483;
- (d) the Annual Report and Accounts 2011 of RBS (the "**Annual Report 2011 of RBS**") (including (i) the audited consolidated annual financial statements of RBS and (ii) the non-consolidated balance sheet of RBS, in each case together with the audit report thereon) for the year ended 31 December 2011 (excluding the sections "Financial review – Risk factors" on page 6 and "Risk factors" on pages 283 to 296) which were published on 26 March 2012;
- (e) the press release "Divisional Reorganisation and Group Reporting Changes (effective 1 January 2012)" (the "**Press Release dated 1 May 2012**") which was published by RBSG on 1 May 2012;
- (f) the unaudited Interim Results 2012 of RBSG for the six months ended 30 June 2012 (the "**Unaudited Interim Results of RBSG**") which were published on 3 August 2012; and
- (g) the unaudited Results 2012 of RBS for the half year ended 30 June 2012 (the "**Unaudited Interim Results 2012 of RBS**") which were published on 31 August 2012.

The information about RBSG was obtained in the English language from RBSG. It has been accurately reproduced and as far as the Issuer is able to ascertain from information published

by RBSG, no facts have been omitted which would render the reproduced information inaccurate or misleading.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

Unless provided otherwise in any supplement to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG, the information contained in the RBS Registration Document and this Base Prospectus is the most recent information available about RBS.

16. In the Bonus Discount Base Prospectus 2012, in the section "**INFORMATION ABOUT THE ROYAL BANK OF SCOTLAND PLC**" the subsection "**Additional information about RBS**" shall be replaced as follows:

### **Additional information about RBS**

In addition, the following English language documents are incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference"):

- (a) The following sections of the Annual Report and Accounts 2010 of RBSG for the year ended 31 December 2010 (the "**Relevant Sections of the Annual Report 2010 of RBSG**") which were published on 17 March 2011:
- (i) Independent auditor's report on page 267;
  - (ii) Consolidated income statement on page 268;
  - (iii) Consolidated statement of comprehensive income on page 269;
  - (iv) Balance sheets as at 31 December 2010 on page 270;
  - (v) Statements of changes in equity on pages 271 to 273;
  - (vi) Cash flow statements on page 274;
  - (vii) Accounting policies on pages 275 to 286;
  - (viii) Notes on the accounts on pages 287 to 385;
  - (ix) Essential reading – We have met, and in some cases exceeded, the targets for the second year of our Strategic Plan on page 1;
  - (x) Chairman's statement on pages 2 to 3;
  - (xi) Group Chief Executive's review on pages 4 to 5;
  - (xii) Our key targets on page 7;
  - (xiii) Our business and our strategy on pages 10 to 19;
  - (xiv) Divisional review on pages 20 to 41;
  - (xv) Business review on pages 50 to 224 (excluding the financial information on page 51, pages 56 to 77, pages 106 to 118 and page 131 which is indicated as being "pro forma");
  - (xvi) Report of the directors on pages 230 to 234;
  - (xvii) Corporate governance on pages 235 to 245;
  - (xviii) Letter from the Chair of the Remuneration Committee on pages 246 to 247;
  - (xix) Directors' remuneration report on pages 248 to 263;

- (xx) Directors' interests in shares on page 264;
  - (xxi) Financial summary on pages 387 to 395;
  - (xxii) Exchange rates on page 395;
  - (xxiii) Economic and monetary environment on page 396;
  - (xxiv) Supervision on page 397;
  - (xxv) Regulatory developments and reviews on pages 398 to 399;
  - (xxvi) Description of property and equipment on page 399;
  - (xxvii) Major shareholders on page 399;
  - (xxviii) Material contracts on pages 399 to 404; and
  - (xxix) Glossary of terms on pages 434 to 439;
- (b) the Annual Report and Accounts 2010 of RBS (the "**Annual Report 2010 of RBS**") (including (i) the audited consolidated annual financial statements of RBS and (ii) the non-consolidated balance sheet of RBS, in each case together with the audit report thereon) for the year ended 31 December 2010 (excluding the sections "Financial Review" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) which were published on 15 April 2011;
- (c) the following sections of the Annual Report and Accounts 2011 of RBSG for the year ended 31 December 2011 (the "**Relevant Sections of the Annual Report 2011 of RBSG**") which were published on 9 March 2012:
- (i) Independent auditors' report on page 306;
  - (ii) Consolidated income statement on page 307;
  - (iii) Consolidated statement of comprehensive income on page 308;
  - (iv) Consolidated balance sheet at 31 December 2011 on page 309;
  - (v) Consolidated statements of changes in equity on pages 310 to 312;
  - (vi) Consolidated cash flow statement on page 313;
  - (vii) Accounting policies on pages 314 to 326;
  - (viii) Notes on the consolidated accounts on pages 327 to 419;
  - (ix) Parent company financial statements and notes on pages 420 to 431;
  - (x) Essential reading Highlights on page 1;
  - (xi) Chairman's statement on page 9;
  - (xii) Group Chief Executive's review on pages 10 to 11;
  - (xiii) Our key targets on page 13;

- (xiv) Our business and our strategy on pages 14 to 18;
  - (xv) Divisional review on pages 19 to 29;
  - (xvi) Business review on pages 32 to 249;
  - (xvii) Corporate governance on pages 258 to 262;
  - (xviii) Letter from the Chair of the Remuneration Committee on pages 272 to 273;
  - (xix) Directors' remuneration report on pages 274 to 295;
  - (xx) Report of the directors on pages 298 to 302;
  - (xxi) Directors' interests in shares on page 303;
  - (xxii) Financial summary on pages 433 to 441;
  - (xxiii) Exchange rates on page 441;
  - (xxiv) Economic and monetary environment on page 442;
  - (xxv) Supervision on page 443;
  - (xxvi) Regulatory developments and reviews on page 444;
  - (xxvii) Description of property and equipment on page 445;
  - (xxviii) Major shareholders on page 445;
  - (xxix) Material contracts on pages 445 to 450; and
  - (xxx) Glossary of terms on pages 476 to 483;
- (d) the Annual Report and Accounts 2011 of RBS (the "**Annual Report 2011 of RBS**") (including (i) the audited consolidated annual financial statements of RBS and (ii) the non-consolidated balance sheet of RBS, in each case together with the audit report thereon) for the year ended 31 December 2011 (excluding the sections "Financial review – Risk factors" on page 6 and "Risk factors" on pages 283 to 296) which were published on 26 March 2012;
- (e) the press release "Divisional Reorganisation and Group Reporting Changes (effective 1 January 2012)" (the "**Press Release dated 1 May 2012**") which was published by RBSG on 1 May 2012;
- (f) the unaudited Interim Results 2012 of RBSG for the six months ended 30 June 2012 (the "**Unaudited Interim Results of RBSG**") which were published on 3 August 2012; and
- (g) the unaudited Results 2012 of RBS for the half year ended 30 June 2012 (the "**Unaudited Interim Results 2012 of RBS**") which were published on 31 August 2012.

The information about RBSG was obtained in the English language from RBSG. It has been accurately reproduced and as far as RBS N.V. and RBS are aware and are able to ascertain

from information published by RBSG, no facts have been omitted which would render the reproduced information inaccurate or misleading.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

Unless provided otherwise in any supplement to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG, the information contained in the RBS Registration Document and this Base Prospectus is the most recent information available about RBS.

17. In the Base Prospectuses, in the section "**INFORMATION ABOUT THE ROYAL BANK OF SCOTLAND PLC**", the subsection "**Significant changes**" shall be replaced as follows:

### **Significant changes**

There has been no significant change in the financial position of RBS and RBS together with its subsidiaries consolidated in accordance with International Financial Reporting Standards (the "**RBS Group**") taken as a whole since 30 June 2012.

There has been no material adverse change in the prospects of RBS and the RBS Group taken as a whole since 31 December 2011.

18. In the Bonus Discount Base Prospectus 2009 and the ETN Fixed Maturity Base Prospectus 2010, in the section "**GENERAL INFORMATION**" the subsection "**Available Documents**" shall be replaced as follows:

### **Available Documents**

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of the following documents will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com, and from the office of each Paying Agent as specified in the Final Terms. In addition, copies of the documents set forth hereinafter under (a)-(c) and (m)-(n) will be available via the Issuer's website as specified in the Final Terms:

- (a) the RBS N.V. Registration Document;
- (b) the RBS Registration Document;
- (c) the list entitled "Structured Retail Products" which was published by RBS N.V. and RBS on 23 March 2012 (the "**List of Securities**") which lists Structured Retail Products issued by RBS N.V. for which it is possible that RBS can become the issuer of such securities under the Proposed Dutch Scheme and details whether or not RBS is expected to become the issuer of those securities pursuant to the Proposed Dutch Scheme;
- (d) the Financial Statements 2011 of the Issuer;
- (e) the Financial Statements 2010 of the Issuer;
- (f) the Annual Report and Accounts 2011 of RBS;
- (g) the Annual Report and Accounts 2010 of RBS;
- (h) the Annual Report and Accounts 2011 of RBS Holdings;
- (i) the Annual Report 2010 of RBS Holdings;
- (j) the Unaudited Interim Financial Report 2012 of the Issuer;
- (k) the Unaudited Interim Results 2012 of RBS;
- (l) the Unaudited Interim Results 2012 of RBS Holdings;
- (m) this Base Prospectus and any Supplements; and
- (n) any Final Terms, provided, however, that any Final Terms relating to Securities that are neither admitted to trading in an regulated market within the European Economic Area nor offered within the European Economic Area in circumstances requiring publication of a prospectus under the Prospectus Directive will be made available exclusively to Securityholders who have submitted proof to the Issuer or the Principal Paying Agent,



which proof must be satisfactory for the Issuer or the Principal Paying Agent, as the case may be, of their Securities holdings and their identity.

A copy of the Guarantee (declaration pursuant to Article 403 of the Netherlands Civil Code) may be obtained from the commercial register kept with the chamber of commerce of Amsterdam, De Ruyterkade 5, P.O. Box 2852, 1000 CW Amsterdam, the Netherlands.

**Investors are recommended to read all available documents prior to a purchase of the Securities.**

19. In the Bonus Discount Base Prospectus 2010, in the section "**GENERAL INFORMATION**" the subsection "**Available Documents**" shall be replaced as follows:

### **Available Documents**

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of the following documents will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com, and from the office of each Paying Agent as specified in the Final Terms. In addition, copies of the documents set forth hereinafter under (a)-(c) and (n)-(p) will be available via the Issuer's website as specified in the Final Terms:

- (a) the RBS N.V. Registration Document;
- (b) the RBS Registration Document;
- (c) the list entitled "Structured Retail Products" which was published by RBS N.V. and RBS on 23 March 2012 (the "**List of Securities**") which lists Structured Retail Products issued by RBS N.V. for which it is possible that RBS can become the issuer of such securities under the Proposed Dutch Scheme and details whether or not RBS is expected to become the issuer of those securities pursuant to the Proposed Dutch Scheme;
- (d) the Financial Statements 2011 of the Issuer;
- (e) the Financial Statements 2010 of the Issuer;
- (f) the Annual Report and Accounts 2011 of RBS;
- (g) the Annual Report and Accounts 2010 of RBS;
- (h) the Annual Report and Accounts 2011 of RBS Holdings;
- (i) the Annual Report 2010 of RBS Holdings;
- (k) the Unaudited Interim Financial Report 2012 of the Issuer;
- (l) the Unaudited Interim Results 2012 of RBS;
- (m) the Unaudited Interim Results 2012 of RBS Holdings;
- (n) the Base Prospectus 2009 and any supplements thereto;
- (o) this Base Prospectus and any Supplements; and
- (p) any Final Terms, provided, however, that any Final Terms relating to Securities that are neither admitted to trading in a regulated market within the European Economic Area nor offered within the European Economic Area in circumstances requiring publication of a prospectus under the Prospectus Directive will be made available exclusively to Securityholders who have submitted proof to the Issuer or the Principal Paying Agent,

which proof must be satisfactory for the Issuer or the Principal Paying Agent, as the case may be, of their Securities holdings and their identity.

A copy of the Guarantee (declaration pursuant to Article 403 of the Netherlands Civil Code) may be obtained from the commercial register kept with the chamber of commerce of Amsterdam, De Ruyterkade 5, P.O. Box 2852, 1000 CW Amsterdam, the Netherlands.

**Investors are recommended to read all available documents prior to a purchase of the Securities.**

20. In the Bonus Discount Base Prospectus 2011, in the section "**GENERAL INFORMATION**" the subsection "**Available Documents**" shall be replaced as follows:

### **Available Documents**

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of the following documents will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com, and from the office of each Paying Agent as specified in the Final Terms. In addition, copies of the documents set forth hereinafter under (a)-(c) and (m)-(p) will be available via the Issuer's website as specified in the Final Terms:

- (a) the RBS N.V. Registration Document;
- (b) the RBS Registration Document;
- (c) the list entitled "Structured Retail Products" which was published by RBS N.V. and RBS on 23 March 2012 (the "**List of Securities**") which lists Structured Retail Products issued by RBS N.V. for which it is possible that RBS can become the issuer of such securities under the Proposed Dutch Scheme and details whether or not RBS is expected to become the issuer of those securities pursuant to the Proposed Dutch Scheme;
- (d) the Financial Statements 2011 of the Issuer;
- (e) the Financial Statements 2010 of the Issuer;
- (f) the Annual Report and Accounts 2011 of RBS;
- (g) the Annual Report and Accounts 2010 of RBS;
- (h) the Annual Report and Accounts 2011 of RBS Holdings;
- (i) the Annual Report 2010 of RBS Holdings;
- (j) the Unaudited Interim Financial Report 2012 of the Issuer;
- (k) the Unaudited Interim Results 2012 of RBS;
- (l) the Unaudited Interim Results 2012 of RBS Holdings;
- (m) the Base Prospectus 2010 and any supplements thereto;
- (n) the Base Prospectus 2009 and any supplements thereto;
- (o) this Base Prospectus and any Supplements; and
- (p) any Final Terms, provided, however, that any Final Terms relating to Securities that are neither admitted to trading in a regulated market within the European Economic Area nor offered within the European Economic Area in circumstances requiring publication of a

prospectus under the Prospectus Directive will be made available exclusively to Securityholders who have submitted proof to the Issuer or the Principal Paying Agent, which proof must be satisfactory for the Issuer or the Principal Paying Agent, as the case may be, of their Securities holdings and their identity.

A copy of the Guarantee (declaration pursuant to Article 403 of the Netherlands Civil Code) may be obtained from the commercial register kept with the chamber of commerce of Amsterdam, De Ruyterkade 5, P.O. Box 2852, 1000 CW Amsterdam, the Netherlands.

**Investors are recommended to read all available documents prior to a purchase of the Securities.**

21. In the Bonus Discount Base Prospectus 2012, in the section "**GENERAL INFORMATION**" the subsection "**Available Documents**" shall be replaced as follows:

### **Available Documents**

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of the following documents will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com, and from the office of each Paying Agent as specified in the Final Terms. In addition, copies of the documents set forth hereinafter under (a)-(c) and (m)-(q) will be available via the Issuer's website as specified in the Final Terms:

- (a) the RBS N.V. Registration Document;
- (b) the RBS Registration Document;
- (c) the list entitled "Structured Retail Products" which was published by RBS N.V. and RBS on 23 March 2012 (the "**List of Securities**") which lists Structured Retail Products issued by RBS N.V. for which it is possible that RBS can become the issuer of such securities under the Proposed Dutch Scheme and details whether or not RBS is expected to become the issuer of those securities pursuant to the Proposed Dutch Scheme;
- (d) the Financial Statements 2011 of RBS N.V.;
- (e) the Financial Statements 2010 of RBS N.V.;
- (f) the Annual Report and Accounts 2011 of RBS;
- (g) the Annual Report and Accounts 2010 of RBS;
- (h) the Annual Report and Accounts 2011 of RBS Holdings;
- (i) the Annual Report 2010 of RBS Holdings;
- (j) the Unaudited Interim Financial Report 2012 of RBS N.V.;
- (k) the Unaudited Interim Results 2012 of RBS;
- (l) the Unaudited Interim Results 2012 of RBS Holdings;
- (m) the Base Prospectus August 2011 and any supplements thereto;
- (n) the Base Prospectus August 2010 and any supplements thereto;
- (o) the Base Prospectus August 2009 and any supplements thereto;
- (p) this Base Prospectus and any Supplements; and
- (q) any Final Terms, provided, however, that any Final Terms relating to Securities that are neither admitted to trading in a regulated market within the European Economic Area nor

offered within the European Economic Area in circumstances requiring publication of a prospectus under the Prospectus Directive will be made available exclusively to Securityholders who have submitted proof to the Issuer or the Principal Paying Agent, which proof must be satisfactory for the Issuer or the Principal Paying Agent, as the case may be, of their Securities holdings and their identity.

A copy of the Guarantee (declaration pursuant to Article 403 of The Netherlands Civil Code) may be obtained from the commercial register kept with the chamber of commerce of Amsterdam, De Ruyterkade 5, P.O. Box 2852, 1000 CW Amsterdam, The Netherlands.

**Investors are recommended to read all available documents prior to a purchase of the Securities.**

22. In the Bonus Discount Base Prospectus 2009 and in the ETN Fixed Maturity Base Prospectus 2010, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced as follows:

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## **DOCUMENTS INCORPORATED BY REFERENCE**

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The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the RBS N.V. Registration Document (excluding any references in the RBS N.V. Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the RBS N.V. Registration Document (i) the last sentence in the second paragraph of the section "Risk Factors" and (ii) the last sentence of the paragraph "The Group is reliant on the RBSG Group", and excluding items (a) to (j) (including) in the section "Documents Incorporated by Reference" on pages 46 to 48 of the RBS N.V. Registration Document) (incorporated in the third paragraph of the cover page of this Base Prospectus);
- (b) the RBS Registration Document (excluding the sub-section "Assets, owners' equity and capital ratios" on page 26 of the RBS Registration Document, the sub-section "No Significant Change and No Material Adverse Change" on page 63 of the RBS Registration Document and items (a) to (f) (including) in the section "Documents Incorporated by Reference" on pages 67 to 69 of the RBS Registration Document) (incorporated in the third paragraph of the cover page of this Base Prospectus);
- (c) the Articles of Association (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (d) the Announcement (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (e) the Annual Report and Accounts 2011 of RBS Holdings (excluding the section "Business Review - Risk Factors" on page 10 and the section "Additional Information - Risk Factors" on pages 236 to 245 of the Annual Report and Accounts 2011 of RBS Holdings) (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (f) the Annual Report 2010 of RBS Holdings (excluding the section "Business Review - Risk Factors" on page 9 and the section "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010 of RBS Holdings) (incorporated under the heading



- "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (g) the Relevant Sections of the Annual Report 2011 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (h) the Relevant Sections of the Annual Report 2010 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (i) the Annual Report 2011 of RBS (excluding the sections "Financial review – Risk factors" on page 6 and "Risk factors" on pages 283 to 296) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (j) the Annual Report 2010 of RBS (excluding the sections "Financial Review" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (k) the Unaudited Interim Results of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (l) the Unaudited Interim Results 2012 of RBS Holdings (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee");
  - (m) the Unaudited Interim Results 2012 of RBS (incorporated under the heading "Additional information about RBS" of the section "Information about the Royal Bank of Scotland plc");
  - (n) the Press Release dated 1 May 2012 (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (o) the press release "Further step in proposed transfers of a substantial part of the business activities of RBS N.V. to RBS: Dutch Scheme" which was published by RBSG on 26 March 2012;
  - (p) the press release "Securities issued by, and guarantees of securities granted by, RBS N.V.: Expected Dutch Scheme" which was published by RBS N.V. and RBS on 23 March 2012; and
  - (q) the List of Securities which was published by RBS N.V. and RBS on 23 March 2012.

The documents referred to in (a), (c)-(f), (l) and (o)-(q) were filed with the AFM. The documents referred to in (b), (g)-(k) and (m)-(n) were filed with the FSA.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(q) will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com).

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

23. In the Bonus Discount Base Prospectus 2010, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced as follows:

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### **DOCUMENTS INCORPORATED BY REFERENCE**

---

The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the RBS N.V. Registration Document (excluding any references in the RBS N.V. Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the RBS N.V. Registration Document (i) the last sentence in the second paragraph of the section "Risk Factors" and (ii) the last sentence of the paragraph "The Group is reliant on the RBSG Group", and excluding items (a) to (j) (including) in the section "Documents Incorporated by Reference" on pages 46 to 48 of the RBS N.V. Registration Document) (incorporated in the third paragraph of the cover page of this Base Prospectus);
- (b) the RBS Registration Document (excluding the sub-section "Assets, owners' equity and capital ratios" on page 26 of the RBS Registration Document, the sub-section "No Significant Change and No Material Adverse Change" on page 63 of the RBS Registration Document and items (a) to (f) (including) in the section "Documents Incorporated by Reference" on pages 67 to 69 of the RBS Registration Document) (incorporated in the third paragraph of the cover page of this Base Prospectus);
- (c) the Articles of Association (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (d) the Announcement (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (e) the Annual Report and Accounts 2011 of RBS Holdings (excluding the section "Business Review - Risk Factors" on page 10 and the section "Additional Information - Risk Factors" on pages 236 to 245 of the Annual Report and Accounts 2011 of RBS Holdings) (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (f) the Annual Report 2010 of RBS Holdings (excluding the section "Business Review - Risk Factors" on page 9 and the section "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010 of RBS Holdings) (incorporated under the heading

- "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (g) the Relevant Sections of the Annual Report 2011 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (h) the Relevant Sections of the Annual Report 2010 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (i) the Annual Report 2011 of RBS (excluding the sections "Financial review – Risk factors" on page 6 and "Risk factors" on pages 283 to 296) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (j) the Annual Report 2010 of RBS (excluding the sections "Financial Review" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (k) the Unaudited Interim Results of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (l) the Unaudited Interim Results 2012 of RBS Holdings (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee");
  - (m) the Unaudited Interim Results 2012 of RBS (incorporated under the heading "Additional information about RBS" of the section "Information about the Royal Bank of Scotland plc");
  - (n) the Conditions 2009 (incorporated under the heading "Increases" of the section "General Information" of this Base Prospectus);
  - (o) the Press Release dated 1 May 2012 (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (p) the press release "Further step in proposed transfers of a substantial part of the business activities of RBS N.V. to RBS: Dutch Scheme" which was published by RBSG on 26 March 2012;
  - (q) the press release "Securities issued by, and guarantees of securities granted by, RBS N.V.: Expected Dutch Scheme" which was published by RBS N.V. and RBS on 23 March 2012; and
  - (r) the List of Securities which was published by RBS N.V. and RBS on 23 March 2012.

The documents referred to in (a), (c)-(f), (l) and (o)-(r) were filed with the AFM. The documents referred to in (b), (g)-(k), (m) and (o) were filed with the FSA. The document referred to in (n) was filed with the BaFin.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(r) will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com).

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

24. In the Bonus Discount Base Prospectus 2011, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced as follows:

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### **DOCUMENTS INCORPORATED BY REFERENCE**

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The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the RBS N.V. Registration Document (excluding any references in the RBS N.V. Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the RBS N.V. Registration Document (i) the last sentence in the second paragraph of the section "Risk Factors" and (ii) the last sentence of the paragraph "The Group is reliant on the RBSG Group", and excluding items (a) to (j) (including) in the section "Documents Incorporated by Reference" on pages 46 to 48 of the RBS N.V. Registration Document) (incorporated in the third paragraph of the cover page of this Base Prospectus);
- (b) the RBS Registration Document (excluding the sub-section "Assets, owners' equity and capital ratios" on page 26 of the RBS Registration Document, the sub-section "No Significant Change and No Material Adverse Change" on page 63 of the RBS Registration Document and items (a) to (f) (including) in the section "Documents Incorporated by Reference" on pages 67 to 69 of the RBS Registration Document) (incorporated in the third paragraph of the cover page of this Base Prospectus);
- (c) the Articles of Association (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (d) the Announcement (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (e) the Annual Report and Accounts 2011 of RBS Holdings (excluding the section "Business Review - Risk Factors" on page 10 and the section "Additional Information - Risk Factors" on pages 236 to 245 of the Annual Report and Accounts 2011 of RBS Holdings) (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (f) the Annual Report 2010 of RBS Holdings (excluding the section "Business Review - Risk Factors" on page 9 and the section "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010 of RBS Holdings) (incorporated under the heading

- "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee" of this Base Prospectus);
- (g) the Relevant Sections of the Annual Report 2011 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (h) the Relevant Sections of the Annual Report 2010 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (i) the Annual Report 2011 of RBS (excluding the sections "Financial review – Risk factors" on page 6 and "Risk factors" on pages 283 to 296) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (j) the Annual Report 2010 of RBS (excluding the sections "Financial Review" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (k) the Unaudited Interim Results of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (l) the Unaudited Interim Results 2012 of RBS Holdings (incorporated under the heading "Additional information about the Issuer and the Guarantor" of the section "Information about the Issuer, the Guarantor and the Guarantee");
  - (m) the Unaudited Interim Results 2012 of RBS (incorporated under the heading "Additional information about RBS" of the section "Information about the Royal Bank of Scotland plc");
  - (n) the Conditions 2009 (incorporated under the heading "Increases" of the section "General Information" of this Base Prospectus);
  - (o) the Conditions 2010 (incorporated under the heading "Increases" of the section "General Information" of this Base Prospectus);
  - (p) the Press Release dated 1 May 2012 (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (q) the press release "Further step in proposed transfers of a substantial part of the business activities of RBS N.V. to RBS: Dutch Scheme" which was published by RBSG on 26 March 2012;

(r) the press release "Securities issued by, and guarantees of securities granted by, RBS N.V.: Expected Dutch Scheme" which was published by RBS N.V. and RBS on 23 March 2012; and

(s) the List of Securities which was published by RBS N.V. and RBS on 23 March 2012.

The documents referred to in (a), (c)-(f) and (q)-(s) were filed with the AFM. The documents referred to in (b), (g)-(k), (m) and (p) were filed with the FSA. The documents referred to in (n)-(o) were filed with the BaFin.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(s) will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com).

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.



25. In the Bonus Discount Base Prospectus 2012, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced as follows:

---

### **DOCUMENTS INCORPORATED BY REFERENCE**

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The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the RBS N.V. Registration Document (excluding any references in the RBS N.V. Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the RBS N.V. Registration Document (i) the last sentence in the second paragraph of the section "Risk Factors" and (ii) the last sentence of the paragraph "The Group is reliant on the RBSG Group", and excluding items (a) to (j) (including) in the section "Documents Incorporated by Reference" on pages 46 to 48 of the RBS N.V. Registration Document) (incorporated in the third paragraph of the cover page of this Base Prospectus);
- (b) the RBS Registration Document (excluding the sub-section "Assets, owners' equity and capital ratios" on page 26 of the RBS Registration Document, the sub-section "No Significant Change and No Material Adverse Change" on page 63 of the RBS Registration Document and items (a) to (f) (including) in the section "Documents Incorporated by Reference" on pages 67 to 69 of the RBS Registration Document) (incorporated in the third paragraph of the cover page of this Base Prospectus);
- (c) the Articles of Association (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (d) the Announcement (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (e) the Annual Report and Accounts 2011 of RBS Holdings (excluding the section "Business Review - Risk Factors" on page 10 and the section "Additional Information - Risk Factors" on pages 236 to 245 of the Annual Report and Accounts 2011 of RBS Holdings) (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (f) the Annual Report 2010 of RBS Holdings (excluding the section "Business Review - Risk Factors" on page 9 and the section "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010 of RBS Holdings) (incorporated under the heading

- "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (g) the Relevant Sections of the Annual Report 2011 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (h) the Relevant Sections of the Annual Report 2010 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (i) the Annual Report 2011 of RBS (excluding the sections "Financial review – Risk factors" on page 6 and "Risk factors" on pages 283 to 296) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (j) the Annual Report 2010 of RBS (excluding the sections "Financial Review" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (k) the Unaudited Interim Results of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (l) the Unaudited Interim Results 2012 of RBS Holdings (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee");
  - (m) the Unaudited Interim Results 2012 of RBS (incorporated under the heading "Additional information about RBS" of the section "Information about the Royal Bank of Scotland plc");
  - (n) the Conditions 2009 (incorporated under the heading "Increases" of the section "General Information" of this Base Prospectus);
  - (o) the Conditions 2010 (incorporated under the heading "Increases" of the section "General Information" of this Base Prospectus);
  - (p) the Conditions 2011 (incorporated under the heading "Increases" of the section "General Information" of this Base Prospectus);
  - (q) the Press Release dated 1 May 2012 (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);

- (r) the press release "Further step in proposed transfers of a substantial part of the business activities of RBS N.V. to RBS: Dutch Scheme" which was published by RBSG on 26 March 2012;
- (s) the press release "Securities issued by, and guarantees of securities granted by, RBS N.V.: Expected Dutch Scheme" which was published by RBS N.V. and RBS on 23 March 2012; and
- (t) the List of Securities which was published by RBS N.V. and RBS on 23 March 2012.

The documents referred to in (a), (c)-(f), (l) and (r)-(t) were filed with the AFM. The documents referred to in (b), (g)-(k), (m) and (q) were filed with the FSA. The documents referred to in (n)-(p) were filed with the BaFin.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(t) will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com).

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

London, 2 October 2012

**The Royal Bank of Scotland N.V.,  
London Branch**

By:

Signature

JÖRN PEGLOW  
Authorised Signatory

London, 2 October 2012

**The Royal Bank of Scotland plc**

By:

Signature

JÖRN PEGLOW  
Authorised Signatory

28 August 2012

**The Royal Bank of Scotland N.V.**

*(incorporated in the Netherlands with its statutory seat in Amsterdam)*

and

**The Royal Bank of Scotland plc**

*(incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980  
registered number SC090312)*

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SUPPLEMENT

IN ACCORDANCE WITH SECTION 16(1) OF THE GERMAN SECURITIES PROSPECTUS ACT

(*WERTPAPIERPROSPEKTGESETZ*; "**WPPG**")

TO THE FOLLOWING BASE PROSPECTUSES

(THE "**BASE PROSPECTUSES**):

BASE PROSPECTUS DATED 11 AUGUST 2009 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS

(THE "**BONUS DISCOUNT BASE PROSPECTUS 2009**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "**CERTIFICATES 2009**")

(**SEVENTH SUPPLEMENT**)

BASE PROSPECTUS DATED 12 AUGUST 2010 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS

(THE "**BONUS DISCOUNT BASE PROSPECTUS 2010**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "**CERTIFICATES 2010**")

(**EIGHTH SUPPLEMENT**)

BASE PROSPECTUS DATED 9 AUGUST 2011 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS

(THE "**BONUS DISCOUNT BASE PROSPECTUS 2011**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "CERTIFICATES 2011")  
(FOURTH SUPPLEMENT)

BASE PROSPECTUS DATED 26 JUNE 2012  
(THE "BONUS DISCOUNT BASE PROSPECTUS 2012")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "CERTIFICATES 2012")  
(FIRST SUPPLEMENT)

BASE PROSPECTUS DATED 20 MAY 2010 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS  
(THE "ETN FIXED MATURITY BASE PROSPECTUS 2010")

RELATING TO **EXCHANGE TRADED NOTES AND EXCHANGE TRADED COMMODITIES WITH A FIXED  
MATURITY** (THE "NOTES 2010")  
(NINTH SUPPLEMENT)

(THE CERTIFICATES 2009, THE CERTIFICATES 2010, THE CERTIFICATES 2011, THE CERTIFICATES  
2012 AND THE NOTES 2010, THE "SECURITIES")

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**If, before this Supplement is published, investors have already agreed to purchase or subscribe for Securities issued under the Final Terms to the Base Prospectuses which have been published by the date of this Supplement, such investors shall have the right to withdraw their declaration of purchase or subscription in accordance with Section 16(3) WpPG within a period of two working days from the date of publication of this Supplement, provided that the new factor, mistake or inaccuracy referred to in Section 16(1) WpPG arose before the final closing of the offer to the public and the delivery of the securities.**

**The withdrawal (for which no reasons need to be given) must be declared by written notice to that entity to which the relevant investor addressed the declaration of purchase or subscription. Timely dispatch of notice is sufficient to comply with the notice period.**

During the validity of the Base Prospectuses and as long as any Securities issued in connection with the Base Prospectuses are listed on any stock exchange or offered to the public, copies of this Supplement and of the Base Prospectuses, as supplemented, will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com) and via the Issuer's website [www.rbs.de/markets](http://www.rbs.de/markets) for investors in Germany, [www.rbsbank.at/markets](http://www.rbsbank.at/markets) for investors in Austria and [www.rbs.com/markets](http://www.rbs.com/markets) for all other investors (or any successor website).

The purpose of this Supplement is:

(i) to update certain information relating to the credit ratings of The Royal Bank of Scotland N.V. ("**RBS N.V.**") and the expected ratings of notes to be issued by The Royal Bank of Scotland plc ("**RBS**") in the future and rated by Moody's Investors Service Limited ("**Moody's Investors Service**") on an individual basis. Moody's Investors Service announced revisions to those ratings at 22.20 hours (British Summer Time) on 21 June 2012;

(ii) to provide information relating to an agreement with the United Kingdom Financial Services Authority in relation to interest rate swap products for small and medium enterprises which was published at 8.26 hours (British Summer Time) on 29 June 2012;

(iii) to update certain information relating to the proposed transfers of a substantial part of the business activities of RBS N.V. to RBS with respect to announcements made at 17.16 hours (British Summer Time) on 4 July 2012 and at 11.05 hours (British Summer Time) on 20 July 2012;

(iv) to update the Base Prospectuses with respect to the unaudited Interim Results 2012 of The Royal Bank of Scotland Group plc ("**RBSG**") which were published at 7.00 hours (British Summer Time) on 3 August 2012; and

(v) to update the Base Prospectuses with respect to certain information relating to the ongoing litigation and investigations in connection with the setting of the London Interbank Offered Rate (LIBOR) and to provide information in relation to a recent technology incident affecting the RBSG group, all of which was published at 7.00 hours (British Summer Time) on 3 August 2012.



1. In the Bonus Discount Base Prospectus 2009, Bonus Discount Base Prospectus 2010, Bonus Discount Base Prospectus 2011 and the ETN Fixed Maturity Base Prospectus 2010, in the section "**SUMMARY**", the paragraphs with the heading "**Proposed Transfer of Activities**" up to (and including) the paragraphs with the heading "**Risk Factors relating to RBS**" shall be replaced as follows:

**Proposed Transfer of Activities:**

On 19 April 2011, the Group announced that it had approved the proposed transfers of a substantial part of its business activities of RBS N.V. to RBS, (the "**Proposed Transfers**"). It is expected that the Proposed Transfers will be implemented on a phased basis over a period ending on 31 December 2013. A large part of the Proposed Transfers is expected to have taken place by the end of 2012. The Proposed Transfers include a proposal to change the issuer of a number of securities issued by RBS N.V. which will include some or all of the securities issued by RBS N.V. between 19 April 2011 and the date that the Proposed Transfers take effect.

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

On 26 March 2012, the Group announced that (1) RBS N.V. (as the demerging company) and RBS II B.V. (as the acquiring company) had that day filed a proposal with the Dutch Trade Register for a legal demerger and (2) following a preliminary hearing at the Court of Session in Scotland, RBS and RBS II B.V. had that day made filings with the Companies House in the UK and the Dutch Trade Register respectively for a proposed cross-border merger of RBS II B.V. into RBS (together with the proposal for the legal demerger, the "**Proposed Dutch Scheme**"). Upon implementation of the Proposed Dutch Scheme, a substantial part of the business conducted by RBS N.V. in the Netherlands as well as in certain branches of RBS N.V. located in a number of countries in Europe will be transferred to RBS (the "**Transferring Businesses**"). The Proposed Dutch Scheme will be implemented by the demerger of the transferring businesses into RBS II B.V. by way of a Dutch statutory demerger (the "**Demerger**"), followed by the merger of RBS II B.V. into RBS through a

cross-border merger (the "**Merger**"). RBS II B.V. is a Dutch company licensed as a bank in the Netherlands that has been established specifically for the purposes of the Proposed Dutch Scheme. Implementation of the Proposed Dutch Scheme is subject, amongst other matters, to regulatory and court approvals. If granted, the regulatory approvals will be granted on the basis that the Demerger will not proceed unless the Merger is to proceed thereafter. On 18 June 2012, the Court of Session in Scotland made an order, *inter alia*, approving the completion of the Merger for the purposes of Article 11 of Directive 2005/56/EC of the European Parliament and the Council of the European Union. On 4 July 2012, RBSG, RBS, RBS Holdings, RBS N.V. and RBS II B.V. decided that, as a result of technology issues which affected the RBSG Group in the UK and Ireland, it would be prudent to defer the implementation of the Proposed Dutch Scheme which was scheduled to take place on 9 July 2012. The FSA has been advised of the delay and has no objections. De Nederlandsche Bank is aware of the delay.

On 20 July 2012, RBSG, RBS, RBS Holdings, RBS N.V. and RBS II B.V. announced that the Proposed Dutch Scheme is now expected to be implemented on 10 September 2012, subject (among other matters) to regulatory approvals and the approval of the Court of Session in Scotland.

The Issuer will publish a supplement to the Base Prospectus if there is a change to this date.

As a result of the Proposed Dutch Scheme, RBS will become the issuer of certain securities originally issued by RBS N.V. Any liability of RBS Holdings under the Guarantee will, from the effective date of the Proposed Dutch Scheme, cease to apply in relation to any securities for which RBS will become the issuer.

On 23 March 2012, RBS N.V. and RBS published a list of securities of RBS N.V. for which it is possible that RBS will become the issuer of the Securities, accordingly, indicating whether or not RBS is expected to become the issuer of those securities pursuant to the Proposed Dutch

Scheme (subject to the relevant securities not having been exercised, redeemed or repurchased and cancelled prior to the implementation of the Proposed Dutch Scheme).

**Financial Information relating to the Issuer:**

According to the Abbreviated Financial Statements 2011 of the Issuer, the Issuer recorded a loss for 2011 of EUR 656 million. Its total assets were EUR 165 billion at 31 December 2011.

**General Information about RBS:**

RBS (together with its subsidiaries consolidated in accordance with International Financial Reporting Standards, the "**RBS Group**") is a public limited company incorporated in Scotland with registration number SC090312 and incorporated under Scots law on 31 October 1984. RBS is a wholly-owned subsidiary of RBSG.

According to the unaudited Interim Results 2012 of RBSG for the six months ended 30 June 2012, the RBSG Group had total assets of £1,415 billion and owners' equity of £74 billion as at 30 June 2012. The RBSG Group's capital ratios at that date were a total capital ratio of 14.6 per cent, a Core Tier 1 capital ratio of 11.1 per cent and a Tier 1 capital ratio of 13.4 per cent.

According to the Annual Report and Accounts 2011 of RBS, the RBS Group had total assets of £1,433 billion and shareholder's equity of £62 billion as at 31 December 2011. The RBS Group's capital ratios as at that date were a total capital ratio of 14.6 per cent, a Core Tier 1 capital ratio of 9.2 per cent and a Tier 1 capital ratio of 11.0 per cent.

**Rating of the Issuer:**

As at 28 August 2012, the credit ratings<sup>1</sup> of the Issuer assigned by Moody's Investors Service Ltd., London, United Kingdom ("**Moody's Investors Service**"), Standard & Poor's Credit Market Services Europe Limited, London, United Kingdom ("**Standard & Poor's**"), and Fitch Ratings Limited, London, United Kingdom ("**Fitch Ratings**"), are as follows:

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<sup>1</sup> The rating agencies set forth in this section are registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**Regulation**") as published on the website of the European Securities and Markets Authority pursuant to Article 18(3) of the Regulation.

	Long term	Short term	Outlook
Moody's Investors Service	A3	P-2	Negative
Standard & Poor's	A	A-1	Stable
Fitch Ratings	A	F1	Stable

- **Moody's Investors Service definitions**

Obligations rated "A" are considered upper-medium grade and are subject to low credit risk.

The rating system used by Moody's Investors Service for long-term obligations has various subcategories ranging from "Aaa" (describing obligations judged to be of the highest quality, with minimal credit risk), "Aa", "A", "Baa", "Ba", "B", "Caa" and "Ca" to "C", the lowest category representing long-term obligations that are typically in default, with little prospect for recovery of principal or interest. In addition, Moody's Investors Service appends numerical modifiers ("1", "2", and "3") to each generic rating classification from "Aa" through "Caa". The modifier "1" indicates that the respective long-term obligation ranks in the higher end of its generic rating category; the modifier "2" indicates a mid-range ranking, and the modifier "3" indicates a ranking in the lower end of that generic rating category.

Issuers rated "P-2" have a strong ability to repay short-term debt obligations.

The rating system used by Moody's Investors Service for short-term obligations has various subcategories ranging from "P-1", "P-2" and "P-3" to "NP", the lowest category representing issuers that do not fall within any of the "Prime" rating categories.

A rating outlook is an opinion regarding the likely direction of a rating over the medium term. Where assigned, rating outlooks fall into the following four categories: "Positive", "Negative", "Stable", and "Developing" (contingent upon

an event).

- ***Standard and Poor's definitions***

An obligor rated "A" by Standard & Poor's has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

The rating system used by Standard & Poor's for the capacity of an obligor to pay its financial obligations over a long-term horizon has various subcategories ranging from "AAA" (which is the highest quality rating), "AA", "A", "BBB"; "BB"; "B", "CCC", "CC", "R" and "SD" to "D", the lowest category indicating that Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. Plus ("+") or minus ("-") signs following ratings from the "AA" to "CCC" categories show the relative standing within the major rating categories.

An obligor rated "A-1" by Standard & Poor's has strong capacity to meet its financial commitments over a short-term time horizon. It is rated in the highest category by Standard & Poor's.

The rating system used by Standard & Poor's for short-term issuer credit ratings has various subcategories ranging from "A-1" (which is the highest quality rating), "A-2", "A-3", "B" "C", "R" and "SD" to "D", the lowest category indicating that Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due.

"Stable" means that a rating is not likely to change.

- ***Fitch Ratings definitions***

"A" ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

The rating system used by Fitch Ratings for long-term financial commitments has various subcategories ranging from "AAA" (which is the highest quality rating), "AA", "A", "BBB", "BB", "B", "CCC", "CC", "C", "RD" to "D", the lowest category indicating that the issuer in Fitch Ratings' opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business. The modifiers "+" or "-" may be appended to a rating to denote relative status within a major rating category. Such suffixes are not added to the "AAA" rating category or to the categories below "B".

An "F1" rating indicates the strongest intrinsic capacity for timely payment of short-term financial commitments.

The rating system used by Fitch Ratings for short-term liabilities has various subcategories ranging from "F1" (which is the highest quality rating), "F2", "F3", "B", "C" and "RD" to "D", the lowest category indicating a broad-based default event for an entity.

The rating definitions set out above were obtained in the English language from Moody's Investors Service ([www.moodys.com](http://www.moodys.com)), Standard & Poor's ([www.standardandpoors.com](http://www.standardandpoors.com)) and Fitch Ratings ([www.fitchratings.com](http://www.fitchratings.com)), respectively.

**Risk Factors:**

The purpose of the risk factors description is to protect potential purchasers of the Securities from making investments that are not suitable for their purposes as well as to set out economic and legal risks associated with an investment in the Securities. Potential purchasers of the Securities should be aware of the risks associated with an investment in the Securities before making an investment decision.

**Risk Factors relating to the Issuer and the Guarantor:**

The Group is reliant on the RBSG Group. Prospective investors should note that the Group is subject to certain risks specific to the RBSG Group including, without limitation, instability in the global financial markets, lack of liquidity, depressed asset valuations, geopolitical conditions, full nationalisation and other resolution

procedures under the United Kingdom Banking Act 2009 and risks related to the entry into the asset protection scheme. Accordingly, risk factors below which relate to RBSG and the RBSG Group will also be of relevance to the Issuer and the Group:

- The Group's businesses and performance can be negatively affected by actual or perceived global economic and financial market conditions and by other geopolitical risks.
- The Group's ability to meet its obligations including its funding commitments depends on the Group's ability to access sources of liquidity and funding.
- The execution and/or any delay in the execution (or non-completion) of the approved proposed transfers of a substantial part of the business activities of RBS N.V. to RBS may have a material adverse effect on the Group and may also negatively impact the value of securities issued by RBS N.V.
- If securities issued by RBS N.V. are transferred to RBS, the fact of such transfer and/or the fact that RBS is a Scottish incorporated company might impact holders of such securities, whether for tax reasons or otherwise.
- An extensive restructuring and balance sheet reduction programme of the RBSG Group is ongoing and may adversely affect the Group's business, results of operations, financial condition, capital ratios and liquidity and may also negatively impact the value of securities issued by RBS N.V.
- As a condition to the RBSG Group receiving Her Majesty's Treasury ("**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 financial performance of the Group has been, and continues to be, materially affected by deteriorations in borrower and counterparty credit quality and further

deteriorations, could arise due to prevailing economic and market conditions, and legal and regulatory developments.

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

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

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

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

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

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

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

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

- Each of the Group's businesses is subject to substantial regulation and oversight. Significant regulatory developments, including changes in tax law, could have



an adverse effect on how the Group conducts its business and on its results of operations and financial condition.

- The Group may be required to make further contributions to its pension schemes if the value of pension fund assets is not sufficient to cover potential obligations.
- Operational risks are inherent in the Group's businesses.
- The Group's operations have inherent reputational risk.
- The recoverability and regulatory capital treatment of certain deferred tax assets recognised by the Group depends on the Group's ability to generate sufficient future taxable profits and there being no adverse changes to tax legislation, regulatory requirements or accounting standards.
- In addition to the risk factors described above, the Group is also subject to additional risks related to the entry by RBSG Group into the asset protection scheme and the two back to back contracts (the "**Contracts**") entered into by RBS in connection with certain assets and exposures of RBS N.V. and its wholly-owned subsidiaries.
- The extensive governance, asset management and information requirements under the conditions of the asset protection scheme, 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 conditions of the asset protection scheme may have a negative impact on the expected benefits of the Contracts and may have an adverse impact on the Group.
- Any changes to the expected regulatory capital treatment of the Contracts may have a material adverse impact on the Group.
- 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.

## Risk Factors relating to RBS:

RBS is a principal operating subsidiary of RBSG and accounts for a substantial proportion of the consolidated assets, liabilities and operating profits of RBSG. Accordingly, risk factors below which relate to RBSG and the RBSG Group will also be of relevance to RBS and the RBS Group.

- The RBSG Group's businesses and performance can be negatively affected by actual or perceived global economic and financial market conditions and by other geopolitical risks.
- The RBSG Group's ability to meet its obligations including its funding commitments depends on the RBSG Group's ability to access sources of liquidity and funding.
- The Independent Commission on Banking which was appointed by the UK Government in June 2010 to review possible structural measures to reform the UK banking system has published its final report on competition and possible structural reforms in the UK banking industry (the "**Final Report**"). The Final Report made a number of recommendations, including in relation to (i) the implementation of a ring-fence of retail banking operations, (ii) increased loss-absorbency (including bail-in, i.e. the ability to write down debt or convert it into an issuer's ordinary shares in certain circumstances) and (iii) promotion of competition. The UK Government has indicated that it supports and intends to implement the recommendations substantially as proposed, which could have a material adverse effect on the RBSG Group.
- The RBSG Group's ability to implement its strategic plan depends on the success of the RBSG Group's refocus on its core strengths and its balance sheet reduction programme.
- The occurrence of a delay in the implementation of (or any failure to implement) the approved proposed transfers of a substantial part of the business activities of The Royal Bank of Scotland N.V. ("**RBS N.V.**") to RBS may have a material adverse effect on the RBSG Group.
- The RBSG Group is subject to a variety of risks as a

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

- RBSG and its United Kingdom bank subsidiaries may face the risk of full nationalisation or other resolution procedures under the Banking Act 2009 which may result in various actions being taken in relation to any Securities.
- The financial performance of the RBSG Group has been, and continues to be, materially affected by deteriorations in borrower and counterparty credit quality and further deteriorations could arise due to prevailing economic and market conditions, and legal and regulatory developments.
- The RBSG Group's earnings and financial condition have been, and its future earnings and financial condition may continue to be, materially affected by depressed asset valuations resulting from poor market conditions.
- The value or effectiveness of any credit protection that the RBSG Group has purchased depends on the value of the underlying assets and the financial condition of the insurers and counterparties.
- Changes in interest rates, foreign exchange rates, credit spreads, bond, equity and commodity prices, basis, volatility and correlation risks and other market factors have significantly affected and will continue to affect the RBSG Group's business and results of operations.
- The RBSG Group's borrowing costs, its access to the debt capital markets and its liquidity depend significantly on its and the United Kingdom Government's credit ratings.
- The RBSG Group's business performance could be adversely affected if its capital is not managed effectively or as a result of changes to capital adequacy and liquidity requirements.
- The RBSG Group is and may be subject to litigation

and regulatory investigations that may have a material impact on its business.

- The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgements and estimates that may change over time or may ultimately not turn out to be accurate.
- The RBSG Group operates in markets that are highly competitive and its business and results of operations may be adversely affected.
- The RBSG Group could fail to attract or retain senior management, which may include members of the board, or other key employees, and it may suffer if it does not maintain good employee relations.
- Each of the RBSG Group's businesses is subject to substantial regulation and oversight. Significant regulatory developments, including changes in tax law, could have an adverse effect on how the RBSG Group conducts its business and on its results of operations and financial condition.
- The RBSG Group's results could be adversely affected in the event of goodwill impairment.
- The RBSG Group may be required to make further contributions to its pension schemes if the value of pension fund assets is not sufficient to cover potential obligations.
- Operational risks are inherent in the RBSG Group's businesses.
- HM Treasury (or UK Financial Investments Limited on its behalf) may be able to exercise a significant degree of influence over the RBSG Group and any proposed offer or sale of its interests may affect the price of the Securities.
- The RBSG Group's operations have inherent reputational risk.
- In the United Kingdom and in other jurisdictions, the RBSG Group is responsible for contributing to

compensation schemes in respect of banks and other authorised financial services firms that are unable to meet their obligations to customers.

- The recoverability and regulatory capital treatment of certain deferred tax assets recognised by the RBSG Group depends on the RBSG Group's ability to generate sufficient future taxable profits and there being no adverse changes to tax legislation, regulatory requirements or accounting standards.
- The RBSG Group's participation in the UK asset protection scheme is costly and may not produce the benefits expected and the occurrence of associated risks may have a material adverse impact on the RBSG Group's business, capital position, financial condition and results of operations.
- The extensive governance, asset management and information requirements under the scheme conditions may have an adverse impact on the RBSG Group and the expected benefits of the asset protection scheme.
- Any changes to the expected regulatory capital treatment of the asset protection scheme, the B shares issued by RBSG and the contingent B shares that RBSG may issue may have a material adverse impact on the RBSG Group.
- RBS has entered into a credit derivative and a financial guarantee contract with RBS N.V. which may adversely affect the RBS Group's results.
- If the RBSG Group is unable to issue the contingent B shares to HM Treasury, it may have a material adverse impact on the RBSG Group's capital position, liquidity, operating results and future prospects.

2. In the Bonus Discount Base Prospectus 2012, in the section "**SUMMARY**" the third paragraph under the heading "**Proposed Transfer of Activities of RBS N.V. to RBS**" shall be replaced as follows:

On 26 March 2012, the Group announced that (1) RBS N.V. (as the demerging company) and RBS II B.V. (as the acquiring company) had that day filed a proposal with the Dutch Trade Register for a legal demerger and (2) following a preliminary hearing at the Court of Session in Scotland, RBS and RBS II B.V. had that day made filings with the Companies House in the UK and the Dutch Trade Register respectively for a proposed cross-border merger of RBS II B.V. into RBS (together with the proposal for the legal demerger, the "**Proposed Dutch Scheme**"). Upon implementation of the Proposed Dutch Scheme, a substantial part of the business conducted by RBS N.V. in the Netherlands as well as in certain branches of RBS N.V. located in a number of countries in Europe will be transferred to RBS (the "**Transferring Businesses**"). The Proposed Dutch Scheme will be implemented by the demerger of the transferring businesses into RBS II B.V. by way of a Dutch statutory demerger (the "**Demerger**"), followed by the merger of RBS II B.V. into RBS through a cross-border merger (the "**Merger**"). RBS II B.V. is a Dutch company licensed as a bank in the Netherlands that has been established specifically for the purposes of the Proposed Dutch Scheme. Implementation of the Proposed Dutch Scheme is subject, amongst other matters, to regulatory and court approvals. If granted, the regulatory approvals will be granted on the basis that the Demerger will not proceed unless the Merger is to proceed thereafter. On 18 June 2012, the Court of Session in Scotland made an order, *inter alia*, approving the completion of the Merger for the purposes of Article 11 of Directive 2005/56/EC of the European Parliament and the Council of the European Union. On 4 July 2012, RBSG, RBS, RBS Holdings, RBS N.V. and RBS II B.V. decided that, as a result of technology issues which affected the RBSG Group in the UK and Ireland, it would be prudent to defer the implementation of the Proposed Dutch Scheme which was scheduled to take place on 9 July 2012. The FSA has been advised of the delay and has no objections. De

Nederlandsche Bank is aware of the delay.

On 20 July 2012, RBSG, RBS, RBS Holdings, RBS N.V. and RBS II B.V. announced that the Proposed Dutch Scheme is now expected to be implemented on 10 September 2012, subject (among other matters) to regulatory approvals and the approval of the Court of Session in Scotland.

The Issuer will publish a supplement to the Base Prospectus if there is a change to this date.

3. In the Bonus Discount Base Prospectus 2009, Bonus Discount Base Prospectus 2010, Bonus Discount Base Prospectus 2011 and the ETN Fixed Maturity Base Prospectus 2010, in the section "**ZUSAMMENFASSUNG (GERMAN LANGUAGE VERSION OF THE SUMMARY)**", the paragraphs with the heading "**Geplante Übertragung von Aktivitäten**" up to (and including) the paragraphs with the heading "**Risikofaktoren in Bezug auf die RBS**" shall be replaced as follows:

**Geplante Übertragung von  
Aktivitäten:**

Am 19. April 2011 hat die Gruppe mitgeteilt, dass sie einer geplanten Übertragung eines wesentlichen Teils ihrer Geschäftsaktivitäten von der RBS N.V. auf die RBS zugestimmt hat (die „**Geplanten Übertragungen**“). Es wird erwartet, dass die Geplanten Übertragungen in mehreren Stufen bis zum 31. Dezember 2013 durchgeführt werden. Ein großer Teil der Geplanten Übertragungen soll den Planungen zufolge bis Ende 2012 erfolgt sein. Die Geplanten Übertragungen beinhalten eine Ersetzung der Emittentin für eine Vielzahl der von der RBS N.V. begebenen Wertpapiere. Dies wird auch für einen Teil oder alle der von der RBS N.V. zwischen dem 19. April 2011 und dem Zeitpunkt des Wirksamwerdens der Geplanten Übertragungen begebenen Wertpapiere gelten.

Am 17. Oktober 2011 hat die Gruppe die Übertragung wesentlicher Teile der englischen Geschäftstätigkeiten der RBS N.V. auf die RBS nach Teil VII des britischen *Financial Services and Markets Act 2000* abgeschlossen.

Am 26. März 2012 teilte die Gruppe mit, dass (1) die RBS N.V. (als abspaltende Gesellschaft) und die RBS II B.V. (als übernehmende Gesellschaft) an diesem Tag bei dem niederländischen Handelsregister einen Abspaltungsantrag eingereicht haben und (2) die RBS und die RBS II B.V. an diesem Tag nach einer vorläufigen Anhörung vor dem schottischen Zivilgerichtshof (*Court of Session*) Anträge auf eine geplante grenzüberschreitende Verschmelzung der RBS II B.V. auf die RBS (zusammen mit dem Abspaltungsantrag das „**Geplante Niederländische Verfahren**“) bei dem Companies House im Vereinigten Königreich bzw. dem niederländischen Handelsregister eingereicht haben. Nach Umsetzung des Geplanten



Niederländischen Verfahrens wird ein wesentlicher Teil der Geschäftstätigkeit der RBS N.V. in den Niederlanden sowie in bestimmten Niederlassungen der RBS N.V. in einer Reihe von Staaten in Europa auf die RBS übertragen (die „**Übertragenen Geschäftsbereiche**“). Die Umsetzung des Geplanten Niederländischen Verfahrens erfolgt durch Abspaltung der Übertragenen Geschäftsbereiche in die RBS II B.V. im Wege eines gesetzlich vorgesehenen Abspaltungsverfahrens in den Niederlanden (die „**Abspaltung**“) mit anschließender Verschmelzung der RBS II B.V. auf die RBS im Wege einer grenzüberschreitenden Verschmelzung (die „**Verschmelzung**“). Die RBS II B.V. ist eine in den Niederlanden als Bank zugelassene Gesellschaft, die eigens für Zwecke des Geplanten Niederländischen Verfahrens gegründet wurde. Die Umsetzung des Geplanten Niederländischen Verfahrens ist u.a. abhängig von aufsichtsrechtlichen und gerichtlichen Genehmigungen. Im Falle einer Gestattung werden die aufsichtsrechtlichen Genehmigungen unter dem Vorbehalt gewährt, dass die Abspaltung nicht vorgenommen wird, sofern nicht danach auch die Verschmelzung erfolgt. Am 18. Juni 2012 hat der schottische Zivilgerichtshof unter anderem die Durchführung der Verschmelzung nach Art. 11 der Richtlinie 2005/56/EG des Europäischen Parlaments und des Rates der Europäischen Union genehmigt.

Am 4. Juli 2012 haben die RBSG, RBS, RBS Holdings, RBS N.V. und RBS II B.V. beschlossen, die Umsetzung des Geplanten Niederländischen Verfahrens, die ursprünglich am 9. Juli 2012 erfolgen sollte, im Hinblick auf technische Probleme der RBSG-Gruppe im Vereinigten Königreich und in Irland vorsorglich zu verschieben. Die britische Finanzmarktaufsichtsbehörde (*Financial Services Authority*) wurde über die Verschiebung unterrichtet und hat keine Einwände. Die niederländische Zentralbank (*De Nederlandsche Bank*) wurde über die Verschiebung unterrichtet.

Am 20. Juli 2012 haben die RBSG, RBS, RBS Holdings, RBS N.V. und RBS II B.V. mitgeteilt, dass die Umsetzung des Geplanten Niederländischen Verfahrens voraussichtlich am 10. September 2012 stattfinden wird. Die Umsetzung zu diesem Datum ist unter anderem von aufsichtsbehördlichen Genehmigungen sowie der Genehmigung des Court of Session in Schottland abhängig.

Im Falle einer Änderung dieses Datums wird die Emittentin einen Nachtrag zu dem Basisprospekt veröffentlichen.

Als Folge des Geplanten Niederländischen Verfahrens wird die RBS für bestimmte, ursprünglich von der RBS N.V. begebene Wertpapiere als Emittentin an die Stelle der RBS N.V. treten. Für den Fall einer wirksamen Umsetzung des Geplanten Niederländischen Verfahrens enden sämtliche Verpflichtungen der RBS Holdings gemäß der Garantie in Bezug auf die Wertpapiere, die auf die RBS als neue Emittentin übergehen.

Entsprechend haben die RBS N.V. und die RBS am 23. März 2012 eine Liste mit bereits von der RBS N.V. begebenen Wertpapieren veröffentlicht, für die die Möglichkeit besteht, dass die RBS nach dem Geplanten Niederländischen Verfahren nachträglich zur Emittentin der Wertpapiere wird. Diese Liste bezeichnet die Wertpapiere, bei denen davon ausgegangen wird, dass die RBS nachträglich zur Emittentin für diese Wertpapiere wird (soweit diese Wertpapiere vor dem Geplanten Niederländischen Verfahren weder ausgeübt, noch gekündigt oder zurückgekauft und eingezogen wurden).

**Finanzangaben der Emittentin:**

Nach den verkürzten Finanzinformationen 2011 (*Abbreviated Financial Statements 2011*) der Emittentin verzeichnete die Emittentin für 2011 einen Verlust in Höhe von EUR 656 Mio. Ihre Gesamtvermögenswerte betragen EUR 165 Mrd. zum 31. Dezember 2011.

**Allgemeine Informationen über die RBS:**

Die RBS (zusammen mit ihren gemäß Internationalen Rechnungslegungsstandards (*International Financial*

*Reporting Standards*) konsolidierten Tochtergesellschaften, die „**RBS-Gruppe**“) ist eine Aktiengesellschaft, die in Schottland unter der Registrierungsnummer SC090312 eingetragen ist und am 31. Oktober 1984 nach schottischem Recht gegründet wurde. Die RBS ist eine hundertprozentige Tochtergesellschaft der RBSG.

Nach dem ungeprüften Zwischenbericht 2012 (*Interim Results 2012*) der RBSG für die am 30. Juni 2012 endenden sechs Monate betragen zum 30. Juni 2012 die Gesamtvermögenswerte der RBSG-Gruppe £1.415 Mrd., und das Eigenkapital der RBSG-Gruppe betrug £74 Mrd. Die Kapitalquoten der RBSG-Gruppe zu diesem Datum betragen 14,6% für die Gesamtkapitalquote, 11,1% für die Kernkapitalquote (*Core Tier 1*) und 13,4% für die Kapitalquote (*Tier 1*).

Nach dem Geschäftsbericht 2011 (*Annual Report and Accounts 2011*) der RBS betragen die Gesamtvermögenswerte der RBS-Gruppe zum 31. Dezember 2011 £1.433 Mrd., und das Eigenkapital betrug £62 Mrd. Die Kapitalquoten der RBS-Gruppe zu diesem Datum betragen 14,6% für die Gesamtkapitalquote, 9,2% für die Kernkapitalquote (*Core Tier 1*) und 11,0% für die Kapitalquote (*Tier 1*).

**Rating der Emittentin:**

Zum 28. August 2012 lauten die Kreditratings<sup>2</sup> der Emittentin, die durch Moody's Investors Service Ltd., London, Vereinigtes Königreich („**Moody's Investors Service**“), Standard & Poor's Credit Market Services Europe Limited, London, Vereinigtes Königreich („**Standard & Poor's**“), und Fitch Ratings Limited, London, Vereinigtes Königreich („**Fitch Ratings**“), vergeben wurden, wie folgt:

	Langfristig	Kurzfristig	Ausblick
Moody's Investors Service	A3	P-2	Negativ

<sup>2</sup> Die in diesem Abschnitt aufgeführten Ratingagenturen sind gemäß der Verordnung (EG) Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009 über Ratingagenturen (die „**Verordnung**“) registriert, wie auf der Internetseite der European Securities and Markets Authority gemäß Artikel 18(3) der Verordnung veröffentlicht.

Standard & Poor's	A	A-1	Stabil
Fitch Ratings	A	F1	Stabil

- **Moody's Investors Service Definitionen**

Verbindlichkeiten, die mit „A“ eingestuft sind, werden als Verbindlichkeiten der „oberen Mittelklasse“ zugerechnet und bergen ein geringes Kreditrisiko.

Die von Moody's Investors Service verwendete Rating-Skala für langfristige Verbindlichkeiten hat verschiedene Kategorien und reicht von „Aaa“, die die Kategorie höchster Qualität mit einem minimalen Kreditrisiko bezeichnet, über die Kategorien „Aa“, „A“, „Baa“, „Ba“, „B“, „Caa“, „Ca“, bis zur niedrigsten Kategorie „C“, die langfristige Verbindlichkeiten bezeichnet, bei denen ein Zahlungsausfall in der Regel bereits eingetreten ist und eine geringe Aussicht auf Rückzahlung von Kapital und Zinsen besteht. Moody's Investors Service verwendet innerhalb der Kategorien „Aa“ bis „Caa“ zusätzlich numerische Unterteilungen („1“, „2“ oder „3“). Der Zusatz „1“ weist darauf hin, dass die jeweilige langfristige Verbindlichkeit zum oberen Drittel der jeweiligen Rating-Kategorie gehört, während der Zusatz „2“ auf eine Klassifizierung im mittleren Drittel und der Zusatz „3“ auf eine solche im unteren Drittel hinweist.

Emittenten mit der Einstufung „P-2“ verfügen in hohem Maße über die Fähigkeit, ihre kurzfristigen Schuldverschreibungen zurückzuzahlen.

Die von Moody's Investors Service verwendete Rating-Skala für die Fähigkeit eines Emittenten zur Erfüllung seiner kurzfristigen Finanzverbindlichkeiten hat verschiedene Kategorien und reicht von „P-1“ über die Kategorien „P-2“ und „P-3“ bis zur niedrigsten Kategorie „NP“, die verdeutlicht, dass ein Emittent zu keiner der „Prime“-Rating-Kategorien gehört.

Ein Rating-Ausblick ist eine Meinung über die Richtung, in die sich ein Rating mittelfristig voraussichtlich entwickeln wird. Die Ausblicke werden in die folgenden

vier Kategorien unterteilt: „positiv“, „negativ“, „stabil“ und „noch unbestimmt“ (d. h. ereignisabhängig).

- **Standard and Poor's Definitionen**

Die Fähigkeit eines Schuldners mit einem Standard & Poor's-Rating von „A“, seine finanziellen Verpflichtungen zu erfüllen, ist stark, aber etwas anfälliger gegenüber nachteiligen Auswirkungen von Veränderungen äußerer Umstände und wirtschaftlicher Bedingungen als bei Schuldnern, die in einer höheren Rating-Kategorie eingestuft sind.

Die von Standard & Poor's verwendete Rating-Skala für die langfristige Fähigkeit eines Schuldners zur Erfüllung seiner Verbindlichkeiten hat verschiedene Rating-Kategorien und reicht von „AAA“, die die Kategorie höchster Bonität bezeichnet, über die Kategorien „AA“, „A“, „BBB“, „BB“, „B“, „CCC“, „CC“, „R“ und „SD“ bis zur niedrigsten Kategorie „D“, die kennzeichnet, dass Standard & Poor's davon ausgeht, dass der Zahlungsausfall einen allgemeinen Ausfall darstellen wird und Zahlungsausfälle bei allen oder nahezu allen fälligen Verpflichtungen des Schuldners eintreten werden. Den Kategorien „AA“ bis „CCC“ kann jeweils ein Pluszeichen („+“) oder Minuszeichen („-“) hinzugefügt werden, um die relative Stellung innerhalb der Haupt-Rating-Kategorien zu verdeutlichen.

Die kurzfristige Fähigkeit eines Schuldners zur Erfüllung seiner finanziellen Verpflichtungen mit einem „A-1“-Rating ist stark. Er ist mit der höchsten Rating-Kategorie von Standard & Poor's bewertet.

Die von Standard & Poor's verwendete Rating-Skala für die kurzfristige Fähigkeit eines Schuldners zur Erfüllung seiner Verbindlichkeiten hat verschiedene Rating-Kategorien und reicht von „A-1“, welche die Kategorie höchsten Bonität bezeichnet, über die Kategorien „A-2“, „A-3“, „B“, „C“, „R“ und „SD“ bis zur niedrigsten Kategorie „D“, die kennzeichnet, dass Standard & Poor's davon ausgeht, dass der Zahlungsausfall einen allgemeinen Ausfall darstellen wird und Zahlungsausfälle bei allen oder nahezu allen fälligen

Verpflichtungen des Schuldners eintreten werden.

„Stabil“ bedeutet, dass sich die Bonitätseinstufung voraussichtlich nicht ändern wird.

- ***Fitch Ratings Definitionen***

Ein „A“-Rating steht für ein gering eingeschätztes Kreditrisiko. Es bezeichnet eine gute Fähigkeit zur fristgerechten Zahlung der Verbindlichkeiten. Diese Fähigkeit ist jedoch durch ungünstige geschäftliche oder wirtschaftliche Ereignisse mehr gefährdet als bei höheren Ratings.

Die von Fitch Ratings verwendete Rating-Skala für langfristige Verbindlichkeiten hat verschiedene Kategorien und reicht von „AAA“, die für die höchste Kreditqualität steht, über die Kategorien „AA“, „A“, „BBB“, „BB“, „B“, „CCC“, „CC“, „C“, „RD“ bis zur niedrigsten Kategorie „D“, die nach Fitch Ratings' Einschätzung kennzeichnet, dass ein Emittent sich in einem Insolvenzverfahren, unter Zwangsverwaltung, in einem Vergleichsverfahren, in Auflösung oder einem anderen formellen Verfahren zur Abwicklung befindet oder in sonstiger Weise seine Geschäftstätigkeit eingestellt hat. Den Kategorien kann jeweils ein Plus- („+“) oder Minuszeichen („-“) beigefügt werden, um eine relative Einordnung innerhalb der Haupt-Rating-Kategorien auszudrücken. Solche Zusätze werden nicht der Rating-Kategorie „AAA“ oder den Rating-Kategorien unter „B“ beigefügt.

Ein „F1“-Rating bezeichnet die beste Fähigkeit für eine fristgerechte Zahlung der kurzfristigen Verbindlichkeiten.

Die von Fitch Ratings verwendete Rating-Skala für kurzfristige Verbindlichkeiten hat verschiedene Kategorien und reicht von „F1“, die für die höchste Kreditqualität steht, über die Kategorien „F2“, „F3“, „B“, „C“ und „RD“ bis zur niedrigsten Kategorie „D“, die einen weitgehenden Zahlungsausfall eines Schuldners kennzeichnet.

Die oben aufgeführten Rating-Definitionen stammen in englischer Sprache von der jeweiligen Internetseite von

Moody's Investors Service ([www.moody.com](http://www.moody.com)), Standard & Poor's ([www.standardandpoors.com](http://www.standardandpoors.com)) bzw. Fitch Ratings ([www.fitchratings.com](http://www.fitchratings.com)).

**Risikofaktoren:**

Ziel der Beschreibung der Risikofaktoren ist es, potenzielle Käufer der Wertpapiere vor der Tatigung von Anlagen zu schutzen, die nicht fur ihre Zwecke geeignet sind, sowie die wirtschaftlichen und rechtlichen Risiken, die mit einer Anlage in die Wertpapiere verbunden sind, aufzuzeigen. Potenzielle Kaufer der Wertpapiere sollten vor einer Anlageentscheidung die mit einer Anlage in die Wertpapiere verbundenen Risiken bedenken.

**Risikofaktoren in Bezug auf die Emittentin und die Garantin:**

Die Gruppe ist abhangig von der RBSG-Gruppe. Potenzielle Anleger sollten beachten, dass die Gruppe bestimmten Risiken der RBSG-Gruppe ausgesetzt ist, unter anderem der Instabilitat der globalen Finanzmarkte, fehlender Liquiditat, niedriger Bewertung von Vermogenswerten, geopolitischen Bedingungen, vollstandiger Verstaatlichung und anderen Manahmen nach dem britischen *Banking Act 2009* sowie anderen Risiken, die sich aus dem staatlichen Schutzprogramm fur Risiken aus bestimmten Vermogenswerten (*asset protection scheme*) ergeben. Daher sind die nachfolgenden Risikofaktoren, die sich auf die RBSG und die RBSG-Gruppe beziehen, auch fur die Emittentin und die Gruppe von Bedeutung:

- Die Geschaftslage und Geschaftsentwicklung der Gruppe kann durch bestehende und erwartete Bedingungen der Weltwirtschaft und der globalen Finanzmarkte und durch andere geopolitische Risiken negativ beeintrachtigt werden.
- Bei der Erfullung ihrer Verpflichtungen einschlielich ihrer Finanzierungszusagen ist die Gruppe abhangig von ihrem Zugang zu Liquiditat und zu Finanzierungsmoglichkeiten.
- Die Durchfuhrung der genehmigten und geplanten Ubertragung, eine Verzogerung der Durchfuhrung oder ein Scheitern der Ubertragung wesentlicher Teile der Geschaftstatigkeiten der RBS N.V. auf die RBS kann

erhebliche nachteilige Auswirkungen auf die Gruppe haben und ebenfalls den Wert der von der RBS N.V. ausgegebenen Wertpapiere negativ beeinflussen.

- Wenn von der RBS N.V. begebene Wertpapiere auf die RBS übertragen werden, kann dieser Umstand und/oder der Umstand, dass es sich bei der RBS um ein in Schottland errichtetes Unternehmen handelt, steuerliche oder andere Auswirkungen auf den Inhaber dieser Wertpapiere haben.
- Ein umfangreiches Programm der RBSG-Gruppe zur Restrukturierung und Verkürzung der Bilanz dauert an und kann den Geschäftsbetrieb der Gruppe, die Betriebsergebnisse, die Finanzlage, die Eigenkapitalquoten und die Liquidität beeinträchtigen sowie den Wert von Wertpapieren nachteilig beeinflussen, die von der RBS N.V. begeben wurden.
- Um die Unterstützung des britischen Schatzamts (*HM Treasury*) für die RBSG-Gruppe zu erhalten, ist es der Gruppe untersagt, in ihrem Ermessen stehende Zahlungen auf Coupons zu leisten und Ankaufsoptionen in Bezug auf bestimmte bestehende hybride Kapitalinstrumente der Gruppe auszuüben. Dies kann die Fähigkeit der Gruppe zur Gewinnung neuen Kapitals im Wege der Ausgabe von Wertpapieren beeinträchtigen.
- Die finanzielle Entwicklung der Gruppe wurde und wird weiterhin durch die Verschlechterung der Kreditqualität von Schuldnern und Vertragsparteien erheblich beeinträchtigt und könnte sich aufgrund der vorherrschenden Wirtschafts- und Marktverhältnisse sowie rechtlicher und regulatorischer Entwicklungen weiter verschlechtern.
- Die Ertrags- und Finanzlage der Gruppe wurde durch die sich aus dem schwachen Marktumfeld ergebende niedrige Vermögensbewertung erheblich beeinträchtigt und kann dadurch weiter erheblich beeinträchtigt werden.
- Änderungen der Zinssätze, Wechselkurse, Credit



Spreads, Anleihe-, Aktien- und Rohstoffpreise, Basis-, Volatilitäts- und Korrelationsrisiken sowie anderer Marktfaktoren haben das Geschäft sowie das Betriebsergebnis der Gruppe wesentlich beeinträchtigt und werden sie weiter beeinträchtigen.

- Die Fremdfinanzierungskosten der Gruppe, ihr Zugang zu den Anleihekapitalmärkten sowie ihre Liquidität hängen entscheidend von dem Kreditrating der Gruppe ab.
- Die Geschäftsentwicklung der Gruppe kann beeinträchtigt werden, wenn ihr Kapital nicht effizient verwaltet wird oder wenn Kapitaladäquanz- und Liquiditätsanforderungen geändert werden.
- Die Gruppe ist Rechtsstreitigkeiten und aufsichtsrechtlichen Untersuchungen ausgesetzt und kann dies auch in Zukunft sein, was zu wesentlichen Geschäftsbeeinträchtigungen führen kann.
- Bestimmte Finanzinstrumente werden zum Marktwert angesetzt, der mithilfe von Finanzmodellen ermittelt wird, die Annahmen, Beurteilungen und Schätzungen beinhalten, die sich im Verlauf der Zeit ändern können oder die sich als nicht richtig herausstellen.
- Die Gruppe ist in sehr kompetitiven Märkten tätig, und ihr Geschäft und ihr Betriebsergebnis könnten negativ beeinträchtigt werden.
- Es ist möglich, dass es der Gruppe nicht gelingt, Führungskräfte (einschließlich der Mitglieder des Aufsichtsrates und des Vorstandes der Gruppe und anderen Mitarbeitern in Schlüsselpositionen) zu gewinnen oder zu halten, und sie könnte Schaden erleiden, wenn sie kein gutes Verhältnis zu ihren Arbeitnehmern unterhält.
- Alle Geschäftsbereiche der Gruppe sind weitgehend reguliert und beaufsichtigt. Wesentliche aufsichtsrechtliche und steuerrechtliche Veränderungen könnten sich nachteilig auf die Geschäftstätigkeit sowie das Betriebsergebnis und die Finanzlage der Gruppe

auswirken.

- Es kann sein, dass die Gruppe weitere Beiträge für ihr Pensionssystem aufbringen muss, wenn der Wert der Vermögenswerte in Pensionsfonds nicht ausreichend ist, um potenzielle Verbindlichkeiten zu decken.
- Das Geschäft der Gruppe birgt betriebsbedingte Risiken.
- Die Geschäftstätigkeit der Gruppe unterliegt damit verbundenen Reputationsrisiken.
- Die Werthaltigkeit und die aufsichtsrechtliche Eigenkapitalbehandlung bestimmter von der Gruppe berücksichtigter latenter Steueransprüche hängt von der Fähigkeit der Gruppe ab, ausreichende zukünftige steuerpflichtige Gewinne zu erzielen und davon, dass sich Steuergesetzgebung, aufsichtsrechtliche Anforderungen und Bilanzierungsgrundsätze nicht in nachteiliger Weise ändern.
- Zusätzlich zu den oben beschriebenen Risikofaktoren unterliegt die Gruppe Risiken, die sich aus der Beteiligung der RBSG-Gruppe an dem staatlichen Schutzprogramm für Risiken aus bestimmten Vermögenswerten (*asset protection scheme*) sowie aus zwei Absicherungsverträgen (die „**Absicherungsverträge**“), die von der RBS in Verbindung mit bestimmten, der RBS N.V. und ihren hundertprozentigen Tochtergesellschaften zuzurechnenden Vermögenswerten und Risikopositionen abgeschlossen wurden, ergeben.
- Die umfangreichen Anforderungen an die Unternehmensleitung, die Verwaltung von Vermögenswerten und im Hinblick auf Informationspflichten, denen die Gruppe unter den Bedingungen des Schutzprogramms für Risiken aus bestimmten Vermögenswerten unterliegt bzw. deren mögliche Einhaltung durch die RBS sie nach den Absicherungsverträgen sicherstellen muss, können negative Auswirkungen auf die Gruppe haben. Zudem

kann jede Änderung oder Modifizierung der Bedingungen des Schutzprogramms für Risiken aus bestimmten Vermögenswerten negative Auswirkungen auf die erwarteten Vorteile aus den Absicherungsverträgen und damit auf die Gruppe haben.

- Jegliche Änderungen in Bezug auf die regulatorische Behandlung von Kapital nach den Absicherungsverträgen kann wesentliche negative Auswirkungen auf die Gruppe haben.

- Die rechtliche Abspaltung der ABN AMRO Bank N.V. (damaliger Firmenname) hat wechselseitige Haftungsverhältnisse zur Folge, die die rechtlichen Rückgriffsmöglichkeiten für Anleger verändern.

**Risikofaktoren in Bezug auf die RBS:**

RBS ist eine der wichtigsten operativen Tochtergesellschaften der RBSG, auf die ein wesentlicher Teil der konsolidierten Vermögenswerte, Verbindlichkeiten und Geschäftsgewinne der RBSG entfällt. Daher sind die nachfolgenden Risikofaktoren, die sich auf die RBSG und die RBSG-Gruppe beziehen, auch für die RBS und die RBS-Gruppe von Bedeutung.

- Die Geschäfte und die Entwicklung der RBSG-Gruppe können durch die tatsächlichen oder vermuteten weltweiten wirtschaftlichen und finanziellen Marktbedingungen sowie durch andere geopolitische Risiken beeinträchtigt werden.

- Die Fähigkeit der RBSG-Gruppe, ihre Verpflichtungen, einschließlich ihrer Refinanzierungsanforderungen, zu erfüllen, hängt von der Fähigkeit der RBSG-Gruppe ab, Zugang zu Liquidität und Refinanzierungsmöglichkeiten zu erhalten.

- Die Unabhängige Kommission zum Bankwesen (*Independent Commission on Banking*), die durch die Regierung des Vereinigten Königreichs im Juni 2010 eingesetzt wurde, um mögliche Strukturmaßnahmen zur Reform des Bankensystems im Vereinigten Königreich zu prüfen, hat ihren Abschlussbericht zum Wettbewerb und zu möglichen Strukturreformen in der Bankindustrie im Vereinigten Königreich (der „**Abschlussbericht**“)

veröffentlicht. Der Abschlussbericht enthält eine Reihe von Empfehlungen, u.a. im Hinblick auf (i) die Abschirmung der Bankgeschäftstätigkeit mit Privatkunden, (ii) die Erhöhung der Fähigkeit zur Verlustaufnahme (sogenanntes „bail-in“, durch bspw. die Möglichkeit, Verluste abzuschreiben oder diese unter bestimmten Umständen in Stammaktien des Emittenten zu wandeln) und (iii) die Förderung des Wettbewerbs. Die Regierung des Vereinigten Königreichs hat angedeutet, dass sie die Empfehlungen weitgehend wie vorgeschlagen unterstützt und beabsichtigt, sie umzusetzen; dies könnte die RBSG Gruppe erheblich beeinträchtigen.

- Die Fähigkeit der RBSG-Gruppe, ihren Strategieplan umzusetzen, hängt von dem Erfolg der RBSG-Gruppe ab, sich wieder auf ihre Kernstärken und ihr Programm zur Verkürzung ihrer Bilanz zu konzentrieren.
- Die Verschiebung der Umsetzung (oder ein Scheitern der Umsetzung) der genehmigten vorgesehenen Übertragungen eines wesentlichen Teils der Geschäftstätigkeiten der The Royal Bank of Scotland N.V. („**RBS N.V.**“) auf die RBS kann die RBSG-Gruppe wesentlich beeinträchtigen.
- Die RBSG-Gruppe unterliegt einer Vielzahl von Risiken, die sich aus der Umsetzung des Restrukturierungsplans im Zusammenhang mit der Staatshilfe ergeben, und sie darf keine im Ermessen stehende Dividenden- und Zinszahlungen auf Hybridkapitalinstrumente (einschließlich Vorzugsaktien und B-Aktien) leisten. Dies kann die Fähigkeit der Gruppe beeinträchtigen, neues Kernkapital zu beschaffen.
- Die RBSG und ihre Banktochtergesellschaften im Vereinigten Königreich können dem Risiko der vollständigen Verstaatlichung oder anderen Auflösungsverfahren nach dem englischen Bankgesetz von 2009 (*Banking Act 2009*) ausgesetzt sein, was verschiedene Maßnahmen hinsichtlich der Wertpapiere

zur Folge haben kann.

- Die finanzielle Entwicklung der RBSG-Gruppe wurde und wird weiter durch die Verschlechterung der Kreditqualität von Schuldnern und Geschäftspartnern erheblich beeinträchtigt, und weitere Verschlechterungen könnten durch die vorherrschenden Wirtschafts- und Marktverhältnisse sowie rechtliche und regulatorische Entwicklungen eintreten.
- Die Ertrags- und Finanzlage der RBSG-Gruppe wurde durch die sich aus dem schwachen Marktumfeld ergebende niedrige Vermögensbewertung erheblich beeinträchtigt und kann dadurch weiter erheblich beeinträchtigt werden.
- Der Wert und die Wirksamkeit eines Kreditschutzes, den die RBSG-Gruppe gekauft hat, hängt von dem Wert der zugrunde liegenden Vermögenswerte sowie von der Finanzlage der Versicherer und Geschäftspartner ab.
- Änderungen der Zinssätze, Wechselkurse, Credit Spreads, Anleihe-, Aktien- und Rohstoffpreise, Basis-, Volatilitäts- und Korrelationsrisiken sowie anderer Marktfaktoren haben das Geschäft sowie das Betriebsergebnis der RBSG-Gruppe wesentlich beeinträchtigt und werden sie weiter beeinträchtigen.
- Die Fremdfinanzierungskosten der RBSG-Gruppe, ihr Zugang zu den Anleihekapitalmärkten sowie ihre Liquidität hängen entscheidend von dem Kreditrating der RBSG-Gruppe sowie von dem Kreditrating des britischen Staates ab.
- Die Geschäftsentwicklung der RBSG-Gruppe kann beeinträchtigt werden, wenn ihr Kapital nicht effizient verwaltet wird oder wenn Kapitaladäquanz- und Liquiditätsanforderungen geändert werden.
- Die RBSG-Gruppe ist Rechtsstreitigkeiten und aufsichtsrechtlichen Untersuchungen ausgesetzt und kann dies auch in Zukunft sein, was zu wesentlichen Geschäftsbeeinträchtigungen führen kann.
- Bestimmte Finanzinstrumente werden zum

Marktwert angesetzt, der mithilfe von Finanzmodellen ermittelt wird, die Annahmen, Beurteilungen und Schätzungen beinhalten, die sich im Verlauf der Zeit ändern oder die sich als nicht richtig herausstellen können.

- Die RBSG-Gruppe ist in sehr kompetitiven Märkten tätig, und ihr Geschäft sowie ihr Betriebsergebnis können beeinträchtigt werden.
- Es ist möglich, dass es der RBSG-Gruppe nicht gelingt, Führungskräfte (einschließlich Verwaltungsratsmitgliedern und anderen Mitarbeitern in Schlüsselpositionen) zu gewinnen oder zu halten, und sie könnte Schaden erleiden, wenn sie kein gutes Verhältnis zu ihren Arbeitnehmern unterhält.
- Alle Geschäftsbereiche der RBSG-Gruppe sind weitgehend reguliert und beaufsichtigt. Wesentliche aufsichtsrechtliche Veränderungen (einschließlich Änderungen des Steuerrechts) könnten sich nachteilig auf die Geschäftstätigkeit sowie das Betriebsergebnis und die Finanzlage der RBSG-Gruppe auswirken.
- Die Ergebnisse der RBSG-Gruppe könnten durch eine Wertminderung des Goodwill beeinträchtigt werden.
- Es kann sein, dass die RBSG-Gruppe weitere Beiträge für ihr Pensionssystem aufbringen muss, wenn der Wert der Vermögenswerte in Pensionsfonds nicht ausreichend ist, um potenzielle Verbindlichkeiten zu decken.
- Das Geschäft der RBSG-Gruppe birgt betriebsbedingte Risiken.
- Das britische Schatzamt (*HM Treasury*) (bzw. die UK Financial Investments Limited als Vertreter) kann einen wesentlichen Einfluss auf die RBSG-Gruppe ausüben, und ein eventuelles Angebot bzw. eine eventuelle Veräußerung seiner Beteiligung kann den Preis der Wertpapiere beeinträchtigen.
- Die Geschäftstätigkeit der RBSG-Gruppe unterliegt

damit verbundenen Reputationsrisiken.

- Im Vereinigten Königreich sowie in anderen Jurisdiktionen muss die RBSG-Gruppe Beiträge zu dem Entschädigungssystem für Banken und andere zugelassene Finanzdienstleistungsunternehmen leisten, die ihre Verbindlichkeiten gegenüber ihren Kunden nicht erfüllen können.
- Die Werthaltigkeit und die aufsichtsrechtliche Eigenmittelbehandlung bestimmter von der RBSG-Gruppe berücksichtigter latenter Steueransprüche hängt von der Fähigkeit der RBSG-Gruppe ab, ausreichende zukünftige steuerpflichtige Gewinne zu erzielen und davon, dass sich Steuergesetzgebung, aufsichtsrechtliche Anforderungen und Bilanzierungsgrundsätze nicht in nachteiliger Weise ändern.
- Die Beteiligung der RBSG-Gruppe an dem staatlichen britischen Schutzprogramm für Risiken aus bestimmten Vermögenswerten (asset protection scheme) ist teuer und könnte nicht die erwarteten Vorteile erzielen. Der Eintritt von dazugehörigen Risiken kann das Geschäft, die Kapitalsituation, die Finanzlage und das Betriebsergebnis der RBSG-Gruppe wesentlich beeinträchtigen.
- Die umfangreichen Anforderungen an die Unternehmensführung (Governance) und Verwaltung von Vermögenswerten sowie die umfangreichen Informationsanforderungen gemäß den Bedingungen des Programms (scheme) können sich negativ auf die RBSG-Gruppe und die erwarteten Vorteile des staatlichen Schutzprogramms für Risiken aus bestimmten Vermögenswerten auswirken.
- Änderungen der erwarteten aufsichtsrechtlichen Eigenmittelbehandlung des staatlichen Schutzprogramms für Risiken aus bestimmten Vermögenswerten, der von der RBSG ausgegebenen B-Aktien und der bedingten B-Aktien, die die RBSG ausgeben kann, können die RBSG-Gruppe erheblich

beeinträchtigen.

- Die RBS hat ein Kreditderivat und einen Finanzgarantievertrag mit der RBS N.V. abgeschlossen, die die Ergebnisse der RBS-Gruppe beeinträchtigen können.
- Falls die RBSG-Gruppe keine bedingten B-Aktien an das britische Schatzamt ausgeben kann, kann dies die Kapitalsituation, die Liquidität, das Betriebsergebnis und die zukünftigen Aussichten der RBSG-Gruppe erheblich beeinträchtigen.



4. In the Bonus Discount Base Prospectus 2012, in the section "**ZUSAMMENFASSUNG (GERMAN LANGUAGE VERSION OF THE SUMMARY)**" the third paragraph under the heading "**Geplante Übertragung von Aktivitäten der RBS N.V. auf die RBS**" shall be replaced as follows:

Am 26. März 2012 teilte die Gruppe mit, dass (1) die RBS N.V. (als abspaltende Gesellschaft) und die RBS II B.V. (als übernehmende Gesellschaft) an diesem Tag bei dem niederländischen Handelsregister einen Abspaltungsantrag eingereicht haben und (2) die RBS und die RBS II B.V. an diesem Tag nach einer vorläufigen Anhörung vor dem schottischen Zivilgerichtshof (*Court of Session*) Anträge auf eine geplante grenzüberschreitende Verschmelzung der RBS II B.V. auf die RBS (zusammen mit dem Abspaltungsantrag das „**Geplante Niederländische Verfahren**“) bei dem Companies House im Vereinigten Königreich bzw. dem niederländischen Handelsregister eingereicht haben. Nach Umsetzung des Geplanten Niederländischen Verfahrens wird ein wesentlicher Teil der Geschäftstätigkeit der RBS N.V. in den Niederlanden sowie in bestimmten Niederlassungen der RBS N.V. in einer Reihe von Staaten in Europa auf die RBS übertragen (die „**Übertragenen Geschäftsbereiche**“). Die Umsetzung des Geplanten Niederländischen Verfahrens erfolgt durch Abspaltung der Übertragenen Geschäftsbereiche in die RBS II B.V. im Wege eines gesetzlich vorgesehenen Abspaltungsverfahrens in den Niederlanden (die „**Abspaltung**“) mit anschließender Verschmelzung der RBS II B.V. auf die RBS im Wege einer grenzüberschreitenden Verschmelzung (die „**Verschmelzung**“). Die RBS II B.V. ist eine in den Niederlanden als Bank zugelassene Gesellschaft, die eigens für Zwecke des Geplanten Niederländischen Verfahrens gegründet wurde. Die Umsetzung des Geplanten Niederländischen Verfahrens ist u.a. abhängig von aufsichtsrechtlichen und gerichtlichen Genehmigungen. Im Falle einer Gestattung werden die aufsichtsrechtlichen Genehmigungen unter dem Vorbehalt gewährt, dass die Abspaltung nicht vorgenommen wird, sofern nicht danach auch die Verschmelzung erfolgt. Am 18. Juni 2012 hat der

schottische Zivilgerichtshof unter anderem die Durchführung der Verschmelzung nach Art. 11 der Richtlinie 2005/56/EG des Europäischen Parlaments und des Rates der Europäischen Union genehmigt.

Am 4. Juli 2012 haben die RBSG, RBS, RBS Holdings, RBS N.V. und RBS II B.V. beschlossen, die Umsetzung des Geplanten Niederländischen Verfahrens, die ursprünglich am 9. Juli 2012 erfolgen sollte, im Hinblick auf technische Probleme der RBSG-Gruppe im Vereinigten Königreich und in Irland vorsorglich zu verschieben. Die britische Finanzmarktaufsichtsbehörde (*Financial Services Authority*) wurde über die Verschiebung unterrichtet und hat keine Einwände. Die niederländische Zentralbank (*De Nederlandsche Bank*) wurde über die Verschiebung unterrichtet.

Am 20. Juli 2012 haben die RBSG, RBS, RBS Holdings, RBS N.V. und RBS II B.V. mitgeteilt, dass die Umsetzung des Geplanten Niederländischen Verfahrens voraussichtlich am 10. September 2012 stattfinden wird. Die Umsetzung zu diesem Datum ist unter anderem von aufsichtsbehördlichen Genehmigungen sowie der Genehmigung des Court of Session in Schottland abhängig.

Im Falle einer Änderung dieses Datums wird die Emittentin einen Nachtrag zu dem Basisprospekt veröffentlichen.

5. In the Bonus Discount Base Prospectus 2009, Bonus Discount Base Prospectus 2010, Bonus Discount Base Prospectus 2011 and the ETN Fixed Maturity Base Prospectus 2010, in the section "INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE GUARANTEE" the subsections "RBS N.V. Registration Document", "Proposed Dutch Scheme", "Additional Information about the Issuer and the Guarantor", "Significant changes" and "Rating of the Issuer" shall be replaced as follows:

### **RBS N.V. Registration Document**

The required information about The Royal Bank of Scotland N.V. acting either through its principal office in the Netherlands or through its London branch or any other branch, as specified in the Final Terms, as issuer of the Securities (the "Issuer") and RBS Holdings N.V. as guarantor (the "Guarantor" or "RBS Holdings") for all liabilities of the Issuer incurred in connection with legal acts performed by the Issuer after 15 June 1998 (the "Guarantee") as well as the Guarantee is contained in the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 28 March 2012 (the "RBS N.V. Registration Document").

As a result of the Proposed Dutch Scheme (as defined and further set out in the subsection "Proposed Dutch Scheme" within the section "Information about The Royal Bank of Scotland plc"), RBS will become the issuer of certain securities originally issued by RBS N.V. Any liability of RBS Holdings under the Guarantee will, from the effective date of the Proposed Dutch Scheme, cease to apply in relation to any securities for which RBS will become the issuer.

The RBS N.V. Registration Document was approved by the competent authority in the Netherlands (*Autoriteit Financiële Markten*) (the "AFM") and is incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference") excluding

- (a) any references in the RBS N.V. Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the RBS N.V. Registration Document (i) the last sentence in the second paragraph of the section "Risk Factors" and (ii) the last sentence of the paragraph "The Group is reliant on the RBSG Group"; and
- (b) items (a) to (j) in the section "Documents Incorporated by Reference" on pages 46 to 48 of the RBS N.V. Registration Document.

The information contained in the RBS N.V. Registration Document shall be updated by the following sub-section "Proposed Dutch Scheme".

### **Proposed Dutch Scheme**

On 18 June 2012, the Court of Session in Scotland made an order, *inter alia*, approving the completion of the merger of RBS II B.V. into RBS through a cross-border merger for the purposes of Article 11 of Directive 2005/56/EC of the European Parliament and the Council of the European Union.

On 4 July 2012, RBSG, RBS, RBS Holdings, RBS N.V. and RBS II B.V. decided that, as a result of technology issues which affected the RBSG Group in the UK and Ireland, it would be prudent to defer the implementation of the "Proposed Dutch Scheme" which was scheduled to take place on 9 July 2012 and which comprises (1) a legal demerger by RBS N.V. as the demerging company and RBS II B.V. as the acquiring company and (2) the cross-border merger of RBS II B.V. into RBS. The FSA has been advised of the delay and has no objections. De Nederlandsche Bank is aware of the delay.

On 20 July 2012, RBSG, RBS, RBS Holdings, RBS N.V. and RBS II B.V. announced that the Proposed Dutch Scheme is now expected to be implemented on 10 September 2012, subject (among other matters) to regulatory approvals and the approval of the Court of Session in Scotland. The Issuer will publish a supplement to the Base Prospectus if there is a change to this date.

### **Additional information about the Issuer and the Guarantor**

In addition, the following documents are incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference"):

- (a) the English language version of the Articles of Association (*statuten*) of each of the Guarantor and the Issuer as in force and effect on the date of the RBS N.V. Registration Document (the "**Articles of Association**");
- (b) the announcement entitled "The Royal Bank of Scotland Group plc ("RBS") announces strategic and organisational changes in its investment banking/wholesale business" which was published on 12 January 2012 (the "**Announcement**");
- (c) the Annual Report and Accounts 2011 of RBS Holdings N.V. (the "**Annual Report and Accounts 2011 of RBS Holdings N.V.**") (excluding the section headed "Business Review - Risk Factors" on page 10 and the section headed "Additional Information - Risk Factors" on pages 236 to 245 of the Annual Report and Accounts 2011) which includes the audited consolidated annual financial statements of RBS Holdings as at and for the year ended 31 December 2011 (prepared in accordance with International Financial Reporting Standards as adopted by the European Union). The audited consolidated annual financial statements of RBS Holdings appear on pages 108 up to and including 213 of the Annual Report and Accounts 2011 and the auditor's report thereon appears on page 215 of the Annual Report and Accounts 2011; and
- (d) the Annual Report 2010 of RBS Holdings N.V. (the "**Annual Report 2010 of RBS Holdings N.V.**") (excluding the section headed "Business Review - Risk Factors" on page 9 and the section headed "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010) 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 International Financial Reporting Standards as adopted by the European Union). The audited consolidated annual financial statements of RBS Holdings appear on

pages 96 to 193 of the Annual Report 2010 and the auditor's report thereon appears on page 199 of the Annual Report 2010.

The Issuer has published a press release dated 19 April 2011 regarding proposed transfers of a substantial part of the business activities of RBS N.V. to RBS (the "**Press Release dated 19 April 2011**") which is attached hereinafter as Annex 1. For the purposes of this Base Prospectus, references in this press release regarding persons not placing any reliance on the information contained in such press release or the Pro forma financial information in connection with making an investment decision (or for any other purpose) concerning securities or guarantees which are expected to be retained by RBS N.V. shall be deemed to be deleted.

The Abbreviated Financial Statements 2011 of The Royal Bank of Scotland N.V. (the "**Financial Statements 2011 of the Issuer**") which include the audited abbreviated annual financial statements of the Issuer for the financial year ended 31 December 2011 are attached as Annex 2.

The Abbreviated Financial Statements 2010 of The Royal Bank of Scotland N.V. (the "**Financial Statements 2010 of the Issuer**") which include the audited abbreviated annual financial statements of the Issuer for the financial year ended 31 December 2010 are attached as Annex 3.

The information about the Guarantor was obtained in the English language from the Guarantor. It has been accurately reproduced and as far as the Issuer is able to ascertain from information published by the Guarantor, no facts have been omitted which would render the reproduced information inaccurate or misleading.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

Unless provided otherwise in any supplement to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG, the information contained in the RBS N.V. Registration Document and this Base Prospectus is the most recent information available about the Issuer and the Guarantor.

### **Significant changes**

There has been no significant change in the financial or trading position of the Group consisting of the Guarantor and its consolidated subsidiaries (including the Issuer) since 31 December 2011 and there has been no significant change in the financial position of the Issuer since 31 December 2011. There has been no material adverse change in the prospects of the Guarantor since 31 December 2011, and there has been no material adverse change in the prospects of the Issuer since 31 December 2011.

## Rating of the Issuer

As at 28 August 2012, the credit ratings<sup>3</sup> of the Issuer assigned by Moody's Investors Service Ltd., London, United Kingdom ("**Moody's Investors Service**"), Standard & Poor's Credit Market Services Europe Limited, London, United Kingdom ("**Standard & Poor's**"), and Fitch Ratings Limited, London, United Kingdom ("**Fitch Ratings**"), are as follows:

	Long term	Short term	Outlook
Moody's Investors Service	A3	P-2	Negative
Standard & Poor's	A	A-1	Stable
Fitch Ratings	A	F1	Stable

### ***Moody's Investors Service definitions***

Obligations rated "A" are considered upper-medium grade and are subject to low credit risk.

The rating system used by Moody's Investors Service for long-term obligations has various subcategories ranging from "Aaa" (describing obligations judged to be of the highest quality, with minimal credit risk), "Aa", "A", "Baa", "Ba", "B", "Caa" and "Ca" to "C", the lowest category representing long-term obligations that are typically in default, with little prospect for recovery of principal or interest. In addition, Moody's Investors Service appends numerical modifiers ("1", "2", and "3") to each generic rating classification from "Aa" through "Caa". The modifier "1" indicates that the respective long-term obligation ranks in the higher end of its generic rating category; the modifier "2" indicates a mid-range ranking, and the modifier "3" indicates a ranking in the lower end of that generic rating category.

Issuers rated "P-2" have a strong ability to repay short-term debt obligations.

The rating system used by Moody's Investors Service for short-term obligations has various subcategories ranging from "P 1", "P-2" and "P-3" to "NP", the lowest category representing issuers that do not fall within any of the "Prime" rating categories.

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<sup>3</sup> The rating agencies set forth in this section are registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**Regulation**") as published on the website of the European Securities and Markets Authority pursuant to Article 18(3) of the Regulation.

A rating outlook is an opinion regarding the likely direction of a rating over the medium term. Where assigned, rating outlooks fall into the following four categories: "Positive", "Negative", "Stable", and "Developing" (contingent upon an event).

### ***Standard and Poor's definitions***

An obligor rated "A" by Standard & Poor's has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

The rating system used by Standard & Poor's for the capacity of an obligor to pay its financial obligations over a long-term horizon has various subcategories ranging from "AAA" (which is the highest quality rating), "AA", "A", "BBB"; "BB"; "B", "CCC", "CC", "R" and "SD" to "D", the lowest category indicating that Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. Plus ("+") or minus ("-") signs following ratings from the "AA" to "CCC" categories show the relative standing within the major rating categories.

An obligor rated "A-1" by Standard & Poor's has strong capacity to meet its financial commitments over a short-term time horizon. It is rated in the highest category by Standard & Poor's.

The rating system used by Standard & Poor's for short-term issuer credit ratings has various subcategories ranging from "A-1" (which is the highest quality rating), "A-2", "A-3", "B" "C", "R" and "SD" to "D", the lowest category indicating that Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due.

"Stable" means that a rating is not likely to change.

### ***Fitch Ratings definitions***

"A" ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

The rating system used by Fitch Ratings for long-term financial commitments has various subcategories ranging from "AAA" (which is the highest quality rating), "AA", "A", "BBB", "BB", "B", "CCC", "CC", "C", "RD" to "D", the lowest category indicating that the issuer in Fitch Ratings' opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business. The modifiers "+" or "-" may be appended to a rating to denote relative status within a major rating category. Such suffixes are not added to the "AAA" rating category or to the categories below "B".

An "F1" rating indicates the strongest intrinsic capacity for timely payment of short-term financial commitments.

The rating system used by Fitch Ratings for short-term liabilities has various subcategories ranging from "F1" (which is the highest quality rating), "F2", "F3", "B" "C" and "RD" to "D", the lowest category indicating a broad-based default event for an entity.

*The rating definitions set out above were obtained in the English language from Moody's Investors Service ([www.moody.com](http://www.moody.com)), Standard & Poor's ([www.standardandpoors.com](http://www.standardandpoors.com)) and Fitch Ratings ([www.fitchratings.com](http://www.fitchratings.com)), respectively. They have been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by Moody's Investors Service, Standard & Poor's, and Fitch Ratings, respectively, no facts have been omitted which would render the reproduced information inaccurate or misleading.*



6. In the Bonus Discount Base Prospectus 2012, in the section "**INFORMATION ABOUT THE ROYAL BANK OF SCOTLAND N.V., THE GUARANTOR AND THE GUARANTEE**" the subsection "**Proposed Dutch Scheme**" shall be replaced as follows:

### **Proposed Dutch Scheme**

On 18 June 2012, the Court of Session in Scotland made an order, *inter alia*, approving the completion of the merger of RBS II B.V. into RBS through a cross-border merger for the purposes of Article 11 of Directive 2005/56/EC of the European Parliament and the Council of the European Union.

On 4 July 2012, RBSG, RBS, RBS Holdings, RBS N.V. and RBS II B.V. decided that, as a result of technology issues which affected the RBSG Group in the UK and Ireland, it would be prudent to defer the implementation of the "Proposed Dutch Scheme" which was scheduled to take place on 9 July 2012 and which comprises (1) a legal demerger by RBS N.V. as the demerging company and RBS II B.V. as the acquiring company and (2) the cross-border merger of RBS II B.V. into RBS. The FSA has been advised of the delay and has no objections. De Nederlandsche Bank is aware of the delay.

On 20 July 2012, RBSG, RBS, RBS Holdings, RBS N.V. and RBS II B.V. announced that the Proposed Dutch Scheme is now expected to be implemented on 10 September 2012, subject (among other matters) to regulatory approvals and the approval of the Court of Session in Scotland. The Issuer will publish a supplement to the Base Prospectus if there is a change to this date.

7. In the Bonus Discount Base Prospectus 2009, Bonus Discount Base Prospectus 2010, Bonus Discount Base Prospectus 2011 and the ETN Fixed Maturity Base Prospectus 2010 the section "**INFORMATION ABOUT THE ROYAL BANK OF SCOTLAND PLC**" shall be replaced as follows:

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## **INFORMATION ABOUT THE ROYAL BANK OF SCOTLAND PLC**

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### **RBS Registration Document**

The required information about The Royal Bank of Scotland plc ("**RBS**") acting either through its principal office in Edinburgh, Scotland or through its London office or any other office, as specified in the Final Terms, is contained in the registration document of The Royal Bank of Scotland plc dated 24 February 2012 (the "**RBS Registration Document**") which was approved by the competent authority in the United Kingdom (*Financial Services Authority*; the "**FSA**") and which is incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (excluding the sub-section "Assets, owners' equity and capital ratios" on page 26 of the RBS Registration Document, the sub-section "No Significant Change and No Material Adverse Change" on page 63 of the RBS Registration Document and items (a) to (f) in the section "Documents Incorporated by Reference" on pages 67 to 69 of the RBS Registration Document) (see section "Documents Incorporated by Reference").

The information contained in the RBS Registration Document shall be updated by the following sub-sections "Assets, owners' equity and capital ratios", "Proposed Dutch Scheme", "Rating information", "FSA agreement in relation to interest rate swap products for small and medium enterprises", "Litigation" and "Investigations".

### **Assets, owners' equity and capital ratios**

The Royal Bank of Scotland Group plc ("**RBSG**") together with its subsidiaries consolidated in accordance with International Financial Reporting Standards (the "**RBSG Group**") had total assets of £1,507 billion and owners' equity of £75 billion as at 31 December 2011. The RBSG Group's capital ratios as at 31 December 2011 were a total capital ratio of 13.8 per cent., a Core Tier 1 capital ratio of 10.6 per cent. and a Tier 1 capital ratio of 13.0 per cent.

RBS together with its subsidiaries consolidated in accordance with International Financial Reporting Standards (the "**RBS Group**") had total assets of £1,433 billion and owners' equity of £62 billion as at 31 December 2011. As at 31 December 2011, the RBS Group's capital ratios were a total capital ratio of 14.6 per cent., a Core Tier 1 capital ratio of 9.2 per cent. and a Tier 1 capital ratio of 11.0 per cent.

## Proposed Dutch Scheme

On 26 March 2012, RBSG and RBS announced that (1) The Royal Bank of Scotland N.V. as the demerging company ("**RBS N.V.**") and RBS II B.V. as the acquiring company had that day filed a proposal with the Dutch Trade Register for a legal demerger and (2) following a preliminary hearing at the Court of Session in Scotland, RBS and RBS II B.V. had that day made filings with Companies House in the UK and the Dutch Trade Register respectively for a proposed cross-border merger of RBS II B.V. into RBS (together with the proposal for the legal demerger, the "**Proposed Dutch Scheme**"). Upon implementation of the Proposed Dutch Scheme, a substantial part of the business conducted by RBS N.V. in the Netherlands as well as in certain branches of RBS N.V. located in a number of countries in Europe will be transferred to RBS (the "**Transferring Businesses**"). The Proposed Dutch Scheme will be implemented by the demerger of the Transferring Businesses into RBS II B.V. by way of a Dutch statutory demerger (the "**Demerger**"), followed by the merger of RBS II B.V. into RBS through a cross-border merger (the "**Merger**"). RBS II B.V. is a Dutch company licensed as a bank in the Netherlands that has been established specifically for the purposes of the Proposed Dutch Scheme. RBS and RBS N.V. have discussed the Proposed Dutch Scheme in detail with the Dutch Central Bank (De Nederlandsche Bank) and the FSA. Implementation of the Proposed Dutch Scheme is subject, amongst other matters, to regulatory and court approvals. If granted, the regulatory approvals will be granted on the basis that the Demerger will not proceed unless the Merger is to proceed thereafter. On 18 June 2012, the Court of Session in Scotland made an order, *inter alia*, approving the completion of the Merger for the purposes of Article 11 of Directive 2005/56/EC of the European Parliament and the Council of the European Union. On 4 July 2012, RBSG, RBS, RBS Holdings, RBS N.V. and RBS II B.V. decided that, as a result of technology issues which affected the RBSG Group in the UK and Ireland, it would be prudent to defer the implementation of the Proposed Dutch Scheme which was scheduled to take place on 9 July 2012. The FSA has been advised of the delay and has no objections. De Nederlandsche Bank is aware of the delay.

On 20 July 2012, RBSG, RBS, RBS Holdings, RBS N.V. and RBS II B.V. announced that the Proposed Dutch Scheme is now expected to be implemented on 10 September 2012, subject (among other matters) to regulatory approvals and the approval of the Court of Session in Scotland. The Issuer will publish a supplement to the Base Prospectus if there is a change to this date.

## Rating information

In the case of notes to be issued by RBS in the future and rated by Moody's Investors Service Limited ("**Moody's Investors Service**") on an individual basis, Moody's Investors Service is expected to rate: senior notes to be issued by RBS with a maturity of one year or more "A3"; senior notes to be issued by RBS with a maturity of less than one year "P-2"; and dated subordinated notes and undated tier 2 notes to be issued by RBS will be rated on a case-by-case basis.

As defined by Moody's Investors Service, an "A" rating means the capacity of the issuer to meet its obligations on the relevant notes issued by it is considered to be upper-medium grade subject to low credit risk. As defined by Moody's Investors Service, the addition of a "3" indicates that the obligation ranks in the lower end of its generic rating category. As defined by Moody's Investors Service, a "P-2" rating means that the issuer has a strong ability to repay its short-term debt obligations on the relevant notes issued by it.

The rating definitions set out above constitute third-party information and were obtained in the English language from the publication entitled "Rating Symbols and Definitions - June 2012" published by Moody's Investors Service (available at [www.moody.com](http://www.moody.com)). The information found at the website referred to in the previous sentence does not form part of and is not incorporated by reference into this Base Prospectus. The rating definitions set out above have been accurately reproduced from the source identified above and, so far as the Issuer is able to ascertain from information published by Moody's Investors Service, no facts have been omitted which would render the rating definitions set out above inaccurate or misleading.

A rating is not a recommendation to buy, sell or hold securities and may be subject to change, suspension or withdrawal at any time by the assigning rating agency.

The credit ratings included and referred to in this sub-section "Rating information" have been issued by Moody's Investors Service Limited which is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

### **FSA agreement in relation to interest rate swap products for small and medium enterprises**

On 29 June 2012, RBS announced that it, in common with a number of other UK banks, had reached an agreement with the FSA on an approach to the mis-selling issues surrounding interest rate swap products for small and medium enterprises (SMEs). The agreement includes an independent review process which is intended to provide certainty for affected customers and other stakeholders. In respect of less sophisticated customers who entered into more complex swap products, RBS has agreed to provide direct and immediate redress. RBS is currently not able to reliably estimate the financial impact of this agreement.

### **Litigation**

#### *London Interbank Offered Rate ("LIBOR")*

Certain members of the RBSG Group have been named as defendants in a number of class actions and individual claims filed in the US with respect to the setting of LIBOR. It is possible that further claims may be threatened or brought in the US or elsewhere relating to the setting of interest rates or interest rate-related trading.

## **Investigations**

### *LIBOR*

The RBSG Group continues to co-operate fully with investigations by various governmental and regulatory authorities into its submissions, communications and procedures relating to the setting of LIBOR and other interest rates. The relevant authorities include, amongst others, the US Commodity Futures Trading Commission, the US Department of Justice (Fraud Division), the FSA and the Japanese Financial Services Agency. The RBSG Group has dismissed a number of employees for misconduct as a result of its investigations into these matters.

The RBSG Group is also under investigation by competition authorities in a number of jurisdictions, including the European Commission, Department of Justice (Antitrust Division) and Canadian Competition Bureau, stemming from the actions of certain individuals in the setting of LIBOR and other interest rates, as well as interest rate-related trading. The RBSG Group is also co-operating fully with these investigations.

It is not possible to reliably measure what effect these investigations, any regulatory findings and any related developments may have on the RBSG Group, including the timing and amount of fines or settlements.

### *Technology incident*

On 19 June 2012, the RBSG Group was affected by a technology incident, as a result of which the processing of certain customer accounts and payments were subject to considerable delay. The cause of the incident is being investigated by independent external counsel with the assistance of third party advisers, who have been instructed to carry out an independent review. The RBSG Group has agreed to reimburse customers for any loss suffered as a result of the incident and has made a provision of £125million in the unaudited Interim Results 2012 of RBSG for this matter. Additional costs may arise once all redress and business disruption items are clear and a further update will be given in the third quarter.

The incident, the RBSG Group's handling of the incident and the systems and controls surrounding the processes affected, are the subject of regulatory enquiries (both from the UK and Ireland) and the RBSG Group could become a party to litigation. In particular, the RBSG Group could face legal claims from those whose accounts were affected and could itself have claims against third parties.

## **Additional information about RBS**

In addition, the following English language documents are incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference"):

(a) The following sections of the Annual Report and Accounts 2010 of RBSG for the year ended 31 December 2010 (the "**Relevant Sections of the Annual Report 2010 of RBSG**") which were published on 17 March 2011:

- (i) Independent auditor's report on page 267;
- (ii) Consolidated income statement on page 268;
- (iii) Consolidated statement of comprehensive income on page 269;
- (iv) Balance sheets as at 31 December 2010 on page 270;
- (v) Statements of changes in equity on pages 271 to 273;
- (vi) Cash flow statements on page 274;
- (vii) Accounting policies on pages 275 to 286;
- (viii) Notes on the accounts on pages 287 to 385;
- (ix) Essential reading – We have met, and in some cases exceeded, the targets for the second year of our Strategic Plan on page 1;
- (x) Chairman's statement on pages 2 to 3;
- (xi) Group Chief Executive's review on pages 4 to 5;
- (xii) Our key targets on page 7;
- (xiii) Our business and our strategy on pages 10 to 19;
- (xiv) Divisional review on pages 20 to 41;
- (xv) Business review on pages 50 to 224 (excluding the financial information on page 51, pages 56 to 77, pages 106 to 118 and page 131 which is indicated as being "pro forma");
- (xvi) Report of the directors on pages 230 to 234;
- (xvii) Corporate governance on pages 235 to 245;
- (xviii) Letter from the Chair of the Remuneration Committee on pages 246 to 247;
- (xix) Directors' remuneration report on pages 248 to 263;
- (xx) Directors' interests in shares on page 264;
- (xxi) Financial summary on pages 387 to 395;
- (xxii) Exchange rates on page 395;
- (xxiii) Economic and monetary environment on page 396;
- (xxiv) Supervision on page 397;
- (xxv) Regulatory developments and reviews on pages 398 to 399;

- (xxvi) Description of property and equipment on page 399;
  - (xxvii) Major shareholders on page 399;
  - (xxviii) Material contracts on pages 399 to 404; and
  - (xxix) Glossary of terms on pages 434 to 439;
- (b) the Annual Report and Accounts 2010 of RBS (the "**Annual Report 2010 of RBS**") (including (i) the audited consolidated annual financial statements of RBS and (ii) the non-consolidated balance sheet of RBS, in each case together with the audit report thereon) for the year ended 31 December 2010 (excluding the sections "Financial Review" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) which were published on 15 April 2011;
- (c) the following sections of the Annual Report and Accounts 2011 of RBSG for the year ended 31 December 2011 (the "**Relevant Sections of the Annual Report 2011 of RBSG**") which were published on 9 March 2012:
- (i) Independent auditors' report on page 306;
  - (ii) Consolidated income statement on page 307;
  - (iii) Consolidated statement of comprehensive income on page 308;
  - (iv) Consolidated balance sheet at 31 December 2011 on page 309;
  - (v) Consolidated statements of changes in equity on pages 310 to 312;
  - (vi) Consolidated cash flow statement on page 313;
  - (vii) Accounting policies on pages 314 to 326;
  - (viii) Notes on the consolidated accounts on pages 327 to 419;
  - (ix) Parent company financial statements and notes on pages 420 to 431;
  - (x) Essential reading Highlights on page 1;
  - (xi) Chairman's statement on page 9;
  - (xii) Group Chief Executive's review on pages 10 to 11;
  - (xiii) Our key targets on page 13;
  - (xiv) Our business and our strategy on pages 14 to 18;
  - (xv) Divisional review on pages 19 to 29;
  - (xvi) Business review on pages 32 to 249;
  - (xvii) Corporate governance on pages 258 to 262;
  - (xviii) Letter from the Chair of the Remuneration Committee on pages 272 to 273;
  - (xix) Directors' remuneration report on pages 274 to 295;

- (xx) Report of the directors on pages 298 to 302;
  - (xxi) Directors' interests in shares on page 303;
  - (xxii) Financial summary on pages 433 to 441;
  - (xxiii) Exchange rates on page 441;
  - (xxiv) Economic and monetary environment on page 442;
  - (xxv) Supervision on page 443;
  - (xxvi) Regulatory developments and reviews on page 444;
  - (xxvii) Description of property and equipment on page 445;
  - (xxviii) Major shareholders on page 445;
  - (xxix) Material contracts on pages 445 to 450; and
  - (xxx) Glossary of terms on pages 476 to 483;
- (d) the Annual Report and Accounts 2011 of RBS (the "**Annual Report 2011 of RBS**") (including (i) the audited consolidated annual financial statements of RBS and (ii) the non-consolidated balance sheet of RBS, in each case together with the audit report thereon) for the year ended 31 December 2011 (excluding the sections "Financial review – Risk factors" on page 6 and "Risk factors" on pages 283 to 296) which were published on 26 March 2012;
- (e) the press release "Divisional Reorganisation and Group Reporting Changes (effective 1 January 2012)" (the "**Press Release dated 1 May 2012**") which was published by RBSG on 1 May 2012; and
- (f) the unaudited Interim Results 2012 of RBSG (the "Unaudited Interim Results of RBSG") for the six months ended 30 June 2012 which were published on 3 August 2012.

The information about RBSG was obtained in the English language from RBSG. It has been accurately reproduced and as far as the Issuer is able to ascertain from information published by RBSG, no facts have been omitted which would render the reproduced information inaccurate or misleading.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

Unless provided otherwise in any supplement to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG, the information contained in the RBS Registration Document and this Base Prospectus is the most recent information available about RBS.



## **Significant changes**

There has been no significant change in the financial position of RBS and RBS together with its subsidiaries consolidated in accordance with International Financial Reporting Standards (the "**RBS Group**") taken as a whole since 31 December 2011 (the end of the last financial period for which audited financial information of the RBS Group has been published).

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

8. In the Bonus Discount Base Prospectus 2012, in the section "**INFORMATION ABOUT THE ROYAL BANK OF SCOTLAND PLC**", the last paragraph in the subsection "**RBS Registration Document**" shall be replaced as follows:

The information contained in the RBS Registration Document shall be updated by the following sub-sections "Assets, owners' equity and capital ratios", "Proposed Dutch Scheme", "Rating information", "FSA agreement in relation to interest rate swap products for small and medium enterprises", "Litigation" and "Investigations".

9. In the Bonus Discount Base Prospectus 2012, in the section "**INFORMATION ABOUT THE ROYAL BANK OF SCOTLAND PLC**", the subsections "**Proposed Dutch Scheme**" and "**Rating Information**" shall be replaced as follows and the following subsections "**FSA agreement in relation to interest rate swap products for small and medium enterprises**", "**Litigation**" and "**Investigations**" shall be inserted after the subsection "**Rating Information**":

### **Proposed Dutch Scheme**

On 26 March 2012, RBSG and RBS announced that (1) The Royal Bank of Scotland N.V. as the demerging company ("**RBS N.V.**") and RBS II B.V. as the acquiring company had that day filed a proposal with the Dutch Trade Register for a legal demerger and (2) following a preliminary hearing at the Court of Session in Scotland, RBS and RBS II B.V. had that day made filings with Companies House in the UK and the Dutch Trade Register respectively for a proposed cross-border merger of RBS II B.V. into RBS (together with the proposal for the legal demerger, the "**Proposed Dutch Scheme**"). Upon implementation of the Proposed Dutch Scheme, a substantial part of the business conducted by RBS N.V. in the Netherlands as well as in certain branches of RBS N.V. located in a number of countries in Europe will be transferred to RBS (the "**Transferring Businesses**"). The Proposed Dutch Scheme will be implemented by the demerger of the Transferring Businesses into RBS II B.V. by way of a Dutch statutory demerger (the "**Demerger**"), followed by the merger of RBS II B.V. into RBS through a cross-border merger (the "**Merger**"). RBS II B.V. is a Dutch company licensed as a bank in the Netherlands that has been established specifically for the purposes of the Proposed Dutch Scheme. RBS and RBS N.V. have discussed the Proposed Dutch Scheme in detail with the Dutch Central Bank (De Nederlandsche Bank) and the FSA. Implementation of the Proposed Dutch Scheme is subject, amongst other matters, to regulatory and court approvals. If granted, the regulatory approvals will be granted on the basis that the Demerger will not proceed unless the Merger is to proceed thereafter. On 18 June 2012, the Court of Session in Scotland made an order, *inter alia*, approving the completion of the Merger for the purposes of Article 11 of Directive 2005/56/EC of the European Parliament and the Council of the European Union. On 4 July 2012, RBSG, RBS, RBS Holdings, RBS N.V. and RBS II B.V. decided that, as a result of technology issues which affected the RBSG Group in the UK and Ireland, it would be prudent to defer the implementation of the Proposed Dutch Scheme which was scheduled to take place on 9 July 2012. The FSA has been advised of the delay and has no objections. De Nederlandsche Bank is aware of the delay.

On 20 July 2012, RBSG, RBS, RBS Holdings, RBS N.V. and RBS II B.V. announced that the Proposed Dutch Scheme is now expected to be implemented on 10 September 2012, subject (among other matters) to regulatory approvals and the approval of the Court of Session in Scotland. The Issuer will publish a supplement to the Base Prospectus if there is a change to this date.

## **Rating information**

In the case of notes to be issued by RBS in the future and rated by Moody's Investors Service Limited ("**Moody's Investors Service**") on an individual basis, Moody's Investors Service is expected to rate: senior notes to be issued by RBS with a maturity of one year or more "A3"; senior notes to be issued by RBS with a maturity of less than one year "P-2"; and dated subordinated notes and undated tier 2 notes to be issued by RBS will be rated on a case-by-case basis.

As defined by Moody's Investors Service, an "A" rating means the capacity of the issuer to meet its obligations on the relevant notes issued by it is considered to be upper-medium grade subject to low credit risk. As defined by Moody's Investors Service, the addition of a "3" indicates that the obligation ranks in the lower end of its generic rating category. As defined by Moody's Investors Service, a "P-2" rating means that the issuer has a strong ability to repay its short-term debt obligations on the relevant notes issued by it.

The rating definitions set out above constitute third-party information and were obtained in the English language from the publication entitled "Rating Symbols and Definitions - June 2012" published by Moody's Investors Service (available at [www.moody.com](http://www.moody.com)). The information found at the website referred to in the previous sentence does not form part of and is not incorporated by reference into this Base Prospectus. The rating definitions set out above have been accurately reproduced from the source identified above and, so far as RBS N.V. and RBS are aware and are able to ascertain from information published by Moody's Investors Service, no facts have been omitted which would render the rating definitions set out above inaccurate or misleading.

A rating is not a recommendation to buy, sell or hold securities and may be subject to change, suspension or withdrawal at any time by the assigning rating agency.

The credit ratings included and referred to in this sub-section "Rating information" have been issued by Moody's Investors Service Limited which is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

## **FSA agreement in relation to interest rate swap products for small and medium enterprises**

On 29 June 2012, RBS announced that it, in common with a number of other UK banks, had reached an agreement with the FSA on an approach to the mis-selling issues surrounding interest rate swap products for small and medium enterprises (SMEs). The agreement includes an independent review process which is intended to provide certainty for affected customers and other stakeholders. In respect of less sophisticated customers who entered into more complex swap products, RBS has agreed to provide direct and immediate redress. RBS is currently not able to reliably estimate the financial impact of this agreement.

## **Litigation**

### *London Interbank Offered Rate ("LIBOR")*

Certain members of the RBSG Group have been named as defendants in a number of class actions and individual claims filed in the US with respect to the setting of LIBOR. It is possible that further claims may be threatened or brought in the US or elsewhere relating to the setting of interest rates or interest rate-related trading.

## **Investigations**

### *LIBOR*

The RBSG Group continues to co-operate fully with investigations by various governmental and regulatory authorities into its submissions, communications and procedures relating to the setting of LIBOR and other interest rates. The relevant authorities include, amongst others, the US Commodity Futures Trading Commission, the US Department of Justice (Fraud Division), the FSA and the Japanese Financial Services Agency. The RBSG Group has dismissed a number of employees for misconduct as a result of its investigations into these matters.

The RBSG Group is also under investigation by competition authorities in a number of jurisdictions, including the European Commission, Department of Justice (Antitrust Division) and Canadian Competition Bureau, stemming from the actions of certain individuals in the setting of LIBOR and other interest rates, as well as interest rate-related trading. The RBSG Group is also co-operating fully with these investigations.

It is not possible to reliably measure what effect these investigations, any regulatory findings and any related developments may have on the RBSG Group, including the timing and amount of fines or settlements.

### *Technology incident*

On 19 June 2012, the RBSG Group was affected by a technology incident, as a result of which the processing of certain customer accounts and payments were subject to considerable delay. The cause of the incident is being investigated by independent external counsel with the assistance of third party advisers, who have been instructed to carry out an independent review. The RBSG Group has agreed to reimburse customers for any loss suffered as a result of the incident and has made a provision of £125million in the unaudited Interim Results 2012 of RBSG for this matter. Additional costs may arise once all redress and business disruption items are clear and a further update will be given in the third quarter.

The incident, the RBSG Group's handling of the incident and the systems and controls surrounding the processes affected, are the subject of regulatory enquiries (both from the UK and Ireland) and the RBSG Group could become a party to litigation. In particular, the RBSG Group could face legal claims from those whose accounts were affected and could itself have claims against third parties.

10. In the Bonus Discount Base Prospectus 2012, in the section "**INFORMATION ABOUT THE ROYAL BANK OF SCOTLAND PLC**" the subsection "**Additional information about RBS**" shall be replaced as follows:

### **Additional information about RBS**

In addition, the following English language documents are incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference"):

- (a) The following sections of the Annual Report and Accounts 2010 of RBSG for the year ended 31 December 2010 (the "**Relevant Sections of the Annual Report 2010 of RBSG**") which were published on 17 March 2011:
- (i) Independent auditor's report on page 267;
  - (ii) Consolidated income statement on page 268;
  - (iii) Consolidated statement of comprehensive income on page 269;
  - (iv) Balance sheets as at 31 December 2010 on page 270;
  - (v) Statements of changes in equity on pages 271 to 273;
  - (vi) Cash flow statements on page 274;
  - (vii) Accounting policies on pages 275 to 286;
  - (viii) Notes on the accounts on pages 287 to 385;
  - (ix) Essential reading – We have met, and in some cases exceeded, the targets for the second year of our Strategic Plan on page 1;
  - (x) Chairman's statement on pages 2 to 3;
  - (xi) Group Chief Executive's review on pages 4 to 5;
  - (xii) Our key targets on page 7;
  - (xiii) Our business and our strategy on pages 10 to 19;
  - (xiv) Divisional review on pages 20 to 41;
  - (xv) Business review on pages 50 to 224 (excluding the financial information on page 51, pages 56 to 77, pages 106 to 118 and page 131 which is indicated as being "pro forma");
  - (xvi) Report of the directors on pages 230 to 234;
  - (xvii) Corporate governance on pages 235 to 245;
  - (xviii) Letter from the Chair of the Remuneration Committee on pages 246 to 247;
  - (xix) Directors' remuneration report on pages 248 to 263;

- (xx) Directors' interests in shares on page 264;
  - (xxi) Financial summary on pages 387 to 395;
  - (xxii) Exchange rates on page 395;
  - (xxiii) Economic and monetary environment on page 396;
  - (xxiv) Supervision on page 397;
  - (xxv) Regulatory developments and reviews on pages 398 to 399;
  - (xxvi) Description of property and equipment on page 399;
  - (xxvii) Major shareholders on page 399;
  - (xxviii) Material contracts on pages 399 to 404; and
  - (xxix) Glossary of terms on pages 434 to 439;
- (b) the Annual Report and Accounts 2010 of RBS (the "**Annual Report 2010 of RBS**") (including (i) the audited consolidated annual financial statements of RBS and (ii) the non-consolidated balance sheet of RBS, in each case together with the audit report thereon) for the year ended 31 December 2010 (excluding the sections "Financial Review" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) which were published on 15 April 2011;
- (c) the following sections of the Annual Report and Accounts 2011 of RBSG for the year ended 31 December 2011 (the "**Relevant Sections of the Annual Report 2011 of RBSG**") which were published on 9 March 2012:
- (i) Independent auditors' report on page 306;
  - (ii) Consolidated income statement on page 307;
  - (iii) Consolidated statement of comprehensive income on page 308;
  - (iv) Consolidated balance sheet at 31 December 2011 on page 309;
  - (v) Consolidated statements of changes in equity on pages 310 to 312;
  - (vi) Consolidated cash flow statement on page 313;
  - (vii) Accounting policies on pages 314 to 326;
  - (viii) Notes on the consolidated accounts on pages 327 to 419;
  - (ix) Parent company financial statements and notes on pages 420 to 431;
  - (x) Essential reading Highlights on page 1;
  - (xi) Chairman's statement on page 9;
  - (xii) Group Chief Executive's review on pages 10 to 11;
  - (xiii) Our key targets on page 13;

- (xiv) Our business and our strategy on pages 14 to 18;
  - (xv) Divisional review on pages 19 to 29;
  - (xvi) Business review on pages 32 to 249;
  - (xvii) Corporate governance on pages 258 to 262;
  - (xviii) Letter from the Chair of the Remuneration Committee on pages 272 to 273;
  - (xix) Directors' remuneration report on pages 274 to 295;
  - (xx) Report of the directors on pages 298 to 302;
  - (xxi) Directors' interests in shares on page 303;
  - (xxii) Financial summary on pages 433 to 441;
  - (xxiii) Exchange rates on page 441;
  - (xxiv) Economic and monetary environment on page 442;
  - (xxv) Supervision on page 443;
  - (xxvi) Regulatory developments and reviews on page 444;
  - (xxvii) Description of property and equipment on page 445;
  - (xxviii) Major shareholders on page 445;
  - (xxix) Material contracts on pages 445 to 450; and
  - (xxx) Glossary of terms on pages 476 to 483;
- (d) the Annual Report and Accounts 2011 of RBS (the "**Annual Report 2011 of RBS**") (including (i) the audited consolidated annual financial statements of RBS and (ii) the non-consolidated balance sheet of RBS, in each case together with the audit report thereon) for the year ended 31 December 2011 (excluding the sections "Financial review – Risk factors" on page 6 and "Risk factors" on pages 283 to 296) which were published on 26 March 2012;
- (e) the press release "Divisional Reorganisation and Group Reporting Changes (effective 1 January 2012)" (the "**Press Release dated 1 May 2012**") which was published by RBSG on 1 May 2012; and
- (f) the unaudited Interim Results 2012 of RBSG (the "**Unaudited Interim Results of RBSG**") for the six months ended 30 June 2012 which were published on 3 August 2012.

The information about RBSG was obtained in the English language from RBSG. It has been accurately reproduced and as far as RBS N.V. and RBS are aware and are able to ascertain from information published by RBSG, no facts have been omitted which would render the reproduced information inaccurate or misleading.



To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

Unless provided otherwise in any supplement to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG, the information contained in the RBS Registration Document and this Base Prospectus is the most recent information available about RBS.

11. In the Bonus Discount Base Prospectus 2009 and the ETN Fixed Maturity Base Prospectus 2010, in the section "**GENERAL INFORMATION**" the subsection "**Available Documents**" shall be replaced as follows:

### **Available Documents**

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of the following documents will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com, and from the office of each Paying Agent as specified in the Final Terms. In addition, copies of the documents set forth hereinafter under (a)-(c) and (j)-(k) will be available via the Issuer's website as specified in the Final Terms:

- (a) the RBS N.V. Registration Document;
- (b) the RBS Registration Document;
- (c) the list entitled "Structured Retail Products" which was published by RBS N.V. and RBS on 23 March 2012 (the "**List of Securities**") which lists Structured Retail Products issued by RBS N.V. for which it is possible that RBS can become the issuer of such securities under the Proposed Dutch Scheme and details whether or not RBS is expected to become the issuer of those securities pursuant to the Proposed Dutch Scheme;
- (d) the Financial Statements 2011 of the Issuer;
- (e) the Financial Statements 2010 of the Issuer;
- (f) the Annual Report and Accounts 2011 of RBS;
- (g) the Annual Report and Accounts 2010 of RBS;
- (h) the Annual Report and Accounts 2011 of RBS Holdings;
- (i) the Annual Report 2010 of RBS Holdings;
- (j) this Base Prospectus and any Supplements; and
- (k) any Final Terms, provided, however, that any Final Terms relating to Securities that are neither admitted to trading in a regulated market within the European Economic Area nor offered within the European Economic Area in circumstances requiring publication of a prospectus under the Prospectus Directive will be made available exclusively to Securityholders who have submitted proof to the Issuer or the Principal Paying Agent, which proof must be satisfactory for the Issuer or the Principal Paying Agent, as the case may be, of their Securities holdings and their identity.

A copy of the Guarantee (declaration pursuant to Article 403 of the Netherlands Civil Code) may be obtained from the commercial register kept with the chamber of commerce of Amsterdam, De Ruyterkade 5, P.O. Box 2852, 1000 CW Amsterdam, the Netherlands.

**Investors are recommended to read all available documents prior to a purchase of the Securities.**

12. In the Bonus Discount Base Prospectus 2010, in the section "**GENERAL INFORMATION**" the subsection "**Available Documents**" shall be replaced as follows:

### **Available Documents**

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of the following documents will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com, and from the office of each Paying Agent as specified in the Final Terms. In addition, copies of the documents set forth hereinafter under (a)-(c) and (j)-(l) will be available via the Issuer's website as specified in the Final Terms:

- (a) the RBS N.V. Registration Document;
- (b) the RBS Registration Document;
- (c) the list entitled "Structured Retail Products" which was published by RBS N.V. and RBS on 23 March 2012 (the "**List of Securities**") which lists Structured Retail Products issued by RBS N.V. for which it is possible that RBS can become the issuer of such securities under the Proposed Dutch Scheme and details whether or not RBS is expected to become the issuer of those securities pursuant to the Proposed Dutch Scheme;
- (d) the Financial Statements 2011 of the Issuer;
- (e) the Financial Statements 2010 of the Issuer;
- (f) the Annual Report and Accounts 2011 of RBS;
- (g) the Annual Report and Accounts 2010 of RBS;
- (h) the Annual Report and Accounts 2011 of RBS Holdings;
- (i) the Annual Report 2010 of RBS Holdings;
- (j) the Base Prospectus 2009 and any supplements thereto;
- (k) this Base Prospectus and any Supplements; and
- (l) any Final Terms, provided, however, that any Final Terms relating to Securities that are neither admitted to trading in a regulated market within the European Economic Area nor offered within the European Economic Area in circumstances requiring publication of a prospectus under the Prospectus Directive will be made available exclusively to Securityholders who have submitted proof to the Issuer or the Principal Paying Agent, which proof must be satisfactory for the Issuer or the Principal Paying Agent, as the case may be, of their Securities holdings and their identity.

A copy of the Guarantee (declaration pursuant to Article 403 of the Netherlands Civil Code) may be obtained from the commercial register kept with the chamber of commerce of Amsterdam, De Ruijterkade 5, P.O. Box 2852, 1000 CW Amsterdam, the Netherlands.

**Investors are recommended to read all available documents prior to a purchase of the Securities.**

13. In the Bonus Discount Base Prospectus 2011, in the section "**GENERAL INFORMATION**" the subsection "**Available Documents**" shall be replaced as follows:

### **Available Documents**

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of the following documents will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com, and from the office of each Paying Agent as specified in the Final Terms. In addition, copies of the documents set forth hereinafter under (a)-(c) and (j)-(m) will be available via the Issuer's website as specified in the Final Terms:

- (a) the RBS N.V. Registration Document;
- (b) the RBS Registration Document;
- (c) the list entitled "Structured Retail Products" which was published by RBS N.V. and RBS on 23 March 2012 (the "**List of Securities**") which lists Structured Retail Products issued by RBS N.V. for which it is possible that RBS can become the issuer of such securities under the Proposed Dutch Scheme and details whether or not RBS is expected to become the issuer of those securities pursuant to the Proposed Dutch Scheme;
- (d) the Financial Statements 2011 of the Issuer;
- (e) the Financial Statements 2010 of the Issuer;
- (f) the Annual Report and Accounts 2011 of RBS;
- (g) the Annual Report and Accounts 2010 of RBS;
- (h) the Annual Report and Accounts 2011 of RBS Holdings;
- (i) the Annual Report 2010 of RBS Holdings;
- (j) the Base Prospectus 2010 and any supplements thereto;
- (k) the Base Prospectus 2009 and any supplements thereto;
- (l) this Base Prospectus and any Supplements; and
- (m) any Final Terms, provided, however, that any Final Terms relating to Securities that are neither admitted to trading in a regulated market within the European Economic Area nor offered within the European Economic Area in circumstances requiring publication of a prospectus under the Prospectus Directive will be made available exclusively to Securityholders who have submitted proof to the Issuer or the Principal Paying Agent, which proof must be satisfactory for the Issuer or the Principal Paying Agent, as the case may be, of their Securities holdings and their identity.

A copy of the Guarantee (declaration pursuant to Article 403 of the Netherlands Civil Code) may be obtained from the commercial register kept with the chamber of commerce of Amsterdam, De Ruyterkade 5, P.O. Box 2852, 1000 CW Amsterdam, the Netherlands.

**Investors are recommended to read all available documents prior to a purchase of the Securities.**

14. In the Bonus Discount Base Prospectus 2009 and in the ETN Fixed Maturity Base Prospectus 2010, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced as follows:

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### **DOCUMENTS INCORPORATED BY REFERENCE**

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The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the RBS N.V. Registration Document (excluding any references in the RBS N.V. Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the RBS N.V. Registration Document (i) the last sentence in the second paragraph of the section "Risk Factors" and (ii) the last sentence of the paragraph "The Group is reliant on the RBSG Group", and excluding items (a) to (j) (including) in the section "Documents Incorporated by Reference" on pages 46 to 48 of the RBS N.V. Registration Document) (incorporated in the third paragraph of the cover page of this Base Prospectus);
- (b) the RBS Registration Document (excluding the sub-section "Assets, owners' equity and capital ratios" on page 26 of the RBS Registration Document, the sub-section "No Significant Change and No Material Adverse Change" on page 63 of the RBS Registration Document and items (a) to (f) (including) in the section "Documents Incorporated by Reference" on pages 67 to 69 of the RBS Registration Document) (incorporated in the third paragraph of the cover page of this Base Prospectus);
- (c) the Articles of Association (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (d) the Announcement (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (e) the Annual Report and Accounts 2011 of RBS Holdings N.V. (excluding the section "Business Review - Risk Factors" on page 10 and the section "Additional Information - Risk Factors" on pages 236 to 245 of the Annual Report and Accounts 2011 of RBS Holdings N.V.) (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (f) the Annual Report 2010 of RBS Holdings N.V. (excluding the section "Business Review - Risk Factors" on page 9 and the section "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010 of RBS Holdings N.V.) (incorporated under the



heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);

- (g) the Relevant Sections of the Annual Report 2011 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (h) the Relevant Sections of the Annual Report 2010 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (i) the Annual Report 2011 of RBS (excluding the sections "Financial review – Risk factors" on page 6 and "Risk factors" on pages 283 to 296) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (j) the Annual Report 2010 of RBS (excluding the sections "Financial Review" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (k) the Unaudited Interim Results of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (l) the Press Release dated 1 May 2012 (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (m) the press release "Further step in proposed transfers of a substantial part of the business activities of RBS N.V. to RBS: Dutch Scheme" which was published by RBSG on 26 March 2012;
- (n) the press release "Securities issued by, and guarantees of securities granted by, RBS N.V.: Expected Dutch Scheme" which was published by RBS N.V. and RBS on 23 March 2012; and
- (o) the List of Securities which was published by RBS N.V. and RBS on 23 March 2012.

The documents referred to in (a), (c)-(f) and (m)-(o) were filed with the AFM. The documents referred to in (b), (g)-(k) and (l) were filed with the FSA.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(o) will be available free of charge upon request from The Royal

Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com).

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

15. In the Bonus Discount Base Prospectus 2010, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced as follows:

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### **DOCUMENTS INCORPORATED BY REFERENCE**

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The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the RBS N.V. Registration Document (excluding any references in the RBS N.V. Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the RBS N.V. Registration Document (i) the last sentence in the second paragraph of the section "Risk Factors" and (ii) the last sentence of the paragraph "The Group is reliant on the RBSG Group", and excluding items (a) to (j) (including) in the section "Documents Incorporated by Reference" on pages 46 to 48 of the RBS N.V. Registration Document) (incorporated in the third paragraph of the cover page of this Base Prospectus);
- (b) the RBS Registration Document (excluding the sub-section "Assets, owners' equity and capital ratios" on page 26 of the RBS Registration Document, the sub-section "No Significant Change and No Material Adverse Change" on page 63 of the RBS Registration Document and items (a) to (f) (including) in the section "Documents Incorporated by Reference" on pages 67 to 69 of the RBS Registration Document) (incorporated in the third paragraph of the cover page of this Base Prospectus);
- (c) the Articles of Association (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (d) the Announcement (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (e) the Annual Report and Accounts 2011 of RBS Holdings N.V. (excluding the section "Business Review - Risk Factors" on page 10 and the section "Additional Information - Risk Factors" on pages 236 to 245 of the Annual Report and Accounts 2011 of RBS Holdings N.V.) (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (f) the Annual Report 2010 of RBS Holdings N.V. (excluding the section "Business Review - Risk Factors" on page 9 and the section "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010 of RBS Holdings N.V.) (incorporated under the

heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);

- (g) the Relevant Sections of the Annual Report 2011 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (h) the Relevant Sections of the Annual Report 2010 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (i) the Annual Report 2011 of RBS (excluding the sections "Financial review – Risk factors" on page 6 and "Risk factors" on pages 283 to 296) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (j) the Annual Report 2010 of RBS (excluding the sections "Financial Review" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (k) the Unaudited Interim Results of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (l) the Conditions 2009 (incorporated under the heading "Increases" of the section "General Information" of this Base Prospectus);
- (m) the Press Release dated 1 May 2012 (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
- (n) the press release "Further step in proposed transfers of a substantial part of the business activities of RBS N.V. to RBS: Dutch Scheme" which was published by RBSG on 26 March 2012;
- (o) the press release "Securities issued by, and guarantees of securities granted by, RBS N.V.: Expected Dutch Scheme" which was published by RBS N.V. and RBS on 23 March 2012; and
- (p) the List of Securities which was published by RBS N.V. and RBS on 23 March 2012.

The documents referred to in (a), (c)-(f) and (n)-(p) were filed with the AFM. The documents referred to in (b), (g)-(k) and (m) were filed with the FSA. The document referred to in (l) was filed with the BaFin.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(p) will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com).

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

16. In the Bonus Discount Base Prospectus 2011, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced as follows:

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### **DOCUMENTS INCORPORATED BY REFERENCE**

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The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the RBS N.V. Registration Document (excluding any references in the RBS N.V. Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the RBS N.V. Registration Document (i) the last sentence in the second paragraph of the section "Risk Factors" and (ii) the last sentence of the paragraph "The Group is reliant on the RBSG Group", and excluding items (a) to (j) (including) in the section "Documents Incorporated by Reference" on pages 46 to 48 of the RBS N.V. Registration Document) (incorporated in the third paragraph of the cover page of this Base Prospectus);
- (b) the RBS Registration Document (excluding the sub-section "Assets, owners' equity and capital ratios" on page 26 of the RBS Registration Document, the sub-section "No Significant Change and No Material Adverse Change" on page 63 of the RBS Registration Document and items (a) to (f) (including) in the section "Documents Incorporated by Reference" on pages 67 to 69 of the RBS Registration Document) (incorporated in the third paragraph of the cover page of this Base Prospectus);
- (c) the Articles of Association (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (d) the Announcement (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (e) the Annual Report and Accounts 2011 of RBS Holdings N.V. (excluding the section "Business Review - Risk Factors" on page 10 and the section "Additional Information - Risk Factors" on pages 236 to 245 of the Annual Report and Accounts 2011 of RBS Holdings N.V.) (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (f) the Annual Report 2010 of RBS Holdings N.V. (excluding the section "Business Review - Risk Factors" on page 9 and the section "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010 of RBS Holdings N.V.) (incorporated under the

- heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (g) the Relevant Sections of the Annual Report 2011 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (h) the Relevant Sections of the Annual Report 2010 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (i) the Annual Report 2011 of RBS (excluding the sections "Financial review – Risk factors" on page 6 and "Risk factors" on pages 283 to 296) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (j) the Annual Report 2010 of RBS (excluding the sections "Financial Review" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (k) the Unaudited Interim Results of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (l) the Conditions 2009 (incorporated under the heading "Increases" of the section "General Information" of this Base Prospectus);
  - (m) the Conditions 2010 (incorporated under the heading "Increases" of the section "General Information" of this Base Prospectus);
  - (n) the Press Release dated 1 May 2012 (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (o) the press release "Further step in proposed transfers of a substantial part of the business activities of RBS N.V. to RBS: Dutch Scheme" which was published by RBSG on 26 March 2012;
  - (p) the press release "Securities issued by, and guarantees of securities granted by, RBS N.V.: Expected Dutch Scheme" which was published by RBS N.V. and RBS on 23 March 2012; and
  - (q) the List of Securities which was published by RBS N.V. and RBS on 23 March 2012.

The documents referred to in (a), (c)-(f) and (o)-(q) were filed with the AFM. The documents referred to in (b), (g)-(k) and (n) were filed with the FSA. The documents referred to in (l)-(m) were filed with the BaFin.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(q) will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com).

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.



17. In the Bonus Discount Base Prospectus 2012, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced as follows:

---

### **DOCUMENTS INCORPORATED BY REFERENCE**

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The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the RBS N.V. Registration Document (excluding any references in the RBS N.V. Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the RBS N.V. Registration Document (i) the last sentence in the second paragraph of the section "Risk Factors" and (ii) the last sentence of the paragraph "The Group is reliant on the RBSG Group", and excluding items (a) to (j) (including) in the section "Documents Incorporated by Reference" on pages 46 to 48 of the RBS N.V. Registration Document) (incorporated in the third paragraph of the cover page of this Base Prospectus);
- (b) the RBS Registration Document (excluding the sub-section "Assets, owners' equity and capital ratios" on page 26 of the RBS Registration Document, the sub-section "No Significant Change and No Material Adverse Change" on page 63 of the RBS Registration Document and items (a) to (f) (including) in the section "Documents Incorporated by Reference" on pages 67 to 69 of the RBS Registration Document) (incorporated in the third paragraph of the cover page of this Base Prospectus);
- (c) the Articles of Association (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (d) the Announcement (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (e) the Annual Report and Accounts 2011 of RBS Holdings N.V. (excluding the section "Business Review - Risk Factors" on page 10 and the section "Additional Information - Risk Factors" on pages 236 to 245 of the Annual Report and Accounts 2011 of RBS Holdings N.V.) (incorporated under the heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (f) the Annual Report 2010 of RBS Holdings N.V. (excluding the section "Business Review - Risk Factors" on page 9 and the section "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010 of RBS Holdings N.V.) (incorporated under the

- heading "Additional information about RBS N.V. and the Guarantor" of the section "Information about The Royal Bank of Scotland N.V., the Guarantor and the Guarantee" of this Base Prospectus);
- (g) the Relevant Sections of the Annual Report 2011 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (h) the Relevant Sections of the Annual Report 2010 of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (i) the Annual Report 2011 of RBS (excluding the sections "Financial review – Risk factors" on page 6 and "Risk factors" on pages 283 to 296) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (j) the Annual Report 2010 of RBS (excluding the sections "Financial Review" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (k) the Unaudited Interim Results of RBSG (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (l) the Conditions 2009 (incorporated under the heading "Increases" of the section "General Information" of this Base Prospectus);
  - (m) the Conditions 2010 (incorporated under the heading "Increases" of the section "General Information" of this Base Prospectus);
  - (n) the Conditions 2011 (incorporated under the heading "Increases" of the section "General Information" of this Base Prospectus);
  - (o) the Press Release dated 1 May 2012 (incorporated under the heading "Additional information about RBS" of the section "Information about The Royal Bank of Scotland plc" of this Base Prospectus);
  - (p) the press release "Further step in proposed transfers of a substantial part of the business activities of RBS N.V. to RBS: Dutch Scheme" which was published by RBSG on 26 March 2012;
  - (q) the press release "Securities issued by, and guarantees of securities granted by, RBS N.V.: Expected Dutch Scheme" which was published by RBS N.V. and RBS on 23 March 2012; and
  - (r) the List of Securities which was published by RBS N.V. and RBS on 23 March 2012.

The documents referred to in (a), (c)-(f) and (o)-(r) were filed with the AFM. The documents referred to in (b), (g)-(k) and (o) were filed with the FSA. The documents referred to in (l)-(n) were filed with the BaFin.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(r) will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com).

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

London, 28 August 2012

**The Royal Bank of Scotland N.V.,  
London Branch**

By:

Signature

JÖRN PEGLOW  
Authorised Signatory

London, 28 August 2012

**The Royal Bank of Scotland plc**

By:

Signature

JÖRN PEGLOW  
Authorised Signatory

30 March 2012

**The Royal Bank of Scotland N.V.**  
**(previously named ABN AMRO Bank N.V.)**  
*(incorporated in the Netherlands with its statutory seat in Amsterdam)*

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SUPPLEMENT

IN ACCORDANCE WITH SECTION 16(1) OF THE GERMAN SECURITIES PROSPECTUS ACT

(*WERTPAPIERPROSPEKTGESETZ*; "**WPPG**")

TO THE FOLLOWING BASE PROSPECTUSES

(THE "**BASE PROSPECTUSES**):

BASE PROSPECTUS DATED 11 AUGUST 2009 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS

(THE "**BONUS DISCOUNT BASE PROSPECTUS 2009**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "**CERTIFICATES 2009**")

(**SIXTH SUPPLEMENT**)

BASE PROSPECTUS DATED 12 AUGUST 2010 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS

(THE "**BONUS DISCOUNT BASE PROSPECTUS 2010**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "**CERTIFICATES 2010**")

(**SEVENTH SUPPLEMENT**)

BASE PROSPECTUS DATED 9 AUGUST 2011 AS SUPPLEMENTED BY A PREVIOUS SUPPLEMENT

(THE "**BONUS DISCOUNT BASE PROSPECTUS 2011**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "**CERTIFICATES 2011**")

(**THIRD SUPPLEMENT**)

BASE PROSPECTUS DATED 20 MAY 2010 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS (THE  
"ETN FIXED MATURITY BASE PROSPECTUS 2010") RELATING TO EXCHANGE TRADED NOTES  
AND EXCHANGE TRADED COMMODITIES WITH A FIXED MATURITY (THE "NOTES 2010")  
(EIGHTH SUPPLEMENT)

(THE CERTIFICATES 2009, THE CERTIFICATES 2010 AND THE CERTIFICATES 2011 TOGETHER  
WITH THE NOTES 2010, THE "SECURITIES")

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**If, before this Supplement is published, investors have already agreed to purchase or subscribe for Securities issued under the Final Terms to the Base Prospectuses which have been published by the date of this Supplement, such investors shall have the right to withdraw their declaration of purchase or subscription in accordance with Section 16(3) WpPG within a period of two working days from the date of publication of this Supplement, unless such purchase or subscription has already been completed.**

**The withdrawal (for which no reasons need to be given) must be declared by written notice to that entity to which the relevant investor addressed the declaration of purchase or subscription or to The Royal Bank of Scotland N.V., London Branch, GBM, Legal Department/German Equities, 250 Bishopsgate, London EC2M 4AA, United Kingdom. Timely dispatch of notice is sufficient to comply with the notice period.**

During the validity of the Base Prospectuses and as long as any Securities issued in connection with the Base Prospectuses are listed on any stock exchange or offered to the public, copies of this Supplement and of the Base Prospectuses, as supplemented, will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com) and via the Issuer's website [www.rbs.de/markets](http://www.rbs.de/markets) for investors in Germany, [www.rbsbank.at/markets](http://www.rbsbank.at/markets) for investors in Austria and [www.rbs.com/markets](http://www.rbs.com/markets) for all other investors (or any successor website).

This supplement to the Base Prospectuses is published because (i) RBS Holdings N.V. and The Royal Bank of Scotland N.V. published a new registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 28 March 2012 and (ii) The Royal Bank of Scotland N.V. published an announcement dated 26 March 2012 informing investors in securities issued by The Royal Bank of Scotland N.V. as to whether or not their securities are expected to transfer to The Royal Bank of Scotland plc.

1. On the cover page of the Base Prospectuses, the second paragraph shall be replaced by the following paragraph:

This Base Prospectus must be read in connection with the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 28 March 2012 (the "**RBS N.V. Registration Document**") which was approved by the competent authority in the Netherlands (*Autoriteit Financiële Markten*) (the "**AFM**"), in connection with the registration document of The Royal Bank of Scotland plc dated 24 February 2012 (the "**RBS Registration Document**") which was approved by the competent authority in the United Kingdom (*Financial Services Authority*) (the "**FSA**"), as well as in connection with any supplements to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG (the "**Supplements**"). The RBS N.V. Registration Document and the RBS Registration Document are incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG.

2. The section "**SUMMARY**" up to (and including) the paragraph with the heading "**Risk Factors relating to the Issuer and the Guarantor**" shall be replaced in the Base Prospectuses as follows:

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## SUMMARY

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*This summary should be read as an introduction to this base prospectus (the "Base Prospectus") and any decision to invest in any Securities issued by The Royal Bank of Scotland N.V. should be based on consideration by the investor of this Base Prospectus as a whole, including the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 28 March 2012 (the "RBS N.V. Registration Document") which was approved by the competent authority in the Netherlands (Autoriteit Financiële Markten) (the "AFM"), the registration document of The Royal Bank of Scotland plc dated 24 February 2012 (the "RBS Registration Document") which was approved by the competent authority in the United Kingdom (Financial Services Authority) (the "FSA"), and which are both incorporated into this Base Prospectus by reference, any supplements to this Base Prospectus approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), and the so-called final terms (the "Final Terms"). Liability attaches to The Royal Bank of Scotland N.V. with respect to this summary, including any translation thereof, but only if the summary is misleading,*



*inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area (an "EEA State"), the plaintiff investor may, under the national legislation of the EEA States, have to bear the costs of translating this Base Prospectus before the legal proceedings are initiated.*

**Issuer:** The Royal Bank of Scotland N.V. (previously named ABN AMRO Bank N.V.) acting either through its principal office in the Netherlands or through its London branch or any other branch as specified in the Final Terms (as defined below) (the "**Issuer**" or "**RBS N.V.**")

**Guarantor:** RBS Holdings N.V. (previously named ABN AMRO Holding N.V.) (the "**Guarantor**" or "**RBS Holdings**")

**Description of the Guarantee:** On 15 June 1998, the Guarantor declared pursuant to 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 legal acts performed by the Issuer after 15 June 1998 (the "**Guarantee**").

**History and Incorporation of RBS N.V.:** RBS N.V. is a public limited liability company incorporated under Dutch law on 7 February 1825. RBS N.V. is registered in the Trade Register of Amsterdam under number 33002587. Since 14 May 2011, RBS N.V.'s registered office is at Gustav Mahlerlaan 350, 1082 ME Amsterdam, the Netherlands.

RBS N.V. is a wholly-owned subsidiary of RBS Holdings which is a public limited liability company incorporated under Dutch law on 30 May 1990. Since 14 May 2011, the registered office of RBS Holdings is at Gustav Mahlerlaan 350, 1082 ME Amsterdam, the Netherlands.

RBS Holdings has one subsidiary, RBS N.V., and RBS N.V. has various subsidiaries.

As used herein, the "**Group**" refers to RBS Holdings and its consolidated subsidiaries. The term "**RBSG**" refers to The Royal Bank of Scotland Group plc and the "**RBSG Group**" refers to RBSG and its subsidiaries consolidated in accordance with International Financial Reporting Standards. The term "**RBS**" refers to The

Royal Bank of Scotland plc.

**Overview:**

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

The Issuer operates across Europe, the Middle East and Africa (EMEA), the Americas and Asia. According to the Annual Report and Accounts 2011 for the financial year ended 31 December 2011 of RBS Holdings, the Group had total consolidated assets of EUR 146.7 billion as at 31 December 2011, the Group's Tier 1 and Core Tier 1 capital ratios were 12.0 per cent. and 8.4 per cent., respectively, as at that date.

RBS Holdings and RBS N.V. form part of the RBSG Group. RBSG is the holding company of a 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, RBS's subsidiary Citizens Financial Group, Inc. is a 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.

**Group Organisational Structure:**

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 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 (as defined below), in which each of the Consortium Members has a joint and indirect interest.

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

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

**Separation from the ABN AMRO Group:**

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

Holding N.V.

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

Certain assets within RBS N.V. continue to be shared by the Consortium Members. Approximately 98 per cent. of the issued share capital of RFS Holdings is now held by the RBSG Group.

**Proposed Transfer of  
Activities:**

On 19 April 2011, the Group announced that it had approved the proposed transfers of a substantial part of its business activities of RBS N.V. to RBS, (the "**Proposed Transfers**"). It is expected that the Proposed Transfers will be implemented on a phased basis over a period ending on 31 December 2013. A large part of the Proposed Transfers is expected to have taken place by the end of 2012. The Proposed Transfers include a proposal to change the issuer of a number of securities issued by RBS N.V. which will include some or all of the securities issued by RBS N.V. between 19 April 2011 and the date that the Proposed Transfers take effect.

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

On 26 March 2012, the Group announced that (1) RBS N.V. (as the demerging company) and RBS II B.V. (as the acquiring company) had that day filed a proposal with the Dutch Trade Register for a legal demerger and (2) following a preliminary hearing at the Court of Session in Scotland, RBS and RBS II B.V. had that day made filings with the Companies House in the UK and the Dutch Trade Register respectively for a proposed cross-border merger of RBS II B.V. into RBS (together with the proposal for the legal demerger, the

**"Proposed Dutch Scheme")**. Upon implementation of the Proposed Dutch Scheme, a substantial part of the business conducted by RBS N.V. in The Netherlands as well as in certain branches of RBS N.V. located in a number of countries in Europe will be transferred to RBS (the **"Transferring Businesses"**). The Proposed Dutch Scheme will be implemented by the demerger of the transferring businesses into RBS II B.V. by way of a Dutch statutory demerger (the **"Demerger"**), followed by the merger of RBS II B.V. into RBS through a cross-border merger. RBS II B.V. is a Dutch company licensed as a bank in The Netherlands that has been established specifically for the purposes of the Proposed Dutch Scheme. Implementation of the Proposed Dutch Scheme is subject, amongst other matters, to regulatory and court approvals. If granted, the regulatory approvals will be granted on the basis that the Demerger will not proceed unless the Merger is to proceed thereafter. Subject to these matters, it is expected that the Proposed Dutch Scheme will take effect on 9 July 2012.

As a result of the Proposed Dutch Scheme, RBS will become the Issuer of certain securities originally issued by RBS N.V. Any liability of RBS Holdings under the Guarantee will, from the effective date of the Proposed Dutch Scheme, cease to apply in relation to any securities for which RBS will become the Issuer.

On 23 March 2012, RBS N.V. and RBS published a list of securities of RBS N.V. for which it is possible that RBS will become the issuer of the Securities, accordingly, indicating whether or not RBS is expected to become the issuer of those securities pursuant to the Proposed Dutch Scheme (subject to the relevant securities not having been exercised, redeemed or repurchased and cancelled prior to the implementation of the Proposed Dutch Scheme).

For securities issued by RBS N.V. after 30 March 2012, RBS N.V. will include provisions in the final terms for any new issues of securities which are eligible for the

Proposed Dutch Scheme to indicate whether or not RBS is expected to subsequently become the issuer of those securities as a result of the Proposed Dutch Scheme (subject to the relevant securities not having been exercised, redeemed or repurchased and cancelled prior to the implementation of the Proposed Dutch Scheme).

**Financial Information relating to the Issuer:**

According to the Abbreviated Financial Statements 2011 of the Issuer, the Issuer recorded a loss for 2011 of EUR 656 million. Its total assets were EUR 165.3 billion at 31 December 2011.

**General Information about RBS:**

RBS (together with its subsidiaries consolidated in accordance with International Financial Reporting Standards, the "**RBS Group**") is a public limited company incorporated in Scotland with registration number SC090312. RBS was incorporated under Scots law on 31 October 1984. RBS is a wholly-owned subsidiary of RBSG.

According to the Annual Report and Accounts 2011 of RBSG for the year ended 31 December 2011, the RBSG Group had total assets of £1,506.9 billion and owners' equity of £74.8 billion as at 31 December 2011. The RBSG Group's capital ratios at that date were a total capital ratio of 13.8 per cent, a Core Tier 1 capital ratio of 10.6 per cent and a Tier 1 capital ratio of 13.0 per cent.

According to the Annual Report and Accounts 2011 of RBS, the RBS Group had total assets of £1,432.8 billion and shareholder's equity of £61.7 billion as at 31 December 2011. The RBS Group's capital ratios as at that date were a total capital ratio of 14.6 per cent, a Core Tier 1 capital ratio of 9.2 per cent and a Tier 1 capital ratio of 11.0 per cent.

**Rating of the Issuer:**

As of 30 March 2012, the credit ratings<sup>1</sup> of the Issuer assigned by Moody's Investors Service Ltd., London,

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<sup>1</sup> Since 31 October 2011 the rating agencies set forth in this section are registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the

United Kingdom ("**Moody's Investors Service**"), Standard & Poor's Credit Market Services Europe Limited, London, United Kingdom ("**Standard & Poor's**"), and Fitch Ratings Limited, London, United Kingdom ("**Fitch Ratings**"), are as follows:

	Long term	Short term	Outlook
Moody's Investors Service	A2	P-1	Negative
Standard & Poor's	A	A-1	Stable
Fitch Ratings	A	F1	Stable

- **Moody's Investors Service definitions**

Obligations rated "A" are considered upper-medium grade and are subject to low credit risk.

The rating system used by Moody's Investors Service for long-term obligations has various subcategories ranging from "Aaa" (describing obligations judged to be of the highest quality, with minimal credit risk), "Aa", "A", "Baa", "Ba", "B", "Caa" and "Ca" to "C", the lowest category representing long-term obligations that are typically in default, with little prospect for recovery of principal or interest. In addition, Moody's Investors Service appends numerical modifiers ("1", "2", and "3") to each generic rating classification from "Aa" through "Caa". The modifier "1" indicates that the respective long-term obligation ranks in the higher end of its generic rating category; the modifier "2" indicates a mid-range ranking, and the modifier "3" indicates a ranking in the lower end of that generic rating category.

Issuers rated "P-1" have a superior ability to repay short-term debt obligations.

The rating system used by Moody's Investors Service

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"Regulation") as published on the website of the European Securities and Markets Authority pursuant to Article 18(3) of the Regulation.

for short-term obligations has various subcategories ranging from "P-1", "P-2" and "P-3" to "NP", the lowest category representing issuers that do not fall within any of the "Prime" rating categories.

A rating outlook is an opinion regarding the likely direction of a rating over the medium term. Where assigned, rating outlooks fall into the following four categories: "Positive", "Negative", "Stable", and "Developing" (contingent upon an event).

- ***Standard and Poor's definitions***

An obligor rated "A" by Standard & Poor's has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

The rating system used by Standard & Poor's for the capacity of an obligor to pay its financial obligations over a long-term horizon has various subcategories ranging from "AAA" (which is the highest quality rating), "AA", "A", "BBB", "BB", "B", "CCC", "CC", "R" and "SD" to "D", the lowest category indicating that Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. Plus ("+") or minus ("-") signs following ratings from the "AA" to "CCC" categories show the relative standing within the major rating categories.

An obligor rated "A-1" by Standard & Poor's has strong capacity to meet its financial commitments over a short-term time horizon. It is rated in the highest category by Standard & Poor's.

The rating system used by Standard & Poor's for short-term issuer credit ratings has various subcategories ranging from "A-1" (which is the highest quality rating), "A-2", "A-3", "B", "C", "R" and "SD" to "D", the lowest category indicating that Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as



they come due.

"Stable" means that a rating is not likely to change.

- ***Fitch Ratings definitions***

"A" ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

The rating system used by Fitch Ratings for long-term financial commitments has various subcategories ranging from "AAA" (which is the highest quality rating), "AA", "A", "BBB", "BB", "B", "CCC", "CC", "C", "RD" to "D", the lowest category indicating that the issuer in Fitch Ratings' opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business. The modifiers "+" or "-" may be appended to a rating to denote relative status within a major rating category. Such suffixes are not added to the "AAA" rating category or to the categories below "B".

An "F1" rating indicates the strongest intrinsic capacity for timely payment of short-term financial commitments.

The rating system used by Fitch Ratings for short-term liabilities has various subcategories ranging from "F1" (which is the highest quality rating), "F2", "F3", "B" "C" and "RD" to "D", the lowest category indicating a broad-based default event for an entity.

The rating definitions set out above were obtained in the English language from Moody's Investors Service ([www.moodys.com](http://www.moodys.com)), Standard & Poor's ([www.standardandpoors.com](http://www.standardandpoors.com)) and Fitch Ratings ([www.fitchratings.com](http://www.fitchratings.com)), respectively.

**Risk Factors:**

The purpose of the risk factors description is to protect potential purchasers of the Securities from making investments that are not suitable for their purposes as well as to set out economic and legal risks associated

with an investment in the Securities. Potential purchasers of the Securities should be aware of the risks associated with an investment in the Securities before making an investment decision.

**Risk Factors relating to the Issuer and the Guarantor:**

The Group is reliant on the RBSG Group. Prospective investors should note that the Group is subject to certain risks specific to the RBSG Group including, without limitation, instability in the global financial markets, lack of liquidity, depressed asset valuations, geopolitical conditions, full nationalisation and other resolution procedures under the United Kingdom Banking Act 2009 and risks related to the entry into the asset protection scheme. Accordingly, risk factors below which relate to RBSG and the RBSG Group will also be of relevance to the Issuer and the Group:

- The Group's businesses and performance can be negatively affected by actual or perceived global economic and financial market conditions and by other geopolitical risks.
- The Group's ability to meet its obligations including its funding commitments depends on the Group's ability to access sources of liquidity and funding.
- The execution and/or any delay in the execution (or non-completion) of the approved proposed transfers of a substantial part of the business activities of RBS N.V. to RBS may have a material adverse effect on the Group and may also negatively impact the value of securities issued by RBS N.V.
- If securities issued by RBS N.V. are transferred to RBS, the fact of such transfer and/or the fact that RBS is a Scottish incorporated company might impact holders of such securities, whether for tax reasons or otherwise.
- An extensive restructuring and balance sheet reduction programme of the RBSG Group is ongoing and may adversely affect the Group's business, results of operations, financial condition, capital ratios and liquidity and may also negatively impact the value of

securities issued by RBS N.V.

- 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 financial performance of the Group has been, and continues to be, materially affected by deteriorations in borrower and counterparty credit quality and further deteriorations, could arise due to prevailing economic and market conditions, and legal and regulatory developments.
- The Group's earnings and financial condition have been, and its future earnings and financial condition may continue to be, materially affected by depressed asset valuations resulting from poor market conditions.
- Changes in interest rates, foreign exchange rates, credit spreads, bond, equity and commodity prices, basis, volatility and correlation risks and other market factors have significantly affected and will continue to affect the Group's business and results of operations.
- The Group's borrowing costs, its access to the debt capital markets and its liquidity depend significantly on its credit ratings.
- The Group's business performance could be adversely affected if its capital is not managed effectively or as a result of changes to capital adequacy and liquidity requirements.
- The Group is and may be subject to litigation and regulatory investigations that may have a material impact on its business.
- The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgements and estimates that may change over time or may ultimately not turn

out to be accurate.

- The Group operates in markets that are highly competitive and its business and results of operations may be adversely affected.
- The Group could fail to attract or retain senior management, which may include members of the Group's Supervisory Board and Managing Board, or other key employees, and it may suffer if it does not maintain good employee relations.
- Each of the Group's businesses is subject to substantial regulation and oversight. Significant regulatory developments, including changes in tax law, could have an adverse effect on how the Group conducts its business and on its results of operations and financial condition.
- The Group may be required to make further contributions to its pension schemes if the value of pension fund assets is not sufficient to cover potential obligations.
- Operational risks are inherent in the Group's businesses.
- The Group's operations have inherent reputational risk.
- The recoverability and regulatory capital treatment of certain deferred tax assets recognised by the Group depends on the Group's ability to generate sufficient future taxable profits and there being no adverse changes to tax legislation, regulatory requirements or accounting standards.
- In addition to the risk factors described above, the Group is also subject to additional risks related to the entry by RBSG Group into the asset protection scheme and the two back to back contracts (the "**Contracts**") entered into by RBS in connection with certain assets and exposures of RBS N.V. and its wholly-owned subsidiaries.
- The extensive governance, asset management and

information requirements under the conditions of the asset protection scheme, 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 conditions of the asset protection scheme may have a negative impact on the expected benefits of the Contracts and may have an adverse impact on the Group.

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

**Risk Factors relating to RBS:**

RBS is a principal operating subsidiary of RBSG and accounts for a substantial proportion of the consolidated assets, liabilities and operating profits of RBSG. Accordingly, risk factors below which relate to RBSG and the RBSG Group will also be of relevance to the RBS and the RBS Group.

- The RBSG Group's businesses and performance can be negatively affected by actual or perceived global economic and financial market conditions and by other geopolitical risks.
- The RBSG Group's ability to meet its obligations including its funding commitments depends on the RBSG Group's ability to access sources of liquidity and funding.
- The Independent Commission on Banking has published its final report on competition and possible structural reforms in the UK banking industry. The UK Government has indicated that it supports and intends to implement the recommendations substantially as proposed, which could have a material adverse effect on the RBSG Group.
- The RBSG Group's ability to implement its strategic plan depends on the success of the RBSG Group's

refocus on its core strengths and its balance sheet reduction programme.

- The occurrence of a delay in the implementation of (or any failure to implement) the approved proposed transfers of a substantial part of the business activities of The Royal Bank of Scotland N.V. ("RBS N.V.") to RBS may have a material adverse effect on the RBSG Group.
- The RBSG Group is subject to a variety of risks as a result of implementing the state aid restructuring plan and is prohibited from making discretionary dividend or coupon payments on existing hybrid capital instruments (including preference shares and B shares) which may impair the RBSG Group's ability to raise new Tier 1 capital.
- RBSG and its United Kingdom bank subsidiaries may face the risk of full nationalisation or other resolution procedures under the Banking Act 2009 which may result in various actions being taken in relation to any Securities.
- The financial performance of the RBSG Group has been, and continues to be, materially affected by deteriorations in borrower and counterparty credit quality and further deteriorations could arise due to prevailing economic and market conditions, and legal and regulatory developments.
- The RBSG Group's earnings and financial condition have been, and its future earnings and financial condition may continue to be, materially affected by depressed asset valuations resulting from poor market conditions.
- The value or effectiveness of any credit protection that the RBSG Group has purchased depends on the value of the underlying assets and the financial condition of the insurers and counterparties.
- Changes in interest rates, foreign exchange rates, credit spreads, bond, equity and commodity prices, basis, volatility and correlation risks and other market

factors have significantly affected and will continue to affect the RBSG Group's business and results of operations.

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

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

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

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

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

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

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

- The RBSG Group's results could be adversely affected in the event of goodwill impairment.

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

obligations.

- Operational risks are inherent in the RBSG Group's businesses.
- Her Majesty's Treasury ("HM Treasury") (or UK Financial Investments Limited on its behalf) may be able to exercise a significant degree of influence over the RBSG Group and any proposed offer or sale of its interests may affect the price of the Securities.
- The RBSG Group's operations have inherent reputational risk.
- In the United Kingdom and in other jurisdictions, the RBSG Group is responsible for contributing to compensation schemes in respect of banks and other authorised financial services firms that are unable to meet their obligations to customers.
- The recoverability and regulatory capital treatment of certain deferred tax assets recognised by the RBSG Group depends on the RBSG Group's ability to generate sufficient future taxable profits and there being no adverse changes to tax legislation, regulatory requirements or accounting standards.
- The RBSG Group's participation in the UK asset protection scheme is costly and may not produce the benefits expected and the occurrence of associated risks may have a material adverse impact on the RBSG Group's business, capital position, financial condition and results of operations.
- The extensive governance, asset management and information requirements under the scheme conditions may have an adverse impact on the RBSG Group and the expected benefits of the asset protection scheme.
- Any changes to the expected regulatory capital treatment of the asset protection scheme, the B shares issued by RBSG and the contingent B shares that RBSG may issue may have a material adverse impact on the RBSG Group.
- RBS has entered into a credit derivative and a



financial guarantee contract with RBS N.V. which may adversely affect the RBS Group's results.

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

3. The section "**ZUSAMMENFASSUNG (GERMAN LANGUAGE VERSION OF THE SUMMARY)**" up to (and including) the paragraph with the heading "**Risikofaktoren in Bezug auf die Emittentin und die Garantin**" shall be replaced in the Base Prospectuses as follows:

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**ZUSAMMENFASSUNG**  
**(GERMAN LANGUAGE VERSION OF THE SUMMARY)**

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*Diese Zusammenfassung sollte als Einführung zum vorliegenden Basisprospekt (der „Basisprospekt“) verstanden werden. Eine Entscheidung zur Anlage in von der The Royal Bank of Scotland N.V. begebene Wertpapiere durch den Anleger sollte auf die Prüfung des gesamten Basisprospekts, einschließlich des Registrierungsformulars der RBS Holdings N.V. und der The Royal Bank of Scotland N.V. vom 28. März 2012 (das „RBS N.V. Registrierungsformular“), das von der zuständigen niederländischen Finanzmarktbehörde (Autoriteit Financiële Markten) (die „AFM“) gebilligt wurde, des Registrierungsformulars der Royal Bank of Scotland plc vom 24. Februar 2012 (das „RBS Registrierungsformular“), das von der zuständigen britischen Finanzaufsichtsbehörde (Financial Services Authority) (die „FSA“) gebilligt wurde und die beide per Verweis in diesen Basisprospekt einbezogen werden, etwaiger von der Bundesanstalt für Finanzdienstleistungsaufsicht gebilligter Nachträge zu diesem Basisprospekt und der sogenannten endgültigen Bedingungen (die „Endgültigen Bedingungen“) gestützt werden. Die The Royal Bank of Scotland N.V. kann in Bezug auf diese Zusammenfassung einschließlich Übersetzungen davon haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen dieses Basisprospekts gelesen wird. Für den Fall, dass vor einem Gericht in einem Mitgliedstaat des Europäischen Wirtschaftsraumes (ein „EWR-Staat“) Ansprüche aufgrund der in diesem Basisprospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der EWR-Staaten die Kosten für die Übersetzung des Basisprospekts vor Prozessbeginn zu tragen haben.*

<b>Emittentin:</b>	The Royal Bank of Scotland N.V. (früherer Name ABN AMRO Bank N.V.), handelnd entweder über ihre Hauptniederlassung in den Niederlanden, ihre Niederlassung in London oder eine andere Niederlassung, wie jeweils in den Endgültigen Bedingungen (wie nachstehend definiert) angegeben (die „ <b>Emittentin</b> “ oder „ <b>RBS N.V.</b> “)
<b>Garantin:</b>	RBS Holdings N.V. (früherer Name ABN AMRO Holding N.V.) (die „ <b>Garantin</b> “ oder „ <b>RBS Holdings</b> “)
<b>Beschreibung der Garantie:</b>	Die Garantin hat am 15. Juni 1998 gemäß Artikel 403 Abs. 1 lit. f Buch 2 des niederländischen Bürgerlichen Gesetzbuchs erklärt, dass sie gesamtschuldnerisch für sämtliche Verbindlichkeiten haftet, die aus nach dem 15. Juni 1998 von der Emittentin vorgenommenen Rechtshandlungen entstehen (die „ <b>Garantie</b> “).
<b>Geschichte und Gründung der RBS N.V.:</b>	<p>Die RBS N.V. ist eine am 7. Februar 1825 nach niederländischem Recht gegründete Aktiengesellschaft. Die RBS N.V. ist im Handelsregister von Amsterdam unter der Nummer 33002587 eingetragen. Der eingetragene Sitz der RBS N.V. befindet sich seit dem 14. Mai 2011 in Gustav Mahlerlaan 350, 1082 ME Amsterdam, Niederlande.</p> <p>Die RBS N.V. ist eine 100 %-ige Tochtergesellschaft der RBS Holdings, einer am 30. Mai 1990 nach niederländischem Recht gegründeten Aktiengesellschaft. Der eingetragene Sitz der RBS Holdings befindet sich seit dem 14. Mai 2011 in Gustav Mahlerlaan 350, 1082 ME Amsterdam, Niederlande.</p> <p>Die RBS Holdings hat eine Tochtergesellschaft, die RBS N.V., die wiederum verschiedene Tochtergesellschaften hat.</p> <p>Der Begriff „<b>Gruppe</b>“ in diesem Prospekt bezieht sich auf RBS Holdings und ihre konsolidierten Tochtergesellschaften. Der Begriff „<b>RBSG</b>“ bezieht sich auf The Royal Bank of Scotland Group plc, und „<b>RBSG-Gruppe</b>“ bezieht sich auf die RBSG und ihre nach den <i>International Financial Reporting Standards</i> konsolidierten Tochtergesellschaften. Der Begriff</p>

## Überblick:

„RBS“ bezieht sich auf The Royal Bank of Scotland plc.

Die Emittentin ist eine durch die niederländische Zentralbank (De Nederlandsche Bank) zugelassene und beaufsichtigte Bank.

Die Emittentin ist in Europa, im Nahen Osten und Afrika (EMEA), in Amerika und Asien tätig. Nach dem Geschäftsbericht 2011 (*Annual Report and Accounts 2011*) der RBS Holdings, hatte die Gruppe zum 31. Dezember 2011 konsolidierte Vermögenswerte von EUR 146,7 Mrd., betragen die Kernkapitalquote (*Tier 1 capital*) und die harte Kernkapitalquote (*Core Tier 1 capital*) der Gruppe zu diesem Datum 12,0 % bzw. 8,4 %.

Die RBS Holdings und die RBS N.V. sind Teil der RBSG-Gruppe. Die RBSG ist die Muttergesellschaft einer weltweit tätigen Bank- und Finanzdienstleistungsgruppe. Mit Hauptsitz in Edinburgh, ist die RBSG-Gruppe im Vereinigten Königreich, in den Vereinigten Staaten und international durch ihre drei Haupttochtergesellschaften, RBS, National Westminster Bank Public Limited Company („**NatWest**“) und RBS N.V. tätig. Sowohl die RBS als auch NatWest sind bedeutende Clearingbanken im Vereinigten Königreich. In den Vereinigten Staaten ist Citizens Financial Group, Inc., die Tochtergesellschaft der RBS, eine Handelsbankengruppe. Die Gruppe hat weltweit eine diversifizierte Kundenbasis und stellt Privat- und Geschäftskunden sowie Großunternehmen und institutionellen Kunden eine breite Palette von Produkten und Dienstleistungen zur Verfügung.

## Organisationsstruktur der Gruppe:

Die Gruppe umfasst die folgenden vier Unternehmensbereiche:

- *Global Banking & Markets* (Globales Bankgeschäft und Märkte, „**GBM**“): Der Unternehmensbereich GBM bietet im Bankgeschäft bedeutenden Unternehmen und Finanzinstituten weltweit eine breite Palette von Kredit- und Eigenkapitalfinanzierungen, Risikomanagement und Investmentdienstleistungen an. Der Unternehmens-

bereich GBM innerhalb von RBS Holdings ist in vier Hauptgeschäftsbereiche aufgeteilt: *Global Lending* (Globales Kreditgeschäft), *Equities* (Aktiengeschäft), *Short Term Markets & Funding* (Kurzfristige Märkte und Finanzierung) und *Local Markets* (Lokale Märkte).

- *Global Transaction Services* (Globale Transaktionsdienstleistungen, „GTS“): GTS bietet als globale Transaktionsdienstleistungen *Global Trade Finance* (Globale Handelsfinanzierung), *Transaction Banking* (Transaktionsbankgeschäft) und *International Cash Management* (Internationales Liquiditätsmanagement) an.

- *Central Items* (Zentralbereiche): Der Unternehmensbereich *Central Items* umfasst Gruppen- und Zentralbereiche, wie z.B. *Treasury* (Finanzabteilung), *Capital Management* und *Finance* (Eigenmittelverwaltung und Finanzierung), das Risikomanagement, die Rechtsabteilung, die Unternehmenskommunikation und die Personalabteilung. *Central Items* verwaltet das Kapital der Gruppe, die gesetzlichen und aufsichtsrechtlichen Verpflichtungen und bietet Dienstleistungen für das Filialnetz.

- *Non-Core Segment* (Nicht-Kernabteilung): Die Nicht-Kernabteilung umfasst eine Reihe von Geschäftsbereichen und gesondert verwalteten Vermögensportfolien, die die Gruppe im Rahmen der Strategie der RBSG-Gruppe für das Nicht-Kernvermögen abzuwickeln bzw. zu veräußern beabsichtigt. Es umfasst auch bei der RBS N.V. verbleibendes Vermögen und Verbindlichkeiten, das/die noch nicht verkauft, abgewickelt oder alternativ durch die Mitglieder des Konsortiums (nachstehend definiert) übertragen werden, und an dem/den jedes Mitglied des Konsortiums eine gemeinsame und unmittelbare Beteiligung hat.

*Global Banking & Markets*, *Global Transaction Services* und *Central Items* stellen die Kernbereiche der Gruppe dar.

Diese Geschäftsbereiche sind Teil der globalen

Geschäftseinheiten der RBSG-Gruppe, die durch verschiedene juristische Personen handeln. Die Strategie der Gruppe ist Teil der gesamten Unternehmensstrategie der RBSG-Gruppe. Die RBS Holdings ist in Kern- und Nicht-Kernbereiche restrukturiert worden. Die RBSG-Gruppe wird voraussichtlich die Geschäftsbereiche Vermögenswerte und Portfolien innerhalb des Nicht-Kernbereiches bis 2013 im Wesentlichen abgewickelt bzw. veräußert haben, und die RBSG-Gruppe hat die Veräußerung der Unternehmen in Lateinamerika, Asien, Europa und im Nahen Osten vollzogen.

**Abspaltung der ABN AMRO Gruppe:**

In 2007 hat die RFS Holdings B.V. („**RFS Holdings**“), die gemeinsam von der RBSG-Gruppe, dem niederländischen Staat (als Nachfolger der Fortis Bank Nederland (Holding) N.V.) und Santander (gemeinsam die „**Mitglieder des Konsortium**“) gehalten wurde, den Erwerb der ABN AMRO Holding N.V. abgeschlossen.

Am 6. Februar 2010 wurden die vom niederländischen Staat übernommenen Geschäfte der ABN AMRO Holding N.V. rechtlich auf eine neu gegründete Firma, die ABN AMRO Bank N.V., abgespalten. Die ABN AMRO Bank N.V. wurde wiederum am 1. April 2010 an die ABN AMRO Group N.V. übertragen, die im Eigentum des niederländischen Staates steht.

Bestimmte Vermögenswerte der RBS N.V. verbleiben weiterhin gemeinschaftlich bei den Mitgliedern des Konsortiums. Circa 98 Prozent des ausgegebenen Stammkapitals der RFS Holdings wird nunmehr von der RBSG-Gruppe gehalten.

**Geplante Übertragung von Aktivitäten:**

Am 19. April 2011 hat die Gruppe mitgeteilt, dass sie einer geplanten Übertragung eines wesentlichen Teils ihrer Geschäftsaktivitäten von der RBS N.V. auf die RBS zugestimmt hat (die „**Geplanten Übertragungen**“). Es wird erwartet, dass die Geplanten Übertragungen in mehreren Stufen bis zum 31. Dezember 2013 durchgeführt werden. Ein großer Teil der Geplanten Übertragungen soll den Planungen zufolge bis Ende 2012 erfolgt sein. Die Geplanten Übertragungen

beinhalten eine Ersetzung der Emittentin für eine Vielzahl der von der RBS N.V. begebenen Wertpapiere. Dies wird auch für einen Teil oder alle der von der RBS N.V. zwischen dem 19. April 2011 und dem Zeitpunkt des Wirksamwerdens der Geplanten Übertragungen begebenen Wertpapiere gelten.

Am 17. Oktober 2011 hat die Gruppe die Übertragung wesentlicher Teile der englischen Geschäftstätigkeiten der RBS N.V. auf die RBS nach Teil VII des britischen *Financial Services and Markets Act 2000* abgeschlossen.

Am 26. März 2012 teilte die Gruppe mit, dass (1) die RBS N.V. (als abspaltende Gesellschaft) und die RBS II B.V. (als übernehmende Gesellschaft) an diesem Tag bei dem niederländischen Handelsregister einen Abspaltungsantrag eingereicht haben und (2) die RBS und die RBS II B.V. an diesem Tag nach einer vorläufigen Anhörung vor dem zuständigen Gericht in Schottland (*Court of Session*) Anträge auf eine geplante grenzüberschreitende Verschmelzung der RBS II B.V. auf die RBS (zusammen mit dem Abspaltungsantrag das „**Geplante Niederländische Verfahren**“) bei dem Companies House im Vereinigten Königreich bzw. dem niederländischen Handelsregister eingereicht haben. Nach Umsetzung des Geplanten Niederländischen Verfahrens wird ein wesentlicher Teil der Geschäftstätigkeit der RBS N.V. in den Niederlanden sowie in bestimmten Niederlassungen der RBS N.V. in einer Reihe von Staaten in Europa auf die RBS übertragen (die „**Übertragenen Geschäftsbereiche**“). Die Umsetzung des Geplanten Niederländischen Verfahrens erfolgt durch Abspaltung der Übertragenen Geschäftsbereiche in die RBS II B.V. im Wege eines gesetzlich vorgesehenen Abspaltungsverfahrens in den Niederlanden (die „**Abspaltung**“) mit anschließender Verschmelzung der RBS II B.V. auf die RBS im Wege einer grenzüberschreitenden Verschmelzung. Die RBS II B.V. ist eine in den Niederlanden als Bank zugelassene Gesellschaft, die eigens für Zwecke des

Geplanten Niederländischen Verfahrens gegründet wurde. Die Umsetzung des Geplanten Niederländischen Verfahrens ist u.a. abhängig von aufsichtsrechtlichen und gerichtlichen Genehmigungen. Im Falle einer Gestattung werden die aufsichtsrechtlichen Genehmigungen unter dem Vorbehalt gewährt, dass die Abspaltung nicht vorgenommen wird, sofern nicht danach auch die Verschmelzung erfolgt. Unter diesen Voraussetzungen wird erwartet, dass das Geplante Niederländische Verfahren am 9. Juli 2012 wirksam wird.

Als Folge des Geplanten Niederländischen Verfahrens wird die RBS für bestimmte, ursprünglich von der RBS N.V. begebene Wertpapiere als Emittentin an die Stelle der RBS N.V. treten. Für den Fall einer wirksamen Umsetzung des Geplanten Niederländischen Verfahrens enden sämtliche Verpflichtungen der RBS Holdings gemäß der Garantie in Bezug auf die Wertpapiere, die auf die RBS als neue Emittentin übergehen.

Entsprechend haben die RBS N.V. und die RBS am 23. März 2012 eine Liste mit bereits von der RBS N.V. begebenen Wertpapieren veröffentlicht, für die die Möglichkeit besteht, dass die RBS nach dem Geplanten Niederländischen Verfahren nachträglich zur Emittentin der Wertpapiere wird. Diese Liste bezeichnet die Wertpapiere, bei denen davon ausgegangen wird, dass die RBS nachträglich zur Emittentin für diese Wertpapiere wird (soweit diese Wertpapiere vor dem Geplanten Niederländische Verfahren weder ausgeübt, noch gekündigt oder zurückgekauft und eingezogen wurden).

Für Wertpapiere, die von der RBS N.V. erst nach dem 30. März 2012 begeben werden, wird die RBS N.V. in den Endgültigen Bedingungen angeben, ob bei der betreffenden Emission von einem nachträglichen Wechsel der Emittentenfunktion auf die RBS nach dem Geplanten Niederländische Verfahren auszugehen ist (soweit diese Wertpapiere vor dem Geplanten Niederländische Verfahren weder ausgeübt, noch

gekündigt oder zurückgekauft und eingezogen wurden).

**Finanzangaben der Emittentin:**

Nach den verkürzten Finanzinformationen 2011 (Abbreviated Financial Statements 2011) der Emittentin verzeichnete die Emittentin für 2011 einen Verlust in Höhe von EUR 656 Mio. Ihre Gesamtvermögenswerte betragen EUR 165,3 Mrd. zum 31. Dezember 2011.

**Allgemeine Informationen über die RBS:**

Die RBS (zusammen mit ihren gemäß Internationalen Rechnungslegungsstandards (*International Financial Reporting Standards*) konsolidierten Tochtergesellschaften, die „**RBS-Gruppe**“) ist eine Aktiengesellschaft, die in Schottland unter der Registrierungsnummer SC090312 eingetragen ist. Die RBS wurde am 31. Oktober 1984 nach schottischem Recht gegründet. Die RBS ist eine hundertprozentige Tochtergesellschaft der RBSG.

Nach dem Geschäftsbericht 2011 (*Annual Report and Accounts 2011*) der RBSG für das am 31. Dezember 2011 endende Jahr betragen zum 31. Dezember 2011 die Gesamtvermögenswerte der RBSG-Gruppe £1.506,9 Mrd., und das Eigenkapital der Gruppe betrug £74,8 Mrd. Die Kapitalquoten der RBSG-Gruppe zu diesem Datum betragen 13,8% für die Gesamtkapitalquote, 10,6% für die Kernkapitalquote (*Core Tier 1*) und 13,0% für die Kapitalquote (*Tier 1*).

Nach dem Geschäftsbericht 2011 (*Annual Report and Accounts 2011*) der RBS betragen die Gesamtvermögenswerte der RBS-Gruppe zum 31. Dezember 2011 £1.432,8 Mrd., und das Eigenkapital betrug £61,7 Mrd. Die Kapitalquoten der RBS-Gruppe zu diesem Datum betragen 14,6% für die Gesamtkapitalquote, 9,2% für die Kernkapitalquote (*Core Tier 1*) und 11,0% für die Kapitalquote (*Tier 1*).

**Rating der Emittentin:**

Zum 30. März 2012 lauten die Kreditratings<sup>2</sup> der Emittentin, die durch Moody's Investors Service Ltd., London, Vereinigtes Königreich („**Moody's Investors**“)

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<sup>2</sup> Seit dem 31. Oktober 2011 sind die in diesem Abschnitt aufgeführten Ratingagenturen gemäß der Verordnung (EG) Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009 über Ratingagenturen (die „**Verordnung**“) registriert, wie auf der Internetseite der European Securities and Markets Authority gemäß Artikel 18(3) der Verordnung veröffentlicht.



**Service“), Standard & Poor's Credit Market Services Europe Limited, London, Vereinigtes Königreich („Standard & Poor's“), und Fitch Ratings Limited, London, Vereinigtes Königreich („Fitch Ratings“), vergeben wurden, wie folgt:**

	Langfristig	Kurzfristig	Ausblick
Moody's Investors Service	A2	P-1	Negativ
Standard & Poor's	A	A-1	Stabil
Fitch Ratings	A	F1	Stabil

- **Moody's Investors Service Definitionen**

Verbindlichkeiten, die mit „A“ eingestuft sind, werden als Verbindlichkeiten der „oberen Mittelklasse“ zugerechnet und bergen ein geringes Kreditrisiko.

Die von Moody's Investors Service verwendete Rating-Skala für langfristige Verbindlichkeiten hat verschiedene Kategorien und reicht von „Aaa“, die die Kategorie höchster Qualität mit einem minimalen Kreditrisiko bezeichnet, über die Kategorien „Aa“, „A“, „Baa“, „Ba“, „B“, „Caa“, „Ca“, bis zur niedrigsten Kategorie „C“, die langfristige Verbindlichkeiten bezeichnet, bei denen ein Zahlungsausfall in der Regel bereits eingetreten ist und eine geringe Aussicht auf Rückzahlung von Kapital und Zinsen besteht. Moody's Investors Service verwendet innerhalb der Kategorien „Aa“ bis „Caa“ zusätzlich numerische Unterteilungen („1“, „2“ oder „3“). Der Zusatz „1“ weist darauf hin, dass die jeweilige langfristige Verbindlichkeit zum oberen Drittel der jeweiligen Rating-Kategorie gehört, während der Zusatz „2“ auf eine Klassifizierung im mittleren Drittel und der Zusatz „3“ auf eine solche im unteren Drittel hinweist.

Emittenten mit der Einstufung „P-1“ verfügen in herausragender Weise über die Fähigkeit, ihre kurzfristigen Schuldverschreibungen zurückzuzahlen.

Die von Moody's Investors Service verwendete Rating-Skala für die Fähigkeit eines Emittenten zur Erfüllung seiner kurzfristigen Finanzverbindlichkeiten hat verschiedene Kategorien und reicht von „P-1“ über die Kategorien „P-2“ und „P-3“ bis zur niedrigsten Kategorie „NP“, die verdeutlicht, dass ein Emittent zu keiner der „Prime“-Rating-Kategorien gehört.

Ein Rating-Ausblick ist eine Meinung über die Richtung, in die sich ein Rating mittelfristig voraussichtlich entwickeln wird. Die Ausblicke werden in die folgenden vier Kategorien unterteilt: „positiv“, „negativ“, „stabil“ und „noch unbestimmt“ (d. h. ereignisabhängig).

- ***Standard and Poor's Definitionen***

Die Fähigkeit eines Schuldners mit einem Standard & Poor's-Rating von „A“, seine finanziellen Verpflichtungen zu erfüllen, ist stark, aber etwas anfälliger gegenüber nachteiligen Auswirkungen von Veränderungen äußerer Umstände und wirtschaftlicher Bedingungen als bei Schuldnern, die in einer höheren Rating-Kategorie eingestuft sind.

Die von Standard & Poor's verwendete Rating-Skala für die langfristige Fähigkeit eines Schuldners zur Erfüllung seiner Verbindlichkeiten hat verschiedene Rating-Kategorien und reicht von „AAA“, die die Kategorie höchster Bonität bezeichnet, über die Kategorien „AA“, „A“, „BBB“, „BB“, „B“, „CCC“, „CC“, „R“ und „SD“ bis zur niedrigsten Kategorie „D“, die kennzeichnet, dass Standard & Poor's davon ausgeht, dass der Zahlungsausfall einen allgemeinen Ausfall darstellen wird und Zahlungsausfälle bei allen oder nahezu allen fälligen Verpflichtungen des Schuldners eintreten werden. Den Kategorien „AA“ bis „CCC“ kann jeweils ein Pluszeichen („+“) oder Minuszeichen („-“) hinzugefügt werden, um die relative Stellung innerhalb der Haupt-Rating-Kategorien zu verdeutlichen.

Die kurzfristige Fähigkeit eines Schuldners zur Erfüllung seiner finanziellen Verpflichtungen mit einem „A-1“-Rating ist stark. Er ist mit der höchsten Rating-Kategorie

von Standard & Poor's bewertet.

Die von Standard & Poor's verwendete Rating-Skala für die kurzfristige Fähigkeit eines Schuldners zur Erfüllung seiner Verbindlichkeiten hat verschiedene Rating-Kategorien und reicht von „A-1“, welche die Kategorie höchsten Bonität bezeichnet, über die Kategorien „A-2“, „A-3“, „B“, „C“, „R“ und „SD“ bis zur niedrigsten Kategorie „D“, die kennzeichnet, dass Standard & Poor's davon ausgeht, dass der Zahlungsausfall einen allgemeinen Ausfall darstellen wird und Zahlungsausfälle bei allen oder nahezu allen fälligen Verpflichtungen des Schuldners eintreten werden.

„Stabil“ bedeutet, dass sich die Bonitätseinstufung voraussichtlich nicht ändern wird.

- ***Fitch Ratings Definitionen***

Ein „A“-Rating steht für ein gering eingeschätztes Kreditrisiko. Es bezeichnet eine gute Fähigkeit zur fristgerechten Zahlung der Verbindlichkeiten. Diese Fähigkeit ist jedoch durch ungünstige geschäftliche oder wirtschaftliche Ereignisse mehr gefährdet als bei höheren Ratings.

Die von Fitch Ratings verwendete Rating-Skala für langfristige Verbindlichkeiten hat verschiedene Kategorien und reicht von „AAA“, die für die höchste Kreditqualität steht, über die Kategorien „AA“, „A“, „BBB“, „BB“, „B“, „CCC“, „CC“, „C“, „RD“ bis zur niedrigsten Kategorie „D“, die nach Fitch Ratings' Einschätzung kennzeichnet, dass ein Emittent sich in einem Insolvenzverfahren, unter Zwangsverwaltung, in einem Vergleichsverfahren, in Auflösung oder einem anderen formellen Verfahren zur Abwicklung befindet oder in sonstiger Weise seine Geschäftstätigkeit eingestellt hat. Den Kategorien kann jeweils ein Plus- („+“) oder Minuszeichen („-“) beigefügt werden, um eine relative Einordnung innerhalb der Haupt-Rating-Kategorien auszudrücken. Solche Zusätze werden nicht der Rating-Kategorie „AAA“ oder den Rating-Kategorien unter „B“ beigefügt.

Ein „F1“-Rating bezeichnet die beste Fähigkeit für eine fristgerechte Zahlung der kurzfristigen Verbindlichkeiten.

Die von Fitch Ratings verwendete Rating-Skala für kurzfristige Verbindlichkeiten hat verschiedene Kategorien und reicht von „F1“, die für die höchste Kreditqualität steht, über die Kategorien „F2“, „F3“, „B“, „C“ und „RD“ bis zur niedrigsten Kategorie „D“, die einen weitgehenden Zahlungsausfall eines Schuldners kennzeichnet.

Die oben aufgeführten Rating-Definitionen stammen in englischer Sprache von der jeweiligen Internetseite von Moody's Investors Service ([www.moody.com](http://www.moody.com)), Standard & Poor's ([www.standardandpoors.com](http://www.standardandpoors.com)) bzw. Fitch Ratings ([www.fitchratings.com](http://www.fitchratings.com)).

**Risikofaktoren:**

Ziel der Beschreibung der Risikofaktoren ist es, potenzielle Käufer der Wertpapiere vor der Tötigung von Anlagen zu schützen, die nicht für ihre Zwecke geeignet sind, sowie die wirtschaftlichen und rechtlichen Risiken, die mit einer Anlage in die Wertpapiere verbunden sind, aufzuzeigen. Potenzielle Käufer der Wertpapiere sollten vor einer Anlageentscheidung die mit einer Anlage in die Wertpapiere verbundenen Risiken bedenken.

**Risikofaktoren in Bezug auf die Emittentin und die Garantin:**

Die Gruppe ist abhängig von der RBSG-Gruppe. Potenzielle Anleger sollten beachten, dass die Gruppe bestimmten Risiken der RBSG-Gruppe ausgesetzt ist, unter anderem der Instabilität der globalen Finanzmärkte, fehlender Liquidität, niedriger Bewertung von Vermögenswerten, geopolitischen Bedingungen, vollständiger Verstaatlichung und anderen Maßnahmen nach dem britischen Banking Act 2009 sowie anderen Risiken, die sich aus dem staatlichen Schutzprogramm für Risiken aus bestimmten Vermögenswerten (*asset protection scheme*) ergeben. Daher sind die nachfolgenden Risikofaktoren, die sich auf die RBSG und die RBSG-Gruppe beziehen, auch für die Emittentin und die Gruppe von Bedeutung:

- Die Geschäftslage und Geschäftsentwicklung der Gruppe kann durch bestehende und erwartete

Bedingungen der Weltwirtschaft und der globalen Finanzmärkte und durch andere geopolitische Risiken negativ beeinträchtigt werden.

- Bei der Erfüllung ihrer Verpflichtungen einschließlich ihrer Finanzierungszusagen ist die Gruppe abhängig von ihrem Zugang zu Liquidität und zu Finanzierungsmöglichkeiten.
- Die Durchführung der genehmigten und geplanten Übertragung, eine Verzögerung der Durchführung oder ein Scheitern der Übertragung wesentlicher Teile der Geschäftsaktivitäten der RBS N.V. auf die RBS kann erhebliche nachteilige Auswirkungen auf die Gruppe haben und ebenfalls den Wert der von der RBS N.V. ausgegebenen Wertpapiere negativ beeinflussen.
- Wenn von der RBS N.V. begebene Wertpapiere auf die RBS übertragen werden, kann dieser Umstand und/oder der Umstand, dass es sich bei der RBS um ein in Schottland errichtetes Unternehmen handelt, steuerliche oder andere Auswirkungen auf den Inhaber dieser Wertpapiere haben.
- Ein umfangreiches Programm der RBSG-Gruppe zur Restrukturierung und Verkürzung der Bilanz dauert an und kann den Geschäftsbetrieb der Gruppe, die Betriebsergebnisse, die Finanzlage, die Eigenkapitalquoten und die Liquidität beeinträchtigen sowie den Wert von Wertpapieren nachteilig beeinflussen, die von der RBS N.V. begeben wurden.
- Um die Unterstützung des britischen Schatzamts (*HM Treasury*) für die RBSG-Gruppe zu erhalten, ist es der Gruppe untersagt, in ihrem Ermessen stehende Zahlungen auf Coupons zu leisten und Ankaufsoptionen in Bezug auf bestimmte bestehende hybride Kapitalinstrumente der Gruppe auszuüben. Dies kann die Fähigkeit der Gruppe zur Gewinnung neuen Kapitals im Wege der Ausgabe von Wertpapieren beeinträchtigen.
- Die finanzielle Entwicklung der Gruppe wurde und wird weiterhin durch die Verschlechterung der

Kreditqualität von Schuldnern und Vertragsparteien erheblich beeinträchtigt und könnte sich aufgrund der vorherrschenden Wirtschafts- und Marktverhältnisse sowie rechtlicher und regulatorischer Entwicklungen weiter verschlechtern.

- Die Ertrags- und Finanzlage der Gruppe wurde durch die sich aus dem schwachen Marktumfeld ergebende niedrige Vermögensbewertung erheblich beeinträchtigt und kann dadurch weiter erheblich beeinträchtigt werden.
- Änderungen der Zinssätze, Wechselkurse, Credit Spreads, Anleihe-, Aktien- und Rohstoffpreise, Basis-, Volatilitäts- und Korrelationsrisiken sowie anderer Marktfaktoren haben das Geschäft sowie das Betriebsergebnis der Gruppe wesentlich beeinträchtigt und werden sie weiter beeinträchtigen.
- Die Fremdfinanzierungskosten der Gruppe, ihr Zugang zu den Anleihekapitalmärkten sowie ihre Liquidität hängen entscheidend von dem Kreditrating der Gruppe ab.
- Die Geschäftsentwicklung der Gruppe kann beeinträchtigt werden, wenn ihr Kapital nicht effizient verwaltet wird oder wenn Kapitaladäquanz- und Liquiditätsanforderungen geändert werden.
- Die Gruppe ist Rechtsstreitigkeiten und aufsichtsrechtlichen Untersuchungen ausgesetzt und kann dies auch in Zukunft sein, was zu wesentlichen Geschäftsbeeinträchtigungen führen kann.
- Bestimmte Finanzinstrumente werden zum Marktwert angesetzt, der mithilfe von Finanzmodellen ermittelt wird, die Annahmen, Beurteilungen und Schätzungen beinhalten, die sich im Verlauf der Zeit ändern können oder die sich als nicht richtig herausstellen.
- Die Gruppe ist in sehr kompetitiven Märkten tätig, und ihr Geschäft und ihr Betriebsergebnis könnten negativ beeinträchtigt werden.

- Es ist möglich, dass es der Gruppe nicht gelingt, Führungskräfte (einschließlich der Mitglieder des Aufsichtsrates und des Vorstandes der Gruppe und anderen Mitarbeitern in Schlüsselpositionen) zu gewinnen oder zu halten, und sie könnte Schaden erleiden, wenn sie kein gutes Verhältnis zu ihren Arbeitnehmern unterhält.
- Alle Geschäftsbereiche der Gruppe sind weitgehend reguliert und beaufsichtigt. Wesentliche aufsichtsrechtliche und steuerrechtliche Veränderungen könnten sich nachteilig auf die Geschäftstätigkeit sowie das Betriebsergebnis und die Finanzlage der Gruppe auswirken.
- Es kann sein, dass die Gruppe weitere Beiträge für ihr Pensionssystem aufbringen muss, wenn der Wert der Vermögenswerte in Pensionsfonds nicht ausreichend ist, um potenzielle Verbindlichkeiten zu decken.
- Das Geschäft der Gruppe birgt betriebsbedingte Risiken.
- Die Geschäftstätigkeit der Gruppe unterliegt damit verbundenen Reputationsrisiken.
- Die Werthaltigkeit und die aufsichtsrechtliche Eigenkapitalbehandlung bestimmter von der Gruppe berücksichtigter latenter Steueransprüche hängt von der Fähigkeit der Gruppe ab, ausreichende zukünftige steuerpflichtige Gewinne zu erzielen und davon, dass sich Steuergesetzgebung, aufsichtsrechtliche Anforderungen und Bilanzierungsgrundsätze nicht in nachteiliger Weise ändern.
- Zusätzlich zu den oben beschriebenen Risikofaktoren unterliegt die Gruppe Risiken, die sich aus der Beteiligung der RBSG-Gruppe an dem staatlichen Schutzprogramm für Risiken aus bestimmten Vermögenswerten (*asset protection scheme*) sowie aus zwei Absicherungsverträgen (die „**Absicherungsverträge**“), die von der RBS in Verbindung mit bestimmten, der RBS N.V. und ihren hundertprozentigen

Tochtergesellschaften zuzurechnenden Vermögenswerten und Risikopositionen abgeschlossen wurden, ergeben.

- Die umfangreichen Anforderungen an die Unternehmensleitung, die Verwaltung von Vermögenswerten und im Hinblick auf Informationspflichten, denen die Gruppe unter den Bedingungen des Schutzprogramms für Risiken aus bestimmten Vermögenswerten unterliegt bzw. deren mögliche Einhaltung durch die RBS sie nach den Absicherungsverträgen sicherstellen muss, können negative Auswirkungen auf die Gruppe haben. Zudem kann jede Änderung oder Modifizierung der Bedingungen des Schutzprogramms für Risiken aus bestimmten Vermögenswerten negative Auswirkungen auf die erwarteten Vorteile aus den Absicherungsverträgen und damit auf die Gruppe haben.
- Jegliche Änderungen in Bezug auf die regulatorische Behandlung von Kapital nach den Absicherungsverträgen kann wesentliche negative Auswirkungen auf die Gruppe haben.
- Die rechtliche Abspaltung der ABN AMRO Bank N.V. (damaliger Firmenname) hat wechselseitige Haftungsverhältnisse zur Folge, die die rechtlichen Rückgriffsmöglichkeiten für Anleger verändern.

**Risikofaktoren in Bezug auf die RBS:**

RBS ist eine der wichtigsten operativen Tochtergesellschaften der RBSG, auf die ein wesentlicher Teil der konsolidierten Vermögenswerte, Verbindlichkeiten und Geschäftsgewinne der RBSG entfällt. Daher sind die nachfolgenden Risikofaktoren, die sich auf die RBSG und die RBSG-Gruppe beziehen, auch für die RBS und die RBS-Gruppe von Bedeutung.

- Die Geschäfte und die Entwicklung der RBSG-Gruppe können durch die tatsächlichen oder vermuteten weltweiten wirtschaftlichen und finanziellen Marktbedingungen sowie durch andere geopolitische Risiken beeinträchtigt werden.
- Die Fähigkeit der RBSG-Gruppe, ihre



Verpflichtungen, einschließlich ihrer Refinanzierungsanforderungen, zu erfüllen, hängt von der Fähigkeit der RBSG-Gruppe ab, Zugang zu Liquidität und Refinanzierungsmöglichkeiten zu erhalten.

- Die Unabhängige Kommission zum Bankwesen (*Independent Commission on Banking*) hat ihren Abschlussbericht zum Wettbewerb und zu möglichen Strukturreformen in der Bankindustrie im Vereinigten Königreich veröffentlicht. Die Regierung des Vereinigten Königreichs hat angedeutet, dass sie die Empfehlungen weitgehend wie vorgeschlagen unterstützt und beabsichtigt, sie umzusetzen; dies könnte die RBSG-Gruppe erheblich beeinträchtigen.
- Die Fähigkeit der RBSG-Gruppe, ihren Strategieplan umzusetzen, hängt von dem Erfolg der RBSG-Gruppe ab, sich wieder auf ihre Kernstärken und ihr Programm zur Verkürzung ihrer Bilanz zu konzentrieren.
- Die Verschiebung der Umsetzung (oder ein Scheitern der Umsetzung) der genehmigten vorgesehenen Übertragungen eines wesentlichen Teils der Geschäftstätigkeiten der The Royal Bank of Scotland N.V. („**RBS N.V.**“) auf die RBS kann die RBSG-Gruppe wesentlich beeinträchtigen.
- Die RBSG-Gruppe unterliegt einer Vielzahl von Risiken, die sich aus der Umsetzung des Restrukturierungsplans im Zusammenhang mit der Staatshilfe ergeben, und sie darf keine im Ermessen stehende Dividenden- und Zinszahlungen auf Hybridkapitalinstrumente (einschließlich Vorzugsaktien und B-Aktien) leisten. Dies kann die Fähigkeit der Gruppe beeinträchtigen, neues Kernkapital zu beschaffen.
- Die RBSG und ihre Banktochtergesellschaften im Vereinigten Königreich können dem Risiko der vollständigen Verstaatlichung oder anderen Auflösungsverfahren nach dem englischen Bankgesetz von 2009 (Banking Act 2009) ausgesetzt sein, was

verschiedene Maßnahmen hinsichtlich der Wertpapiere zur Folge haben kann.

- Die finanzielle Entwicklung der RBSG-Gruppe wurde und wird weiter durch die Verschlechterung der Kreditqualität von Schuldnern und Geschäftspartnern erheblich beeinträchtigt, und weitere Verschlechterungen könnten durch die vorherrschenden Wirtschafts- und Marktverhältnisse sowie rechtliche und regulatorische Entwicklungen eintreten.
- Die Ertrags- und Finanzlage der RBSG-Gruppe wurde durch die sich aus dem schwachen Marktumfeld ergebende niedrige Vermögensbewertung erheblich beeinträchtigt und kann dadurch weiter erheblich beeinträchtigt werden.
- Der Wert und die Wirksamkeit eines Kreditschutzes, den die RBSG-Gruppe gekauft hat, hängt von dem Wert der zugrunde liegenden Vermögenswerte sowie von der Finanzlage der Versicherer und Geschäftspartner ab.
- Änderungen der Zinssätze, Wechselkurse, Credit Spreads, Anleihe-, Aktien- und Rohstoffpreise, Basis-, Volatilitäts- und Korrelationsrisiken sowie anderer Marktfaktoren haben das Geschäft sowie das Betriebsergebnis der RBSG-Gruppe wesentlich beeinträchtigt und werden sie weiter beeinträchtigen.
- Die Fremdfinanzierungskosten der RBSG-Gruppe, ihr Zugang zu den Anleihekapitalmärkten sowie ihre Liquidität hängen entscheidend von dem Kreditrating der RBSG-Gruppe sowie von dem Kreditrating des britischen Staates ab.
- Die Geschäftsentwicklung der RBSG-Gruppe kann beeinträchtigt werden, wenn ihr Kapital nicht effizient verwaltet wird oder wenn Kapitaladäquanz- und Liquiditätsanforderungen geändert werden.
- Die RBSG-Gruppe ist Rechtsstreitigkeiten und aufsichtsrechtlichen Untersuchungen ausgesetzt und kann dies auch in Zukunft sein, was zu wesentlichen Geschäftsbeeinträchtigungen führen kann.

- Bestimmte Finanzinstrumente werden zum Marktwert angesetzt, der mithilfe von Finanzmodellen ermittelt wird, die Annahmen, Beurteilungen und Schätzungen beinhalten, die sich im Verlauf der Zeit ändern oder die sich als nicht richtig herausstellen können.
- Die RBSG-Gruppe ist in sehr kompetitiven Märkten tätig, und ihr Geschäft sowie ihr Betriebsergebnis können beeinträchtigt werden.
- Es ist möglich, dass es der RBSG-Gruppe nicht gelingt, Führungskräfte (einschließlich Verwaltungsratsmitgliedern und anderen Mitarbeitern in Schlüsselpositionen) zu gewinnen oder zu halten, und sie könnte Schaden erleiden, wenn sie kein gutes Verhältnis zu ihren Arbeitnehmern unterhält.
- Alle Geschäftsbereiche der RBSG-Gruppe sind weitgehend reguliert und beaufsichtigt. Wesentliche aufsichtsrechtliche Veränderungen (einschließlich Änderungen des Steuerrechts) könnten sich nachteilig auf die Geschäftstätigkeit sowie das Betriebsergebnis und die Finanzlage der RBSG-Gruppe auswirken.
- Die Ergebnisse der RBSG-Gruppe könnten durch eine Wertminderung des Goodwill beeinträchtigt werden.
- Es kann sein, dass die RBSG-Gruppe weitere Beiträge für ihr Pensionssystem aufbringen muss, wenn der Wert der Vermögenswerte in Pensionsfonds nicht ausreichend ist, um potenzielle Verbindlichkeiten zu decken.
- Das Geschäft der RBSG-Gruppe birgt betriebsbedingte Risiken.
- Das britische Schatzamt (HM Treasury) (bzw. die UK Financial Investments Limited als Vertreter) kann einen wesentlichen Einfluss auf die RBSG-Gruppe ausüben, und ein eventuelles Angebot bzw. eine eventuelle Veräußerung seiner Beteiligung kann den Preis der Wertpapiere beeinträchtigen.

- Die Geschäftstätigkeit der RBSG-Gruppe unterliegt damit verbundenen Reputationsrisiken.
- Im Vereinigten Königreich sowie in anderen Jurisdiktionen muss die RBSG-Gruppe Beiträge zu dem Entschädigungssystem für Banken und andere zugelassene Finanzdienstleistungsunternehmen leisten, die ihre Verbindlichkeiten gegenüber ihren Kunden nicht erfüllen können.
- Die Werthaltigkeit und die aufsichtsrechtliche Eigenmittelbehandlung bestimmter von der RBSG-Gruppe berücksichtigter latenter Steueransprüche hängt von der Fähigkeit der RBSG-Gruppe ab, ausreichende zukünftige steuerpflichtige Gewinne zu erzielen und davon, dass sich Steuergesetzgebung, aufsichtsrechtliche Anforderungen und Bilanzierungsgrundsätze nicht in nachteiliger Weise ändern.
- Die Beteiligung der RBSG-Gruppe an dem staatlichen britischen Schutzprogramm für Risiken aus bestimmten Vermögenswerten (asset protection scheme) ist teuer und könnte nicht die erwarteten Vorteile erzielen. Der Eintritt von dazugehörigen Risiken kann das Geschäft, die Kapitalsituation, die Finanzlage und das Betriebsergebnis der RBSG-Gruppe wesentlich beeinträchtigen.
- Die umfangreichen Anforderungen an die Unternehmensführung (Governance) und Verwaltung von Vermögenswerten sowie die umfangreichen Informationsanforderungen gemäß den Bedingungen des Programms (scheme) können sich negativ auf die RBSG-Gruppe und die erwarteten Vorteile des staatlichen Schutzprogramms für Risiken aus bestimmten Vermögenswerten auswirken.
- Änderungen der erwarteten aufsichtsrechtlichen Eigenmittelbehandlung des staatlichen Schutzprogramms für Risiken aus bestimmten Vermögenswerten, der von der RBSG ausgegebenen B-Aktien und der bedingten B-Aktien, die die RBSG

ausgeben kann, können die RBSG-Gruppe erheblich beeinträchtigen.

- Die RBS hat ein Kreditderivat und einen Finanzgarantievertrag mit der RBS N.V. abgeschlossen, die die Ergebnisse der RBS-Gruppe beeinträchtigen können.
- Falls die RBSG-Gruppe keine bedingten B-Aktien an das britische Schatzamt ausgeben kann, kann dies die Kapitalsituation, die Liquidität, das Betriebsergebnis und die zukünftigen Aussichten der RBSG-Gruppe erheblich beeinträchtigen.

4. In the Base Prospectuses, the second paragraph of the section "RISK FACTORS" shall be replaced by the following paragraph:

***Potential purchasers of the Securities should be aware of the risks associated with an investment in the Securities before making an investment decision. Hence, potential purchasers of the Securities should also read the rest of the information set out in this Base Prospectus, the registration document of RBS Holdings N.V. (the "Guarantor") and The Royal Bank of Scotland N.V. (the "Issuer") dated 28 March 2012 (the "RBS N.V. Registration Document") which was approved by the competent authority in the Netherlands (Autoriteit Financiële Markten) (the "AFM"), the registration document of The Royal Bank of Scotland plc dated 24 February 2012 (the "RBS Registration Document") which was approved by the competent authority in the United Kingdom (Financial Services Authority) (the "FSA"), and which are both incorporated into this Base Prospectus by reference, as well as in any supplements to this Base Prospectus approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) and in the so-called final terms (the "Final Terms") prior to making any investment decision. To be able to make their own assessments prior to making any investment decision, potential purchasers of the Securities should consult their own stockbroker, banker, lawyer, accountant or other legal, tax or financial advisers and carefully review the risks entailed in an investment in the Securities and consider such an investment decision in the light of their personal circumstances.***

5. In the Base Prospectuses, in the section "RISK FACTORS" the paragraph with the heading "1. RISK FACTORS RELATED TO THE ISSUER AND THE GUARANTOR" shall be replaced as follows:

## 1. RISK FACTORS RELATED TO THE ISSUER, THE GUARANTOR AND RBS

Each potential investor in the Securities should refer to the risk factors section of (i) the RBS N.V. Registration Document for risk factors relating to the Issuer and Guarantor and (ii) the RBS Registration Document for risk factors relating to RBS, for a description of those factors which may affect the Issuer's, the Guarantor's and RBS's ability to fulfil its obligations under the Securities issued.

6. In the Base Prospectuses the sections

**"INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE GUARANTEE", "ANNEX 1: PRESS RELEASE DATED 19 APRIL 2011", "ANNEX 2: UNAUDITED INTERIM FINANCIAL REPORT 2011 OF THE ISSUER", "ANNEX 3: FINANCIAL STATEMENTS 2010 OF THE ISSUER" and "ANNEX 4: FINANCIAL STATEMENTS 2009 OF THE ISSUER"**

shall be replaced by the following sections:

**"INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE GUARANTEE", "ANNEX 1: PRESS RELEASE DATED 19 APRIL 2011", "ANNEX 2: FINANCIAL STATEMENTS 2011 OF THE ISSUER" and "ANNEX 3: FINANCIAL STATEMENTS 2010 OF THE ISSUER":**

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### INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE GUARANTEE

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#### RBS N.V. Registration Document

The required information about The Royal Bank of Scotland N.V. acting either through its principal office in the Netherlands or through its London branch or any other branch, as specified in the Final Terms, as issuer of the Securities (the "**Issuer**") and RBS Holdings N.V. as guarantor (the "**Guarantor**" or "**RBS Holdings**") for all liabilities of the Issuer incurred in connection with legal acts performed by the Issuer after 15 June 1998 (the "**Guarantee**") as well as the Guarantee is contained in the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 28 March 2012 (the "**RBS N.V. Registration Document**") which was approved by the competent authority in the Netherlands (*Autoriteit Financiële Markten*) (the "**AFM**") and which is incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference") excluding

- (a) any references in the RBS N.V. Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the RBS N.V. Registration Document (i) the last sentence in the second paragraph of the section headed "Risk Factors" and (ii) the last sentence of the paragraph headed "The Group is reliant on the RBSG Group"; and

- (b) items (a) to (j) in the section headed "Documents Incorporated by Reference" on pages 46 to 48 of the RBS N.V. Registration Document.

In addition, the following documents are incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference"):

- (a) the English language version of the Articles of Association (*statuten*) of each of the Guarantor and the Issuer as in force and effect on the date of the RBS N.V. Registration Document (the "**Articles of Association**");
- (b) the announcement entitled "The Royal Bank of Scotland Group plc ("**RBS**") announces strategic and organisational changes in its investment banking/wholesale business" which was published via the Regulatory News Service of the London Stock Exchange plc on 12 January 2012 (the "**Announcement**");
- (c) the Annual Report and Accounts 2011 of RBS Holdings N.V. (the "**Annual Report and Accounts 2011**") (excluding the section headed "Business Review - Risk Factors" on page 10 and the section headed "Additional Information - Risk Factors" on pages 236 to 245 of the Annual Report and Accounts 2011) which includes the audited consolidated annual financial statements of RBS Holdings as at and for the year ended 31 December 2011 (prepared in accordance with International Financial Reporting Standards as adopted by the European Union). The audited consolidated annual financial statements of RBS Holdings appear on pages 108 up to and including 213 of the Annual Report and Accounts 2011 and the auditor's report thereon appears on page 215 of the Annual Report and Accounts 2011; and;
- (d) the Annual Report 2010 of RBS Holdings N.V. (the "**Annual Report 2010**") (excluding the section headed "Business Review - Risk Factors" on page 9 and the section headed "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010) 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 International Financial Reporting Standards as adopted by the European Union). The audited consolidated annual financial statements of RBS Holdings appear on pages 96 to 193 of the Annual Report 2010 and the auditor's report thereon appears on page 199 of the Annual Report 2010.

The documents under (a)-(d) are also referred to in the RBS N.V. Registration Document.

The information about the Guarantor was obtained in the English language from the Guarantor. It has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by the Guarantor, no facts have been omitted which would render the reproduced information inaccurate or misleading.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

The Issuer has published a press release dated 19 April 2011 regarding proposed transfers of a substantial part of the business activities of RBS N.V. to RBS (the "**Press Release dated 19 April 2011**") which is attached hereinafter as Annex 1. For the purposes of this Base Prospectus, references in this press release regarding persons not placing any reliance on the information contained in such press release or the Pro forma financial information in connection with making an investment decision (or for any other purpose) concerning securities or guarantees which are expected to be retained by RBS N.V. shall be deemed to be deleted.

The Abbreviated Financial Statements 2011 of The Royal Bank of Scotland N.V. (the "**Financial Statements 2011 of the Issuer**") which include the audited abbreviated annual financial statements of the Issuer for the financial year ended 31 December 2011 are attached as Annex 2.

The Abbreviated Financial Statements 2010 of The Royal Bank of Scotland N.V. (the "**Financial Statements 2010 of the Issuer**") which include the audited abbreviated annual financial statements of the Issuer for the financial year ended 31 December 2010 are attached as Annex 3.

Unless provided otherwise in any supplement to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG, the information contained in the RBS N.V. Registration Document and this Base Prospectus is the most recent information available about the Issuer and the Guarantor.

## Significant changes

There has been no significant change in the financial or trading position of the Group consisting of the Guarantor and its consolidated subsidiaries (including the Issuer) since 31 December 2011 and there has been no significant change in the financial position of the Issuer since 31 December 2011. There has been no material adverse change in the prospects of the Guarantor since 31 December 2011, and there has been no material adverse change in the prospects of the Issuer since 31 December 2011.

## Rating of the Issuer

As of 30 March 2012, the credit ratings<sup>3</sup> of the Issuer assigned by Moody's Investors Service Ltd., London, United Kingdom ("**Moody's Investors Service**"), Standard & Poor's Credit Market Services Europe Limited, London, United Kingdom ("**Standard & Poor's**"), and Fitch Ratings Limited, London, United Kingdom ("**Fitch Ratings**"), are as follows:

	Long term	Short term	Outlook
Moody's Investors Service	A2	P-1	Negative

<sup>3</sup> Since 31 October 2011 the rating agencies set forth in this section are registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**Regulation**") as published on the website of the European Securities and Markets Authority pursuant to Article 18(3) of the Regulation.



Standard & Poor's	A	A-1	Stable
Fitch Ratings	A	F1	Stable

### ***Moody's Investors Service definitions***

Obligations rated "A" are considered upper-medium grade and are subject to low credit risk.

The rating system used by Moody's Investors Service for long-term obligations has various subcategories ranging from "Aaa" (describing obligations judged to be of the highest quality, with minimal credit risk), "Aa", "A", "Baa", "Ba", "B", "Caa" and "Ca" to "C", the lowest category representing long-term obligations that are typically in default, with little prospect for recovery of principal or interest. In addition, Moody's Investors Service appends numerical modifiers ("1", "2", and "3") to each generic rating classification from "Aa" through "Caa". The modifier "1" indicates that the respective long-term obligation ranks in the higher end of its generic rating category; the modifier "2" indicates a mid-range ranking, and the modifier "3" indicates a ranking in the lower end of that generic rating category.

Issuers rated "P-1" have a superior ability to repay short-term debt obligations.

The rating system used by Moody's Investors Service for short-term obligations has various subcategories ranging from "P 1", "P-2" and "P-3" to "NP", the lowest category representing issuers that do not fall within any of the "Prime" rating categories.

A rating outlook is an opinion regarding the likely direction of a rating over the medium term. Where assigned, rating outlooks fall into the following four categories: "Positive", "Negative", "Stable", and "Developing" (contingent upon an event).

### ***Standard and Poor's definitions***

An obligor rated "A" by Standard & Poor's has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

The rating system used by Standard & Poor's for the capacity of an obligor to pay its financial obligations over a long-term horizon has various subcategories ranging from "AAA" (which is the highest quality rating), "AA", "A", "BBB"; "BB"; "B", "CCC", "CC", "R" and "SD" to "D", the lowest category indicating that Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. Plus ("+") or minus ("-") signs following ratings from the "AA" to "CCC" categories show the relative standing within the major rating categories.

An obligor rated "A-1" by Standard & Poor's has strong capacity to meet its financial commitments over a short-term time horizon. It is rated in the highest category by Standard & Poor's.

The rating system used by Standard & Poor's for short-term issuer credit ratings has various subcategories ranging from "A-1" (which is the highest quality rating), "A-2", "A-3", "B", "C", "R" and "SD" to "D", the lowest category indicating that Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due.

"Stable" means that a rating is not likely to change.

### ***Fitch Ratings definitions***

"A" ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

The rating system used by Fitch Ratings for long-term financial commitments has various subcategories ranging from "AAA" (which is the highest quality rating), "AA", "A", "BBB", "BB", "B", "CCC", "CC", "C", "RD" to "D", the lowest category indicating that the issuer in Fitch Ratings' opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business. The modifiers "+" or "-" may be appended to a rating to denote relative status within a major rating category. Such suffixes are not added to the "AAA" rating category or to the categories below "B".

An "F1" rating indicates the strongest intrinsic capacity for timely payment of short-term financial commitments.

The rating system used by Fitch Ratings for short-term liabilities has various subcategories ranging from "F1" (which is the highest quality rating), "F2", "F3", "B", "C" and "RD" to "D", the lowest category indicating a broad-based default event for an entity.

*The rating definitions set out above were obtained in the English language from Moody's Investors Service ([www.moody.com](http://www.moody.com)), Standard & Poor's ([www.standardandpoors.com](http://www.standardandpoors.com)) and Fitch Ratings ([www.fitchratings.com](http://www.fitchratings.com)), respectively. They have been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by Moody's Investors Service, Standard & Poor's, and Fitch Ratings, respectively, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

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**ANNEX 1: PRESS RELEASE DATED 19 APRIL 2011**

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**19<sup>th</sup> April 2011**

**Proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc**

The Boards of The Royal Bank of Scotland Group plc (RBSG), The Royal Bank of Scotland plc (RBS plc), RBS Holdings N.V. and The Royal Bank of Scotland N.V. (RBS N.V.) have approved the proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc (the "Proposed Transfers"), subject, amongst other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures. This follows a period of extensive dialogue with key regulators and rating agencies. The Proposed Transfers will not include the Consortium Shared Assets referred to below.

The Proposed Transfers will streamline the manner in which the Global Banking & Markets (GBM) and Global Transaction Services (GTS) businesses of RBSG and its subsidiaries and subsidiary undertakings (the "RBS Group") interact with clients with simplified access to the GBM and GTS product suites. They will provide benefits to clients in effecting easier interaction with the RBS Group including management of collateral. Clients will continue to deal, and conduct business, with their local RBS teams as at present. There is no requirement for clients to take any action now and any action required in connection with the Proposed Transfers will be communicated in a timely way with a view to ensuring a smooth transition.

The Proposed Transfers will not result in any change to the current business strategy for any of the transferred RBS N.V. businesses and the way in which the RBS Group commercially operates will remain unchanged.

The Proposed Transfers are consistent with RBS Group's efforts to simplify its structure, thereby reducing risk, cost and complexity. In addition, the Proposed Transfers are expected to result in a simplified management and reporting framework for the RBS Group across the multiple jurisdictions in which RBS plc and RBS N.V. operate.

RBS N.V.'s businesses include the following product areas: Equities & Structured Retail Products, Emerging Markets, Lending, Global Transaction Services (GTS), and Short Term Markets & Financing (STMF). RBS N.V. also currently holds directly and indirectly certain other assets which are owned by RBSG jointly with the Dutch State and Santander (the "Consortium Shared Assets"). As at 31 December 2010, RBS N.V. had consolidated total assets of €200.4bn (£172.8bn), a Core Tier 1 Capital Ratio of 8.7% and a Tier 1 Capital Ratio of 11.0%. As at the same date, RBSG had consolidated total assets of £1.5tn, a Core Tier 1 Capital Ratio of 10.7% and a Tier 1 Capital Ratio of 12.9% and RBS plc, the receiving entity for the Proposed Transfers, had consolidated total assets of £1.3tn, a Core Tier 1 Capital Ratio of 8.4% and a Tier 1 Capital Ratio of 10.1%. The Proposed Transfers are not expected to have any impact on RBSG's capital position.

It is expected that the Proposed Transfers will be implemented on a phased basis over a period ending 31 December 2013. A large part of the Proposed Transfers (including the transfers of certain securities issued by RBS N.V.) is expected to have

taken place by the end of 2012. This will be subject, amongst other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures.

RBS plc and RBS N.V. have discussed the Proposed Transfers in detail with the UK Financial Services Authority and De Nederlandsche Bank (“DNB”) and they will continue to be involved as the Proposed Transfers progress through to completion. Approvals from these and other regulators will be required prior to execution. Where available and practicable, statutory transfer schemes will be used to implement the Proposed Transfers which may require court approval.

Due to legal constraints, securities and related guarantees which are governed by New York, New South Wales, New Zealand and Hong Kong law (including the three series of Trust Preferred Securities issued by RBS N.V. Capital Funding Trusts V, VI and VII) are currently not expected to be transferred to RBS plc pursuant to the statutory transfer schemes which are anticipated to be used to implement the Proposed Transfers. Alternative steps will be considered in relation to such securities and guarantees, where reasonably practicable in RBS’s opinion. In respect of securities and guarantees governed by other laws which have been issued by RBS N.V., further analysis is ongoing to establish whether they will or will not be transferred to RBS plc pursuant to the Proposed Transfers and further announcements will be made in due course. In the meantime, holders of RBS N.V. securities are not required to take any action in connection with the Proposed Transfers. The proposed transfers of securities from RBS N.V. to RBS plc are not, of themselves, expected to change the price that RBS plc, as part of its normal market making activities, may bid for such securities. However, RBS cannot guarantee the price at which such securities may trade. The market prices for such securities may be impacted by a number of factors, including the value of the assets underlying such securities and prevailing market conditions, any of which may affect the value of the securities.

For legal, tax and other reasons, there are expected to be certain operations, assets and other liabilities in RBS N.V. which will not be transferred to RBS plc. RBSG is committed to providing the necessary support to ensure that RBS N.V. continues to meet its commitments during and after the Proposed Transfers. Following completion of the Proposed Transfers, RBS N.V. will continue to be authorised and regulated by DNB.

The RBS Group has held detailed discussions on the Proposed Transfers with the three main rating agencies, Moody’s, Standard & Poor’s and Fitch. The plan for the Proposed Transfers has been designed not to impact the ratings of RBS N.V. or RBS plc. It is anticipated that the agencies will publish their credit opinions following this announcement.

Certain unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V. is set out in the Appendix to this announcement.

**For Further Information Contact:**

RBS Group Investor Relations

RBS Group Media Relations

Emete Hassan, Head of Debt Investor Relations

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**Disclaimer**

*No person should place any reliance on the information in this announcement concerning securities/guarantees which are expected to be retained by RBS N.V. in connection with making an investment decision or for any other purpose and should be aware that changes to the current proposals (including, without limitation, to the identity of the securities/guarantees to be retained, the eventual manner in which securities/guarantees are proposed to be transferred and to the timing pursuant to which they are proposed to be transferred) may be made if required, or if determined by RBS N.V. or RBS plc (in their absolute discretion) to be desirable for commercial or other reasons. Accordingly, nothing in this announcement should be taken as (or is) a representation that any of the securities/guarantees of RBS N.V. will be transferred or retained, whether in the manner described in this announcement, in accordance with the timing set out in this announcement, or at all. For the avoidance of doubt, this announcement has been prepared and circulated solely for information purposes and does not constitute an offer to any person. If you are in any doubt as to whether there is any tax or other impact on you as a result of the Proposed Transfers, please discuss such matters with your advisers.*

**Cautionary Statement**

*Certain statements found in this document may constitute “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such “forward-looking statements” reflect management’s current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as “anticipate,” “believe,” “expect,” “estimate,” “forecast,” “intend,” “plan,” “project” and similar expressions which indicate future events and trends may identify “forward-looking statements”. In particular, this document includes forward-looking statements relating, but not limited, to the Proposed Transfers. Such statements are based on current plans, estimates and projections and are subject to various risks, uncertainties and other factors that could cause actual results to differ materially from those projected or implied in the “forward-looking statements”. Certain “forward-looking statements” are based upon current assumptions of future events which may not prove to be accurate. Other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this document include, but are not limited to: the ability to complete restructurings on a timely basis; regulatory or legal changes (including those requiring any restructuring of the operations of RBSG, RBS plc, RBS Holdings N.V. or RBS N.V.) in the United Kingdom, the Netherlands, the United States and other countries in which these entities operate; changes in UK and foreign laws, regulations, accounting standards and taxes, including changes in regulatory capital regulations and liquidity requirements; and the success of RBSG, RBS plc, RBS Holdings N.V. or RBS N.V. in managing the risks involved in the foregoing.*

*Undue reliance should not be placed on “forward-looking statements” as such statements speak only as of the date of this document. Neither RBSG, RBS plc, RBS Holdings N.V. nor RBS N.V. undertake to update any forward-looking statement contained herein to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.*

*The information, statements and opinions contained in this document do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.*

## Appendix

### Unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V.

#### Background

This appendix provides pro forma financial information as at and for the year ended 31 December 2010 for RBS Holdings N.V. The proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc (“the Proposed Transfers”) collectively constitute a significant event and historical financial information on a pro forma basis is provided to give investors a better understanding of what the results of operations and financial position of RBS N.V. might have looked like had the transfers to RBS plc occurred in respect of the unaudited pro forma condensed consolidated Statement of Financial Position as at 31 December 2010 and, in respect of the unaudited pro forma condensed consolidated income statements on 1 January of the respective years. The Proposed Transfers are expected to be implemented on a phased basis over a period ending 31 December 2013.

For the purposes of the pro forma financial information, RBS Holdings N.V. comprises RBS Holdings N.V. and its consolidated subsidiaries.

The pro forma financial information has been prepared for illustrative purposes only on the basis of estimates and assumptions about which assets and liabilities will be transferred. These assumptions are preliminary and subject to ongoing analysis with respect to which specific assets and liabilities will in fact be transferred and which will be retained in RBS N.V. The pro forma information addresses a hypothetical situation and does not represent the actual position or the results of RBS Holdings N.V. nor is it necessarily indicative of the results of operations or financial position that may, or may be expected to, be achieved in the future.

The pro forma financial information includes the following condensed consolidated pro forma information for RBS Holdings N.V. (i) a pro forma condensed consolidated statement of financial position as at 31 December 2010, (ii) a pro forma condensed consolidated income statement for each of the years ended 31 December 2010, 31 December 2009 and 31 December 2008, and (iii) Notes to the pro forma financial information.

As at the date of this announcement, Management of RBS Holdings N.V. is not aware of any matters that could impact the results and financial position as presented in the pro forma financial information.

## Appendix

### Unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V.

#### Unaudited pro forma Condensed Consolidated Statement of Financial Position as at 31 December 2010

	RBS Holdings N.V.(1) €m	Proposed Transfers (2) €m	Pro Forma Total (3)(4) €m
<b>Assets</b>			
Cash and balances at central banks	8,323	8,142	181
Loans and advances to banks	26,705	25,246	1,459
Loans and advances to customers	44,496	37,476	7,020
Debt securities	52,260	23,294	28,966
Equity shares	22,634	21,131	1,503
Settlement balances	3,573	3,399	174
Derivatives	28,272	25,837	2,435
Other assets	14,119	10,481	3,638
<b>Total assets</b>	<b>200,382</b>	<b>155,006</b>	<b>45,376</b>
<b>Liabilities</b>			
Deposits by banks	31,985	10,682	21,303
Customer accounts	54,905	50,258	4,647
Debt securities in issue	53,411	46,042	7,369
Settlement balances and short positions	5,202	4,936	266
Derivatives	35,673	31,467	4,206
Other liabilities	14,234	9,049	5,185
<b>Total liabilities</b>	<b>195,410</b>	<b>152,434</b>	<b>42,976</b>
<b>Equity</b>			
Non-controlling interests	24	10	14
Shareholders of the parent company	4,948	2,562	2,386
<b>Total equity</b>	<b>4,972</b>	<b>2,572</b>	<b>2,400</b>
<b>Total equity and liabilities</b>	<b>200,382</b>	<b>155,006</b>	<b>45,376</b>

#### Notes:

- (1) This financial information for RBS Holdings N.V. as at 31 December 2010 has been extracted from audited financial information contained within the Annual Report and Accounts of RBS Holdings N.V. published on 29 March 2011.
- (2) This represents the value of the assets, liabilities and equity as at 31 December 2010 proposed to be transferred to RBS plc over the period up until 31 December 2013. See "Notes to the pro forma financial information relating to RBS Holdings N.V." for further information.
- (3) This represents the value of the assets, liabilities and equity as at 31 December 2010 assuming the Proposed Transfers had occurred at that date.
- (4) As part of the Proposed Transfers it is assumed that all intercompany transactions are settled and that the retained business is refinanced according to its funding needs.



## Appendix

Unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V.

### Unaudited pro forma Condensed Consolidated Income Statement for the year ended 31 December 2010

	RBS Holdings N.V. (1) €m	Proposed Transfers (2) €m	Pro Forma Total (3) €m
<b>Net interest income</b>	1,427	986	441
Fees and commissions receivable	1,152	1,019	133
Fees and commissions payable	214	113	101
Income from trading activities	1,131	1,074	57
Other operating (loss)/income	(52)	108	(160)
<b>Non-interest income</b>	2,445	2,314	131
<b>Total income</b>	3,872	3,300	572
Operating expenses	(3,380)	(3,035)	(345)
<b>Profit before impairment losses</b>	492	265	227
Impairment losses	(67)	93	(160)
<b>Operating profit before tax</b>	425	358	67
Tax (charge)/credit	(302)	(303)	1
<b>Profit for the year from continuing operations</b>	123	55	68
<i>Attributable to:</i>			
Non-controlling interests	(2)	-	(2)
Shareholders of parent company	125	55	70

For notes to this table refer to page A 1-7.

### Unaudited pro forma Condensed Consolidated Income Statement for the year ended 31 December 2009

	RBS Holdings N.V. (1) €m	Proposed Transfers (2) €m	Pro Forma Total (3) €m
<b>Net interest income</b>	1,834	1,546	288
Fees and commissions receivable	1,506	1,297	209
Fees and commissions payable	(483)	(455)	(28)
(Loss)/income from trading activities	(303)	(634)	331
Other operating loss	(1,157)	(724)	(433)
<b>Non-interest (loss)/income</b>	(437)	(516)	79
<b>Total income</b>	1,397	1,030	367
Operating expenses	(4,621)	(3,914)	(707)
<b>Loss before impairment losses</b>	(3,224)	(2,884)	(340)
Impairment losses	(1,623)	(1,055)	(568)
<b>Operating loss before tax</b>	(4,847)	(3,939)	(908)
Tax credit/(charge)	465	586	(121)
<b>Loss for the year from continuing operations</b>	(4,382)	(3,353)	(1,029)
<i>Attributable to:</i>			
Non-controlling interests	(1)	-	(1)
Shareholders of parent company	(4,381)	(3,353)	(1,028)

For notes to this table refer to page A 1-7.

## Appendix

Unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V.

### Unaudited pro forma Condensed Consolidated Income Statement for the year ended 31 December 2008

	RBS Holdings N.V. (1) €m	Proposed Transfers (2) €m	Pro Forma Total (3) €m
<b>Net interest income</b>	2,835	2,437	398
Fees and commissions receivable	1,681	1,457	224
Fees and commissions payable	(374)	(457)	83
Loss from trading activities	(7,716)	(5,494)	(2,222)
Other operating loss	(1,763)	(1,816)	53
<b>Non-interest (loss)/income</b>	(8,172)	(6,310)	(1,862)
<b>Total income/(loss)</b>	(5,337)	(3,873)	(1,464)
Operating expenses	(7,844)	(4,956)	(2,888)
<b>Loss before impairment losses</b>	(13,181)	(8,829)	(4,352)
Impairment losses	(2,920)	(1,973)	(947)
<b>Operating loss before tax</b>	(16,101)	(10,802)	(5,299)
Tax credit/(charge)	2,736	2,331	405
<b>Profit/(loss) for the year from continuing operations</b>	(13,365)	(8,471)	(4,894)
<i>Attributable to:</i>			
Non-controlling interests	15	-	15
Shareholders of parent company	(13,380)	(8,471)	(4,909)

#### Notes:

- (1) This financial information for RBS Holdings N.V. has been extracted from audited financial information contained within the Annual Report and Accounts of RBS Holdings N.V. published on 29 March 2011.
- (2) This represents the income and expenses relating to the Proposed Transfers for the years ended 31 December 2010, 2009 and 2008. See "Notes to the pro forma financial information relating to RBS Holdings N.V." for further information.
- (3) This represents the income and expenses for the years ended 31 December 2010, 2009 and 2008 assuming the Proposed Transfers had occurred on 1 January of the respective years.

## Appendix

### Notes to the pro forma financial information relating to RBS Holdings N.V.

#### 1 Basis of preparation

The pro forma financial information for RBS Holdings N.V. as at 31 December 2010, and for the years ended 31 December 2010, 31 December 2009 and 31 December 2008 respectively, has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB and adopted by the European Union. The financial information has been extracted from audited financial information for the year ended 31 December 2010 contained within the Annual Report and Accounts of RBS Holdings N.V. published on 29 March 2011 and does not reflect subsequent events.

The pro forma financial information has been prepared on the following basis:

- The pro forma financial information has been prepared on the basis of management's best estimate of the relevant third party assets and liabilities of RBS N.V. that will be transferred to RBS plc.
- The pro forma condensed consolidated statement of financial position of RBS Holdings N.V. as at 31 December 2010 is presented to show the effect of the Proposed Transfers as if the Proposed Transfers had occurred on 31 December 2010.
- The pro forma condensed consolidated income statements of RBS Holdings N.V. for the years ended 31 December 2010, 2009 and 2008 respectively, are presented to show the effect of the Proposed Transfers as if the Proposed Transfers had occurred on 1 January of the respective years.
- Assets and liabilities to be transferred are presented based on their carrying values determined under IFRS. The allocation of equity was assessed on a global basis to reflect the expected level of capital support required by the transferring and retained businesses. Pre-existing intra-group funding was treated as settled upon transfer with new funding allocated as needed to reflect the financing needs of the transferring and retained businesses. Certain modifications were applied where, in the opinion of management, material non-recurring profit and loss items could be allocated more reliably on an individual basis.
- The Proposed Transfers are subject, amongst other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures, any of which may significantly change the pro forma information from that presented.

The same accounting policies were followed in the pro forma financial information as were applied in the preparation of RBS Holdings N.V. financial statements for the year ended 31 December 2010.

## Appendix

### Notes to the pro forma financial information relating to RBS Holdings N.V.

#### **2 Businesses to be transferred as part of the Proposed Transfers**

RBS N.V.'s businesses include the following product areas: Equities & Structured Retail Products, Emerging Markets, Lending, Global Transaction Services (GTS), and Short Term Markets & Financing (STMF). The Proposed Transfers comprise a number of subsidiary companies and specific product portfolios together with associated hedging. RBS N.V. also currently holds directly and indirectly certain other assets which are owned by RBSG jointly with the Dutch State and Santander (the "Consortium Shared Assets"); these are part of the retained businesses.

It is expected that the Proposed Transfers will be implemented on a phased basis over a period ending 31 December 2013. A large part of the Proposed Transfers (including the transfers of certain securities issued by RBS N.V.) is expected to have taken place by the end of 2012. This will be subject, amongst other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures.

It is not certain whether such transfers (or any of them) will be effected at the value used for the pro forma financial information. No person should place any reliance on the pro forma financial information in connection with making an investment decision or for any other purpose and should be aware that changes to the current proposals (including, without limitation, to the assets and liabilities to be transferred or retained, the eventual manner in which such assets and liabilities are proposed to be transferred and to the timing pursuant to which they are proposed to be transferred) may be made if required, or if determined by RBS N.V. or RBS plc (in their absolute discretion) to be desirable for commercial or other reasons. Accordingly, nothing in this pro forma financial information should be taken as (or is) a representation that any of the assets and liabilities referred to will be transferred or retained, whether in a manner consistent with the figures contained in this pro forma financial information, in accordance with the timing set out above, or at all. For the avoidance of doubt, this pro forma financial information has been prepared and circulated solely for information purposes and does not constitute an offer to any person.

#### **3 Overview of RBS Holdings N.V. after the Proposed Transfers**

For legal, tax and other reasons, there are expected to be certain operations, assets and liabilities in RBS N.V. which will not be transferred to RBS plc. RBSG is committed to providing the necessary support to ensure that RBS N.V. continues to meet its commitments during and after the Proposed Transfers. Following completion of the Proposed Transfers, RBS N.V. will continue to be authorised and regulated by DNB.

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**ANNEX 2: FINANCIAL STATEMENTS 2011 OF THE ISSUER**

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# The Royal Bank of Scotland N.V.

## Abbreviated Financial Statements 2011

Amsterdam, 22 March 2012  
KVK number: 33002587

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2	Managing Board's report on the abbreviated financial statements
3	Basis of presentation
3	Corporate governance
3	Subsequent events
4	Company income statements
5	Company balance sheets
6	Independent auditor's report

## Managing Board's report on the abbreviated financial statements

The Managing Board declares that, to the best of its knowledge, the abbreviated financial statements give a true and fair view, in all material respects, of the financial position and the results of The Royal Bank of Scotland N.V. ('RBS N.V.') as at 31 December 2011 and for the period then ended.

Amsterdam, 22 March 2012

Jan de Ruiter  
Chairman of the Managing Board

Pieter van der Harst  
Chief Financial Officer



## Company information

### Basis of presentation

On the basis of article 403 of Part 9 of Book 2 of the Netherlands Civil Code, The Royal Bank of Scotland N.V. ('RBS N.V.') is not required to publish annual financial statements. Only abbreviated financial statements need to be drawn up and approved by the Managing Board. The shareholder of RBS N.V. has agreed to this in a declaration of consent, dated 16 March 2012 and filed with the Chamber of Commerce in Amsterdam. Furthermore a statement of liability by the parent company ('RBS Holdings N.V.') is filed with the Chamber of Commerce in Amsterdam. The assets and liabilities and the results of RBS N.V. are fully consolidated in the 2011 consolidated financial statements of RBS Holdings N.V., which are included in the Annual Report and Accounts 2011 dated 22 March 2012.

In the abbreviated financial statements, the terms 'company' and 'RBS N.V.' mean The Royal Bank of Scotland N.V. The term 'RBSH Group' refers to RBS Holdings N.V. and its consolidated subsidiaries. The term 'RBSG Group' refers to The Royal Bank of Scotland Group plc, which is the ultimate parent company of RBS N.V. The abbreviation '€m' represents millions of euros.

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

Following the legal separation, RBS Holdings N.V. has one direct subsidiary, RBS N.V., a fully operational bank within RBSH Group. RBS N.V. is independently rated and regulated by the Dutch Central Bank.

The company income statements and company balance sheets as presented on the next two pages are derived from the presentation of the RBS N.V. income statement and balance sheet on page 205 to 209 of the RBS Holdings N.V.'s Annual Report and Accounts 2011, dated 22 March 2012.

An unqualified auditor's report is provided on the consolidated financial statements of RBS Holdings N.V. included in the Annual Report and Accounts 2011 on page 215.

The consolidated financial statements of RBS Holdings N.V. for the year ended 31 December 2011 are prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union and IFRS as issued by the International Accounting Standards Board which vary in certain significant respects from accounting principles generally accepted in the United States or 'US GAAP'.

In preparing the enclosed financial information in respect of RBS N.V., the same accounting principles and methods of computation are applied as in the consolidated financial statements at 31 December 2011 and for the year then ended of RBS Holdings N.V. We refer to page 113 to 124 of the RBS Holdings N.V. Annual Report and Accounts 2011 for the description of the company's accounting policies.

### Corporate Governance

The Dutch Corporate Governance Code ('Code Frijns') is formally applicable to the company. For all the relevant information, we refer to the Annual Report and Accounts 2011 of RBS Holdings N.V. on page 94 to 106.

### Subsequent events

In January 2012, RBS N.V. made a dividend distribution of €15 million to RBS Holdings N.V.

On 29 February 2012, the General Meeting of Shareholders of RBS N.V. conditionally approved a reduction of the issued capital of the Company to €50,000 through a purchase of 255,562,593 own shares from its sole shareholder for no consideration followed by a cancellation of those shares, and to reduce its authorized capital to €225,000.

In March 2012, RBS Holdings N.V. has agreed the sale of the cash equities, corporate finance and sector advisory, corporate actions and transaction support services, corporate financing and risk solutions (CFRS), and equity capital markets businesses in the Netherlands to ABN AMRO Bank N.V. The sale is expected to close in the second quarter of 2012, subject to certain conditions, including obtaining approvals from regulators and our social partners.

On 22 March 2012, RBS N.V. declared a dividend distribution of €5 million to RBS Holdings N.V.

There have been no other subsequent events between the year end and the date of approval of these abbreviated financial statements.

Company income statements  
for the year ended 31 December 2011

	2011 €m	2010 €m
Net interest income	501	833
Results from consolidated subsidiaries	(119)	(100)
Non-interest income	2,936	2,374
Total income	3,318	3,107
Operating expenses	(1,830)	(2,620)
Impairment losses	(1,740)	115
Operating (loss)/profit before tax	(252)	602
Tax charge	(444)	(282)
(Loss)/profit from continuing operations	(696)	320
Profit/(loss) from discontinued operations, net of tax	40	(122)
(Loss)/profit for the year	(656)	198

Company balance sheets  
as at 31 December 2011

	2011	2010
	€m	€m
<b>Assets</b>		
Cash and balances at central banks	11,812	7,321
Loans and advances to banks	53,750	35,113
Loans and advances to customers	24,979	44,844
Debt securities	38,211	53,048
Equity shares	2,955	21,805
Settlement balances	2,576	3,389
Derivatives	18,606	27,582
Intangible assets	46	95
Property, plant and equipment	74	80
Deferred tax	395	5,163
Prepayments, accrued income and other assets	7,100	9,250
Assets of disposal groups	4,788	1,966
<b>Total assets</b>	<b>165,292</b>	<b>209,656</b>
<b>Liabilities and equity</b>		
Deposits by banks	76,911	42,554
Customer accounts	33,469	62,986
Debt securities in issue	17,473	49,778
Settlement balances and short positions	3,386	4,982
Derivatives	19,323	34,743
Accruals, deferred income and other liabilities	2,938	3,275
Retirement benefit liabilities	58	73
Deferred tax	47	47
Subordinated liabilities	4,449	4,661
Liabilities of disposal groups	3,914	1,602
Shareholder's equity	3,324	4,955
<b>Total liabilities and equity</b>	<b>165,292</b>	<b>209,656</b>

## Independent auditors' report

**To the Shareholder, Supervisory Board and Managing Board of:  
The Royal Bank of Scotland N.V.**

### **Independent auditor's report**

#### **Report on the abbreviated financial statements of The Royal Bank of Scotland N.V.**

We have audited whether the accompanying abbreviated financial statements of The Royal Bank of Scotland N.V., consisting of the company balance sheet as at 31 December 2011 and the company income statement for the year then ended of The Royal Bank of Scotland N.V., legally seated in Amsterdam, the Netherlands, as included in this document on pages 4 and 5 are consistent, in all material respects, with the audited consolidated financial statements as included in the Annual Report and Accounts 2011 of RBS Holdings N.V. dated 22 March 2012 from which they have been derived. We expressed an unqualified opinion on these consolidated financial statements.

The abbreviated financial statements do not contain the disclosures required by the International Financial Reporting Standards as endorsed by the European Union that have been applied in the preparation of the audited consolidated financial statements. Therefore, the abbreviated financial statements are not a substitute for reading the audited consolidated financial statements.

#### **Management responsibility**

Management is responsible for the preparation of the abbreviated financial statements in accordance with the same accounting policies as applied in the consolidated financial statements of RBS Holdings N.V. from which they have been derived.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these abbreviated financial statements. We conducted our audit in accordance with Dutch law and the International Standard on Auditing 810 'Engagements to report on summary financial statements'. We planned and performed the audit to obtain reasonable assurance that the abbreviated financial statements have been derived consistently from the consolidated financial statements of RBS Holdings N.V. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, these abbreviated financial statements have been derived consistently, in all material respects, from the audited consolidated financial statements of RBS Holdings N.V.

#### **Emphasis of matter**

Without impacting our opinion above, we emphasise that for a better understanding of the company's financial position and results and the scope of our audit, the abbreviated financial statements of The Royal Bank of Scotland N.V. should be read in conjunction with the unabridged consolidated financial statements of RBS Holdings N.V., from which the abbreviated financial statements of The Royal Bank of Scotland N.V. were derived and our unqualified independent auditor's report thereon dated 22 March 2012.

Amsterdam, 22 March, 2012

Deloitte Accountants B.V.

M.B. Hengeveld

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**ANNEX 3: FINANCIAL STATEMENTS 2010 OF THE ISSUER**

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# The Royal Bank of Scotland N.V.

## Abbreviated Financial Statements 2010

Amsterdam, 28 April 2011  
KVK number: 33002587

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2	Management's report on the abbreviated financial statements
3	Basis of presentation
3	Corporate governance
4	Company income statements
5	Company balance sheets
6	Independent auditor's report

## Management's report on the abbreviated financial statements

The Managing Board certifies that, to the best of their knowledge, the abbreviated financial statements give a true and fair view, in all material respects, of the assets, liabilities, financial position and profit and loss of The Royal Bank of Scotland N.V. ('RBS N.V.') as at 31 December 2010 and for the year then ended.

Amsterdam, 28 April 2011

Jan de Ruiter  
Chairman of the Managing Board

Pieter van der Harst  
Chief Financial Officer



## Company information

### Basis of presentation

On the basis of article 403 of Part 9 of Book 2 of the Netherlands Civil Code, The Royal Bank of Scotland N.V. ('RBS N.V.') is not required to publish annual financial statements. Only abbreviated financial statements need to be drawn up and approved by the company directors. The shareholder of RBS N.V. has agreed to this in a declaration of consent, dated 15 April 2011 and filed with the Chamber of Commerce in Amsterdam. Furthermore a statement of liability by the parent company (RBS Holdings N.V.) is 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 2010 consolidated financial statements of RBS Holdings N.V., which are included in the Annual Report and Accounts 2010 dated 28 March 2011.

In the abbreviated financial statements, the terms 'company' and 'RBS N.V.' mean The Royal Bank of Scotland N.V. The term 'Group' refers to RBS Holdings and its consolidated subsidiaries. The term 'RBS Group' refers to The Royal Bank of Scotland Group plc whose shareholding in RFS Holdings B.V. ('RFS Holdings') was increased to 97.7% as at 31 December 2010. The abbreviation '€m' represents millions of euros.

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

Following the legal separation, RBS Holdings N.V. has one direct subsidiary, RBS N.V., a fully operational bank within the RBS Group. RBS N.V. is independently rated and regulated by the Dutch Central Bank. As announced on 1 April 2010, RBS N.V. has appointed new Supervisory and Managing Boards. As a result of legal separation RBS N.V. 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 RBS Group and therefore the presentation of the abbreviated financial statements has been aligned with that of RBS Group, the ultimate parent company. Further details of the reclassifications are provided in the 2010 consolidated financial statements of RBS Holdings N.V. included in the Annual Report and Accounts 2010 on page 102. The changes do not affect the Group's accounting policies, results, total assets or total liabilities. The presentation of comparatives has been aligned accordingly.

The income statement and balance sheet as presented on the next two pages are derived from the presentation of the RBS N.V. income statement and balance sheet on page 189 to 192 of the RBS Holdings N.V.'s Annual Report and Accounts 2010, dated 28 March 2011.

An unqualified auditor's report was provided on the 2010 consolidated financial statements of RBS Holdings N.V. included in the Annual Report and Accounts 2010 on page 199 to 200.

The consolidated financial statements of RBS Holdings N.V. for the year ended 31 December 2010 are prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU') and IFRS as issued by the International Accounting Standards Board ('IASB') which vary in certain significant respects from accounting principles generally accepted in the United States ('US'), or 'US GAAP'.

In preparing the enclosed financial information in respect of RBS N.V., the same accounting principles and methods of computation are applied as in the consolidated financial statements at 31 December 2010 and for the year then ended of RBS Holdings N.V. We refer to page 102 to 112 of the RBS Holdings N.V. Annual Report and Accounts 2010 for the description of the company's accounting policies.

### Corporate Governance

The Dutch Corporate Governance Code ('Code Frijns') is formally applicable to the company. For all the relevant information, we kindly refer you to the Annual Report and Accounts 2010 of RBS Holdings N.V.

### Subsequent events

RBS Holdings N.V. announced on 19 April 2011 the proposed transfers of a substantial part of the business activities of RBS N.V. to The Royal Bank of Scotland plc. For further details on this announcement please visit <http://www.investors.rbs.com>.

Company income statements  
for the year ended 31 December 2010

	2010	2009*
	€m	€m
Net interest income	833	1,518
Results from consolidated subsidiaries	(100)	(130)
Non-interest income/(loss)	2,374	(1,050)
Total income	3,107	338
Operating expenses	2,620	3,819
Impairment losses/ (reversals)	(115)	1,500
Operating profit/(loss) before tax	602	(4,981)
Tax (charge)/credit	(282)	581
Profit/(loss) from continuing operations	320	(4,400)
Loss from discontinued operations, net of tax	(122)	(114)
Profit/(loss) for the year	198	(4,514)

\*Comparatives for 2009 have been re-presented for the classification of the Dutch State acquired businesses as discontinued operations

Company balance sheets  
as at 31 December 2010

	2010 €m	2009 €m
<b>Assets</b>		
Cash and balances at central banks	7,321	27,026
Loans and advances to banks	35,113	132,813
Loans and advances to customers	44,844	145,374
Debt securities	53,048	117,711
Equity shares	21,805	15,305
Settlement balances	3,389	10,442
Derivatives	27,582	53,419
Intangible assets	95	300
Property, plant and equipment	80	1,187
Deferred tax	5,163	4,980
Prepayments, accrued income and other assets	9,250	12,302
Assets of disposal groups	1,966	3,766
<b>Total assets</b>	<b>209,656</b>	<b>524,625</b>
<b>Liabilities and equity</b>		
Deposits by banks	42,554	143,770
Customer accounts	62,986	198,748
Debt securities in issue	49,778	73,322
Settlement balances and short positions	4,982	11,086
Derivatives	34,743	58,871
Accruals, deferred income and other liabilities	3,275	7,431
Retirement benefit liabilities	73	123
Deferred tax	47	65
Subordinated liabilities	4,661	6,573
Liabilities of disposal groups	1,602	12,321
Shareholders equity attributable to the parent company	4,955	12,315
<b>Total liabilities and equity</b>	<b>209,656</b>	<b>524,625</b>

## Independent auditors' report

**To the Shareholder, Supervisory Board and Managing Board of The Royal Bank of Scotland N.V.**

### **Independent auditor's report**

#### **Report on the abbreviated financial statements of The Royal Bank of Scotland N.V.**

We have audited whether the accompanying abbreviated financial statements of The Royal Bank of Scotland N.V., consisting of the balance sheet as at 31 December 2010 and income statement for the year 2010 of The Royal Bank of Scotland N.V., Amsterdam, the Netherlands as included in this document on pages 4 and 5 are consistent, in all material respects, with the audited consolidated financial statements as included in the Annual Report and Accounts 2010 of RBS Holdings N.V. dated 28 March 2011 from which they have been derived. We expressed an unqualified opinion on these consolidated financial statements.

The abbreviated financial statements do not contain the disclosures required by the International Financial Reporting Standards as endorsed by the European Union that have been applied in the preparation of the audited consolidated financial statements. Therefore the abbreviated financial statements are not a substitute for reading the audited consolidated financial statements.

The abbreviated financial statements are prepared later than the date of the independent auditor's report on the consolidated financial statements of RBS Holdings N.V., dated 28 March 2011. The abbreviated financial statements do not reflect the effects of any events that occurred subsequent to the date of the independent auditor's report on the audited consolidated financial statements of RBS Holdings N.V.

#### **Management responsibility**

Management is responsible for the preparation of the abbreviated financial statements in accordance with the accounting policies as applied in the 2010 consolidated financial statements of RBS Holdings N.V. from which they have been derived.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these abbreviated financial statements. We conducted our audit in accordance with Dutch law and the International Standard on Auditing 810 "Engagements to report on summary financial statements". We planned and performed the audit to obtain reasonable assurance that the abbreviated financial statements have been derived consistently from the consolidated financial statements of RBS Holdings N.V. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, these abbreviated financial statements have been derived consistently, in all material respects, from the audited consolidated financial statements of RBS Holdings N.V.

#### **Emphasis of matter**

Without impacting our opinion above, we emphasise that for a better understanding of the company's financial position and results and the scope of our audit, the abbreviated financial statements of The Royal Bank of Scotland N.V. should be read in conjunction with the unabridged consolidated financial statements of RBS Holdings N.V., from which the abbreviated financial statements of The Royal Bank of Scotland N.V. were derived and our unqualified independent auditor's report thereon dated 28 March 2011.

Deloitte Accountants B.V.

M.B. Hengeveld

Amsterdam, 28 April 2011

7. In the Base Prospectuses after the section "**INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE GUARANTEE**" the following section shall be inserted:

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### **INFORMATION ABOUT THE ROYAL BANK OF SCOTLAND PLC**

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#### **RBS Registration Document**

The required information about The Royal Bank of Scotland plc (the "**RBS**") acting either through its principal office in Edinburgh, Scotland or through its London office or any other office, as specified in the Final Terms, is contained in the registration document of The Royal Bank of Scotland plc dated 24 February 2012 (the "**RBS Registration Document**") which was approved by the competent authority in the United Kingdom (*Financial Services Authority*; the "**FSA**") and which is incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference") excluding items (a) to (f) in the section headed "Documents Incorporated by Reference" on pages 67 to 69 of the RBS Registration Document.

In addition, the following documents are incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference"):

- (a) Sections of the Annual Report and Accounts 2011 of RBSG (the "**Annual Report and Accounts 2011 of RBSG**") for the year ended 31 December 2011 which were published by RBSG on 9. March 2012 (as specified in the section "Documents Incorporated by Reference");
- (b) Sections of the Annual Report and Accounts 2010 of RBSG (the "**Annual Report and Accounts 2010 of RBSG**") for the year ended 31 December 2010 which were published by RBSG on 17 March 2011 (as specified in the section "Documents Incorporated by Reference");
- (c) The Annual Report and Accounts 2011 of RBS (the "**Annual Report and Accounts 2011 of RBS**") (including (i) the audited consolidated annual financial statements of RBS and (ii) the non-consolidated balance sheet of RBS, in each case together with the audit report thereon) for the year ended 31 December 2011 (excluding the section headed "Risk factors" on pages 283 to 296) which were published on 26 March 2012; and
- (d) The Annual Report and Accounts 2010 of RBS (the "**Annual Report and Accounts 2010 of RBS**") (including (i) the audited consolidated annual financial statements of RBS and (ii) the non-consolidated balance sheet of RBS, in each case together with the audit report thereon) for the year ended 31 December 2010 (excluding the sections headed "Financial

Review — Risk factors" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) which were published on 15 April 2011.

The information about RBS and RBSG was obtained in the English language from RBS and RBSG. It has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by RBS and RBSG, no facts have been omitted which would render the reproduced information inaccurate or misleading.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

Unless provided otherwise in any supplement to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG, the information contained in the RBS Registration Document and this Base Prospectus is the most recent information available about RBS.

### **Significant changes**

There has been no significant change in the financial position of RBS and RBS together with its subsidiaries consolidated in accordance with International Financial Reporting Standards (the "**RBS Group**") taken as a whole since 31 December 2011 (the end of the last financial period for which the latest financial information has been published).

Save in relation to (i) matters referred to on page 119 of the preliminary unaudited Annual Results 2011 of RBSG for the year ended 31 December 2011 (the "**2011 Unaudited Annual Results**") relating to Payment Protection Insurance, in respect of which the RBS Group has made provisions for therein; and (ii) the effect on revenues of Global Banking and Markets of the current subdued operating environment (see pages 49-52 of the 2011 Unaudited Annual Results), there has been no material adverse change in the prospects of RBS and the RBS Group taken as a whole since 31 December 2011 (the last date to which the latest audited published financial information of the RBS Group was prepared).

8. In the Bonus Discount Base Prospectus 2009, Bonus Discount Base Prospectus 2010 and the Bonus Discount Base Prospectus 2011 the section "**TAXATION**" shall be replaced in its entirety by the following:

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### **TAXATION**

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***Potential purchasers of the Securities who are in any doubt about their tax position on acquisition, ownership, transfer, redemption or non-redemption of any Securities should consult their professional tax advisers.***

## 1. GENERAL

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

The Issuer assumes neither any liability nor any obligation to pay any taxes, duties or other payments which may arise as a result of the acquisition, ownership, transfer or redemption of any Securities. Investors are advised that, under the terms of the Securities, any such taxes levied will not be reimbursed by the Issuer.

Any Securities which are transferred under the Proposed Transfers pursuant to the Proposed Dutch Scheme shall be referred to in this section as "**Dutch Scheme Securities**".

The following does not address any tax consequences of, or consider the position following, the Proposed Transfers other than to the extent stated in relation to Dutch Scheme Securities.

## 2. THE NETHERLANDS

The following paragraph, which is intended as a general guide only, is based on current law and practice in The Netherlands. It summarises certain aspects of taxation in The Netherlands only which may be applicable to the Securities but do not purport to be a comprehensive description of all tax considerations which may be of relevance.

All payments by the Issuer with respect to the Securities will be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld, or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, unless such withholding is, in the future, required by law.

## 3. FEDERAL REPUBLIC OF GERMANY

The following summary of the tax implications of an investment in the Securities is based upon the applicable provisions of German tax law and their interpretation by fiscal authorities and fiscal courts as at the date of this Base Prospectus. **The tax implications might change as a result of amendments to such applicable law, its interpretation or, as the case may be, of the administrative practices of fiscal authorities – under certain circumstances even with retroactive effect.**

In particular, the discussion herein is limited to Securities that are issued and acquired after 31 December 2008. The tax treatment of Securities that were issued and acquired prior to 1 January 2009 may, subject to certain transition rules in connection with the introduction of the flat tax (*Abgeltungsteuer*) on investment income, differ significantly from the description in this summary.

This summary reflects the view held by the Issuer with respect to the tax implications of an investment in the Securities. However, it is not a guarantee regarding the tax consequences of the purchase, sale or redemption of the Securities. Furthermore, this summary is not adequate to serve as the sole basis for an evaluation of the tax implications of an investment in the Securities since in any case the

investor's individual circumstances must be taken into account. As a consequence thereof, this summary is limited to a general overview over certain income tax implications in Germany. **Investors are strongly advised to consult their personal tax adviser about the tax implications of an investment in the Securities.**

The following paragraphs refer only to the taxation of individuals who have their domicile or their permanent residence in Germany and who hold the Securities as private assets (*Privatvermögen*). If the Securities are held as business assets (*Betriebsvermögen*) by an individual or corporate investor who is tax resident in Germany, income from the Securities is not subject to the 26.375% discharging flat rate tax but is subject to personal income tax at graduated rates or corporate income tax (each plus solidary surcharge thereon and for individuals eventually church tax) and trade tax.

In the specific case of an individual who is tax resident in Germany and who holds the Securities as private assets, the following applies:

If the investor realises capital gains upon the sale of the Securities or upon their redemption (if a cash payment is made to the investor upon redemption) such capital gains are subject to a withholding tax ("*Kapitalertragsteuer*") at a rate of 26.375 % (including the solidarity surcharge) plus a church tax, if applicable, provided that a domestic (i.e. German) branch of a domestic or of a foreign credit or financial services institution, a domestic securities trading bank or a domestic securities trading company (each a "**Domestic Paying Agent**") has kept the Securities in a securities custody account since their acquisition and disburses or credits the capital gains. The capital gains are generally determined as the difference between the proceeds from the disposal or redemption of the Securities and the acquisition costs. As a general rule, the deduction of withholding taxes by these disbursing agents has a discharging effect regarding the income tax liability of the investor on such capital gains ("*Abgeltungsteuer*", i.e. a discharging flat rate tax). Deviating withholding rules may apply if the Securities were sold or redeemed after being transferred from a securities deposit account with a foreign bank or a foreign branch of a domestic credit or financial service institution, unless the investor provides evidence for the investor's actual acquisition costs to the Domestic Paying Agent. Such evidence is only permissible if the foreign bank is resident within the EU, European Economic Area or a contracting state of the EU directive on the taxation of savings income (2003/48/EC).

Individual investors are entitled to a tax allowance (*Sparer-Pauschbetrag*) for investment income of EUR 801 per year (EUR 1,602 for married couples filing their tax return jointly). The tax allowance is taken into account for purposes of the withholding tax provided that the investor files a withholding tax exemption request with the respective bank or financial institution where the securities deposit account to which the Securities are allocated is held. The deduction of related expenses for tax purposes is not possible.

If no or not sufficient withholding tax is deducted from the capital gains of the investor, these gains will have to be declared in the income tax assessment and are then as a general rule subject to the above mentioned flat income tax rate of 26.375 %, plus church tax, if applicable. The investor may also opt for assessment of its investment income in certain other situations (e.g. if its total income tax liability



on all taxable income including the investment income determined by generally applicable graduated income tax rates is lower than 25 %).

As a general rule, any losses realised upon the sale or redemption of the Securities (if a cash payment is made to the investor upon redemption) can be offset against other income from capital investments. However, the German tax administration takes the position that capital losses can not be recognised in cases where no payments are made to the investors on the maturity or redemption date (e.g. because of a knock-out). If no sufficient income from other capital investments is available in the assessment period in which the loss is realised, the loss can be carried forward and reduces income from capital investments which the investor realises in the following years. However, the loss cannot be carried back into the preceding assessment periods.

If no cash payment is made upon redemption of the Securities but if shares are delivered to the investor, such exchange of the Securities against the shares may – depending on the final terms of the Securities – not be taxable. In this case, only the sale of the shares received generally triggers the tax consequences described above. The capital gain or loss resulting from the sale of the shares is calculated by deducting the acquisition costs of the Securities, which are deemed to be the acquisition costs of the shares under German tax law, from the sales price of the shares. However, in this scenario any loss resulting from the sale of the shares can only be offset against capital gains from the sale of shares and not with income from other capital investments.

#### **4. AUSTRIA**

Investors should be aware that this overview cannot be used as a substitute for individual tax advice and is not intended to be definitive. There can be no guarantee that the Austrian tax authorities will adopt the same interpretation of the matters set out below as the Issuer and due to changes in the settled practice of Austrian tax authorities or Austrian case law, the tax treatment of alternative investments may, even retroactively, vary and lead to different results than those set out herein. There is no specific Austrian case law or other binding legal guideline available on the tax treatment of the Securities.

##### **4.1 Tax Treatment of Austrian Tax Resident Investors**

###### **(a) Private investors**

Pursuant to § 124b(85) of the Austrian Income Tax Act (*Einkommensteuergesetz* ("**ESTG**")), income received from index securities and similarly structured products that are issued on or after 1 March 2004 is qualified as investment income (§ 27 ESTG) for Austrian income tax purposes. According to the Austrian Federal Ministry of Finance (*Bundesministerium für Finanzen* ("**BMF**")), § 124b(85) ESTG may as well be applied to securities under which the investor has a right for repayment of the investment and the amount of such repayment depends on the performance of single equities or commodities which, at their entirety, do not amount to an index (BMF, Income Tax Guidelines 2000 (*Einkommensteuerrichtlinien 2000*) ("**ESTR 2000**") para 6198a).

Any difference between the issue price and the repurchase price of the security due to the development of the reference underlying is treated as interest (§ 27(2)(2) EStG) for Austrian income tax purposes. Equally, any positive difference due to the development of the underlying that is realised upon the sale of a security is treated as investment income.

Interest received by an investor resident in Austria for tax purposes is subject to Austrian income tax. In case of a private investor, income tax is levied at the time the interest is received, i.e. according to the settled practice of Austrian tax authorities upon the redemption or the sale of the Securities with respect to any difference amount realised upon redemption or sale. A private investor is not taxed on the increase in value of the security due to the positive development of the underlying or the price of the security at the stock exchange prior to redemption or sale.

If a security within the meaning of § 93(3)(1) EStG (*Forderungswertpapier*; i.e., a security that securitises a claim in a way that the right under the security follows the right to the security) is held by a private investor resident in Austria for tax purposes and interest is paid by an Austrian coupon-paying agent within the meaning of § 95(3)(2) EStG (generally the Austrian depository), withholding tax at a rate of 25 per cent is triggered. For a private individual investor such withholding tax is final provided that the security is both legally and actually publicly offered. If such an investor's applicable average income tax rate is below 25 per cent, the investor may file an income tax return including the interest income and apply for assessment of his income tax liability based on his income tax return. In the absence of an Austrian coupon-paying agent the investor must file an income tax return and include the interest received. Income tax will be levied at a special rate of 25 per cent (§ 37(8) EStG; BMF, EStR 2000 para 7377a). A deduction of expenses that are directly economically connected to the securities, if the income received thereunder is subject to flat and final withholding tax or to the special income tax rate of 25 per cent, is not available.

If the issuer may settle a security either in cash or by physical delivery of a certain share (cash or share note), generally, the entire interest paid under such security is subject to the 25 % withholding tax. However, if the interest rate is considerably above market rate the BMF considers this an indication that the interest is paid in compensation for the underlying risk. Such high interest may be credited against a potential loss from the delivery of the share and is not subject to withholding tax to this extent. If tax has been withheld on such interest in the past, a credit of the tax withheld applies (§ 95(6) EStG) to the extent the interest has been used to cover losses. Reversed investment income is capped at the amount of interest of the last coupon payment period. The investor may apply for further credit in the tax return or pursuant to § 240(3) of the Austrian Federal Fiscal Code (*Bundesabgabenordnung* ("**BAO**")) (BMF, EStR 2000 para 6198).

Income from the sale of index or similarly structured products due to increases in value below the nominal value is subject to income tax (regular rates of up to 50 per cent) only if the sale occurs within one year after the acquisition (so called speculative transaction; § 30(1) EStG)

and the aggregate amount of income from speculative transactions in the calendar year exceeds EUR 440. As regards securities that are acquired after 30 September 2011 and before 1 April 2012, pursuant to § 124b Z 184 EStG every sale or other settlement is treated as a speculative transaction (§ 30(1) EStG). Income from a sale or other settlement after 31 March 2012 is subject to the special income tax rate of 25 per cent pursuant to § 27a(1) EStG as amended by the *Budgetbegleitgesetz 2011* ("**BBG 2011**", BGBl I 111/2010; see below).

*Securities acquired after 31 March 2012 and new rules applicable as of 1 April 2012 (referring to the EStG as amended by the BBG 2011/Abgabenänderungsgesetz 2011 ("**AbgÄG 2011**", BGBl I 76/2011)/Budgetbegleitgesetz 2012 ("**BBG 2012**", BGBl I 112/2011))*

Pursuant to § 27(4) EStG, the difference payment, the premium, the capital gain and the income from another form of settlement of forward transactions (*Termingeschäfte*, e.g. options) and other derivative financial instruments (e.g. index certificates) are income from investment in the form of income from derivatives. Other derivative financial instruments within the present context are derivative financial instruments irrespective of whether the underlying consists of financial assets, commodities or other assets, so that all types of certificates are covered. Consequently, in case of certificates the difference between the acquisition cost and the sales price, settlement amount or redemption amount is income from derivatives that is subject to income tax. The actual exercise of an option or the actual delivery of the underlying, however, is not a taxable event.

Income from investment derived from securities that securitise a receivable and are legally and actually publicly offered are subject to income tax at the special rate of 25 per cent pursuant to § 27a(1) EStG. With respect to income from derivatives (§ 27(4) EStG), income tax is levied by way of final withholding tax (such income does not have to be included in the income tax return, except in case of an exercise of the option for taxation at regular income tax rates or the option for setting-off of losses) in case of an Austrian depository or, in its absence, an Austrian paying agent, which has executed the transaction in connection with the depository and is involved in the transaction. An Austrian depository or paying agent may be credit institutions, Austrian branches of non-Austrian credit institutions or Austrian branches of certain investment services providers (§ 95(2)(2) EStG in connection with § 97(1) EStG). In the absence of an Austrian depository or paying agent, the income has to be included in the income tax return and is subject to income tax at the special rate of 25 per cent.

The investor may file an income tax return and apply for assessment of his income tax liability based on his income tax return (§ 27a(5) EStG). Subject to certain restrictions a set-off (but no carry forward) of losses is available among income from investment. For such setting-off of losses, generally the investor must opt for assessment to income tax (option for setting-off of losses; § 97(2) EStG in connection with § 27(8) EStG). In case of an Austrian depository, the setting-off of losses has to be effected by the depository (§ 93 Abs 6 EStG). A deduction of expenses that are directly economically connected to the securities, if the income received

thereunder is subject to the special income tax rate of 25 per cent pursuant to § 27(1) EStG, is not available (§ 20(2) EStG).

(b) Business investors

Income from a security held as a business asset constitutes business income.

A corporation subject to unlimited corporate income tax liability in Austria receiving such income will be subject to Austrian corporate income tax at a rate of 25 per cent.

Flat and final withholding tax at a rate of 25 per cent is triggered if the security is held by an individual investor resident for tax purposes in Austria and the interest is paid by an Austrian coupon-paying agent. In the absence of an Austrian coupon-paying agent, income tax at a special flat rate of 25 per cent will be due. A deduction of expenses that are directly economically connected to the securities, if the income received thereunder is subject to flat and final withholding tax or to the special income tax rate of 25 per cent, is not available.

Income from the sale of index or similarly structured products due to increases in value below the nominal value are subject to corporate income tax at a rate of 25 per cent in case of a corporation as investor and income tax at the regular rates of up to 50 per cent in case of an individual as investor irrespective of any holding periods.

*Securities acquired after 31 March 2012 and new rules applicable as of 1 April 2012 (referring to the EStG as amended by the BBG 2011/AbgÄG 2011/BBG 2012)*

In case of a corporation, the current regime of taxation applies.

If the securities are held by an individual, income from investment is subject to income tax at the special rate of 25 per cent which is levied by way of withholding in case of an Austrian depository or paying agent (§ 27a(6) EStG). However, in case of an individual holding the securities as business assets, pursuant to § 97(1) EStG the withholding tax on income from derivatives (§ 27(4) EStG) is not final (i.e., the income must be included in the income tax return). A set-off (and a carry forward) of losses is available under certain rules (§ 6(2)(c) EStG). A deduction of expenses that are directly economically connected to the securities, if the income received thereunder is subject to the special income tax rate of 25 per cent pursuant to § 27a(1) EStG, is not available.

(c) Risk of a Qualification as Units in a Non-Austrian Investment Fund

According to Austrian tax authorities, the provisions for non-Austrian investment funds within the meaning of § 42(1) of the Austrian Investment Fund Act (*Investmentfondsgesetz* ("**InvFG**")) (as of 1 April 2012: § 188 of the Austrian Investment Fund Act 2011 (*Investmentfondsgesetz 2011* ("**InvFG 2011**"))) may equally apply if the repayment of the invested amount exclusively depends on the performance of certain securities (index) and either the issuer, a trustee or a direct or indirect subsidiary of the issuer actually acquires the majority of the securities comprised by the index for the purposes of issuing the securities or the assets comprised by the index are actively managed. However, directly held notes the

performance of which depends on an index, irrespective of whether the index is a recognised index or an individually composed fixed or at any time modifiable index are not treated as units in a non-Austrian investment fund (BMF, Investment Fund Guidelines 2008 (*Investmentfondsrichtlinien 2008* ("InvFR 2008"))) para 267). The risk of the qualification of a Security as unit in a non-Austrian investment fund must be assessed on a case-by-case basis.

## 4.2 Tax Treatment of non-Austrian Tax Resident Investors

### (a) Austrian Income Tax Liability

Pursuant to § 98(1)(5) EStG, interest received under securities (that are not held in an Austrian permanent establishment) by an investor who is not resident for tax purposes in Austria is basically not subject to Austrian income tax. If interest is paid by an Austrian coupon-paying agent, 25 per cent withholding tax is triggered, unless the non-Austrian tax resident individual investor proves his non-resident status for tax purposes to the Austrian coupon-paying agent by presenting an official picture identification card and provides his address. In addition, Austrian citizens or citizens of an Austrian neighbouring state have to provide a written declaration that they neither have a domicile nor their habitual place of abode in Austria. Further, the securities under which the interest is paid must be deposited with an Austrian bank (BMF, EStR 2000 paras 7775 et seq). If the investor is not an individual, the coupon-paying agent is discharged from its withholding obligation if the investor proves his non-resident status for tax purposes through presentation of an identification card of an individual acting on behalf of the corporation, the security is deposited with an Austrian credit institution and written evidence is provided by a declaration of the non-Austrian corporation and the individual acting on behalf the corporation that the non-Austrian corporation is the beneficial owner of the securities (BMF, Corporate Income Tax Guidelines 2001 (*Körperschaftsteuerrichtlinien 2001* ("KStR 2001"))) paras 1463 et seq and EStR 2000 paras 7779 et seq). Pursuant to § 98(1)(7) EStG investors who are not resident for tax purposes in Austria are generally not subject to income tax or, in case of a corporation, corporate income tax with respect to income from speculative transactions with securities (that are not held in an Austrian permanent establishment).

*Securities acquired after 31 March 2012 and new provisions applicable as of 1 April 2012 (referring to the EStG as amended by the BBG 2011/AbgÄG 2011/BBG 2012)*

Pursuant to § 98(1)(5) EStG, income from derivatives (§ 27(4) EStG) (that are not held in an Austrian permanent establishment) received by an investor who is not resident for tax purposes in Austria is basically not subject to Austrian income tax, or, in case of a corporation that is not resident for tax purposes in Austria, Austrian corporate income tax. § 94(13) EStG provides for an exemption from withholding tax with respect to income that is not subject to (limited) income tax in Austria pursuant to § 98(1)(5) EStG (the documentation requirements pursuant to EStR 2000 paras 7775 et seq, presumably, will remain to be considered).

### (b) Austrian EU Source Tax Liability

Directive 2003/48/EC of 3 June 2003 was implemented into Austrian domestic law by the enactment of the Austrian EU Source Tax Act (*EU-Quellensteuergesetz* ("**EU-QuStG**")). Accordingly, interest paid by an Austrian coupon-paying agent to an individual beneficial owner resident in another EU member state may be subject to EU source tax at a rate of currently 35 per cent. Whether interest under the Securities is subject to EU source tax must be determined on a case-by-case basis.

## **5. UNITED KINGDOM**

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

### **5.1 Withholding Tax**

#### ***Securities issued by the Issuer otherwise than through the Issuer's London branch and which are not Dutch Scheme Securities***

Payments on these Securities may generally be made without withholding on account of United Kingdom income tax.

#### ***Securities issued by the Issuer's London branch and Dutch Scheme Securities***

Payments by the Issuer's London branch or by RBS (in the case of Dutch Scheme Securities) are likely to be regarded as having a United Kingdom source. However payments made in respect of such Securities may be made without deduction or withholding for or on account of United Kingdom income tax where such payments are not regarded as interest, manufactured payments or annual payments for United Kingdom tax purposes.

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

If payments made in respect of the Securities were to be regarded as interest for United Kingdom tax purposes, provided that the Issuer's London branch, or RBS, as applicable, qualifies as a bank within the meaning of section 991 of the Income Tax Act 2007 ("**ITA 2007**") on the date of such payments, such payments may be made without withholding or deduction for or on account of United Kingdom income tax where the interest is paid in the ordinary course of the Issuer's London branch's business within the meaning of section 878 ITA 2007; this would include all payments of interest by the Issuer's London branch, or RBS, as applicable except where there is an intention to avoid United Kingdom tax.

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

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

Interest on or in respect of such Securities may also be paid without withholding or deduction for or on account of United Kingdom income tax where the maturity of the Securities is less than 365 days and

those Securities do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

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

#### *Payments by the Guarantor*

Any payments by the Guarantor in respect of interest on, or other amounts due under, Securities issued by the Issuer otherwise than through the Issuer's London branch and which are not Dutch Scheme Securities may generally be made without withholding on account of United Kingdom income tax.

Any payments by the Guarantor in respect of interest on, or other amounts due under, Securities issued by the Issuer's London branch and which are not Dutch Scheme Securities (other than the repayment of amounts subscribed for the Securities) may be subject to United Kingdom withholding tax, subject to the availability of any exemptions or reliefs or to any direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of any applicable double tax treaty.

## **5.2 Certain other United Kingdom Tax Considerations**

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

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

## **5.3 United Kingdom Information Gathering Powers**

Securityholders may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner) from any person in the United Kingdom who either pays or credits interest (or amounts treated as interest) to or receives interest (or



amounts treated as interest) for the benefit of a Securityholder. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Securities which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts for the benefit of another person, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid on or before 5 April 2013. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Securityholder is resident for tax purposes.

## **5.4 Stamp Taxes**

For the purposes of the following paragraphs, "**Exempt Loan Capital**" means any security which constitutes loan capital for the purposes of section 78 Finance Act 1986 ("**Loan Capital**") and: (a) does not carry rights to acquire shares or securities (by way of exchange, conversion or otherwise); (b) has not carried and does not carry a right to interest the amount of which exceeds a reasonable commercial return on the nominal amount of the relevant security; (c) subject to certain exceptions has not carried and does not carry a right to interest the amount of which falls or has fallen to be determined to any extent by reference to the results of, or any part of, a business or to the value of any property; and (d) has not carried and does not carry a right to a premium which is not reasonably comparable with amounts payable on securities listed on the London Stock Exchange.

### *Stamp duty on the issue of Securities*

Subject to the following paragraph, no stamp duty will generally be payable in relation to the issue of Securities.

In relation to Securities issued in bearer form which are denominated in sterling and which are not loan capital for the purposes of section 78 of the Finance Act 1986 ("**FA 1986**"), a charge to United Kingdom stamp duty at 1.5 per cent of the value of such Securities may arise. No stamp duty liability will arise on the issue of such Securities by the Issuer if issued outside the United Kingdom. However, in relation to Securities of that kind originally issued by the Issuer outside the United Kingdom, on the first transfer by delivery in the United Kingdom of any such Security a stamp duty liability at 1.5 per cent of the value of such Security may arise. Furthermore, an instrument issuing a Security which has the characteristics of an option or any instrument granting such a Security may technically be subject to United Kingdom stamp duty at a rate of up to 4 per cent of the consideration paid for the Security.

### *Stamp duty on the transfer of Securities*

Other than as described above, no United Kingdom stamp duty should be required to be paid on transfers of Securities on sale provided no instrument of transfer is used to complete such sales.

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

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

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

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

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

*SDRT on the transfer of Securities held within a Clearance Service where no s97A Election applies in respect of the Security*

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

*SDRT on the transfer of Securities held within a Clearance Service where a s97A Election applies in respect of the Security*

In the case of Securities issued by the Issuer which are not Dutch Scheme Securities and which are held within a Clearance Service where a s97A Election applies in respect of the Security, no SDRT should be payable in relation to any agreement to transfer or transfer of such a Security unless the Security is an interest in, or to dividends or other rights arising out of, or a right to allotment of or to subscribe for, or an option to acquire shares which are paired with shares (which are not "newly

subscribed shares" as defined in section 99(12) FA 1986) issued by a body corporate incorporated in the United Kingdom, provided that such Security is in bearer form.

The stamp duty reserve tax analysis in the above paragraph is likely to apply to the transfer of a Dutch Scheme Security which is held within a Clearance Service where a s97A Election applies in respect of such Dutch Scheme Security, although this is not free from doubt. Were the analysis in the above paragraph not to apply to a transfer of such a Security, SDRT at a rate of 0.5 per cent of the consideration given under an agreement to transfer such Securities may be payable on such a transfer in circumstances other than those described in the paragraph above if the Security is not Exempt Loan Capital.

#### *Stamp duty and SDRT on the exercise or redemption of the Securities*

Stamp duty and/or SDRT may be payable in respect of an agreement to transfer, or on the transfer of, an asset where the terms of any Security contemplate physical settlement of the Security.

## **6. EU SAVINGS DIRECTIVE**

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

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

9. In the ETN Fixed Maturity Base Prospectus 2010 the section "**Taxation**" shall be replaced in its entirety by the following:

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## **TAXATION**

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***Potential purchasers of the Securities who are in any doubt about their tax position on acquisition, ownership, transfer, termination or exercise of any Securities should consult their professional tax advisers.***

### **1. GENERAL**

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

The Issuer assumes neither any liability nor any obligation to pay any taxes, duties or other payments which may arise as a result of the ownership of any Securities, as well as their transfer, exercise, termination by the Issuer or the Securityholder or exercise by the Securityholder. The investors are advised that, under the terms of the Securities, any such taxes levied will not be reimbursed by the Issuer.

Any Securities which are transferred under the Proposed Transfers pursuant to the Proposed Dutch Scheme shall be referred to in this section as "**Dutch Scheme Securities**".

The discussion below does not address the tax treatment of Securities that have been transferred pursuant to the Proposed Transfers other than to the extent stated in relation to Dutch Scheme Securities.

## **2. THE NETHERLANDS**

The following paragraph, which is intended as a general guide only, is based on current law and practice in The Netherlands. It summarises certain aspects of taxation in The Netherlands only which may be applicable to the Securities but do not purport to be a comprehensive description of all tax considerations which may be of relevance.

All payments by the Issuer with respect to the Securities will be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld, or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, unless such withholding is, in the future, required by law.

## **3. FEDERAL REPUBLIC OF GERMANY**

The following summary of the tax implications of an investment in the Securities is based upon the applicable provisions of German tax law, and their interpretation by fiscal authorities and fiscal courts, as at the date of this Base Prospectus. **The tax implications might change as a result of amendments to such applicable law, its interpretation or, as the case may be, of the administrative practices of fiscal authorities – under certain circumstances even with retroactive effect.**

In particular, the discussion herein is limited to Securities that are issued and acquired after 31 December 2008. The tax treatment of Securities that were issued and acquired prior to 1 January 2009 may, subject to certain transition rules in connection with the introduction of the flat tax (*Abgeltungsteuer*) on investment income, differ significantly from the description in this summary.

This summary reflects the view held by the Issuer with respect to the tax implications of an investment in the Securities. However, it is not a guarantee regarding the treatment of the Securities or the legal consequences of their purchase, transfer, termination or exercise. Furthermore, this summary is not

adequate to serve as the sole basis for an estimation of the tax implications of an investment in the Securities since in any case the investor's individual circumstances must be taken into account. As a consequence thereof, this summary is limited to a general overview on certain implications of income tax in Germany. **Investors are strongly advised to consult their personal tax adviser about the tax implications of an investment in the Securities.**

The following paragraphs refer only to the taxation of individuals who have their domicile or their permanent residence in Germany and who hold the Securities as private assets (*Privatvermögen*). If the Securities are held as business assets (*Betriebsvermögen*) by an individual or corporate investor who is tax resident in Germany, income from the Securities is not subject to the 26.375% discharging flat rate tax but is subject to personal income tax at graduated rates or corporate income tax (each plus solidary surcharge thereon and for individuals eventually church tax).

In the specific case of an individual who is tax resident in Germany and who holds the Securities as private assets, the following applies:

If the Securityholder receives interest payments and/or dividend payments on the Securities and/or realizes capital gains upon the sale of the Securities, upon exercise, upon their termination by the Issuer or the Securityholder or exercise by the Securityholder, these interest payments and capital gains are subject to a withholding tax at a rate of 26.375 % (including the solidarity surcharge) plus a church tax, if applicable, provided that a domestic (i.e. German) branch of a domestic or of a foreign credit or financial services institution, a domestic securities trading bank or a domestic securities trading company (each a "**Domestic Paying Agent**") keeps the Securities in a securities custody account and disburses or credits the interest payments and/or capital gains. The capital gains are generally determined as the difference between the proceeds from the disposal or redemption of the Securities and the acquisition costs. As a general rule, the deduction of withholding taxes by these Domestic Paying Agents has a discharging effect regarding the income tax of the investor on such investment income ("*Abgeltungsteuer*", i.e. a discharging flat rate tax). Deviating withholding rules may apply with regard to the capital gains if the Securities were sold or redeemed after being transferred from a securities deposit account with a foreign bank or a foreign branch of a domestic credit or financial service institution, unless the investor provides evidence for the investor's actual acquisition costs to the Domestic Paying Agent. Such evidence is only permissible if the foreign bank is resident within the EU, European Economic Area or a contracting state of the EU directive on the taxation of savings income (2003/48/EC).

Individual investors are entitled to a tax allowance (*Sparer-Pauschbetrag*) for investment income of EUR 801 per year (EUR 1,602 for married couples filing their tax return jointly). The tax allowance is taken into account for purposes of the withholding tax provided that the investor files a withholding tax exemption request with the respective bank or financial institution where the securities deposit account to which the Securities are allocated is held. The deduction of related expenses for tax purposes is not possible.

If no or not sufficient withholding tax is deducted from the income from interest payments and/or capital gains of the Securityholder, this investment income will have to be declared in the income tax

assessment and is then subject to the above mentioned flat income tax rate of 26.375 %, plus church tax, if applicable. The investor may also opt for assessment of its investment income in certain other situations (e.g. if its total income tax liability on all taxable income including the investment income determined by generally applicable graduated income tax rates is lower than 25 %).

As a general rule, any losses realized upon the sale of the Securities, upon exercise, upon their termination by the Issuer or the Securityholder or exercise by the Securityholder can be offset against other income from capital investments. However, the German tax administration takes the position that capital losses can not be recognised in cases where no payments are made to the investors on the maturity or redemption date (e.g. because of a knock-out). If no sufficient income from other capital investments is available in the assessment period in which the loss is realized, the losses can be carried forward and reduce income from capital investments which the investor realizes in the following years. However, the losses cannot be carried backwards into the preceding assessment periods.

If no cash payment is made upon redemption of the Securities but if shares are delivered to the investor, such exchange of the Securities against the shares may – depending on the final terms of the Securities – not be taxable. In this case, only the sale of the shares received generally triggers the tax consequences described above. The capital gain or loss resulting from the sale of the shares is calculated by deducting the acquisition costs of the Securities, which are deemed to be the acquisition costs of the shares under German tax law, from the sales price of the shares. However, in this scenario any loss resulting from the sale of the shares can only be offset against capital gains from the sale of shares and not with income from other capital investments.

## **4. AUSTRIA**

Investors should be aware that this overview cannot be used as a substitute for individual tax advice and is not intended to be definitive. There can be no guarantee that the Austrian tax authorities will adopt the same interpretation of the matters set out below as the Issuer and due to changes in the settled practice of Austrian tax authorities or Austrian case law, the tax treatment of alternative investments may, even retroactively, vary and lead to different results than those set out herein. There is no specific Austrian case law or other binding legal guideline available on the tax treatment of the Securities.

### **4.1 Tax Treatment of Austrian Tax Resident Investors**

#### **(a) Private investors**

Pursuant to § 124b(85) of the Austrian Income Tax Act (*Einkommensteuergesetz* ("**ESTG**")), income received from index securities and similarly structured products that are issued on or after 1 March 2004 is qualified as investment income (§ 27 ESTG) for Austrian income tax purposes. According to the Austrian Federal Ministry of Finance (*Bundesministerium für Finanzen* ("**BMF**")), § 124b(85) ESTG may as well be applied to securities under which the investor has a right for repayment of the investment and the amount of such repayment

depends on the performance of single equities or commodities which, at their entirety, do not amount to an index (BMF, Income Tax Guidelines 2000 (*Einkommensteuerrichtlinien 2000* ("EStR 2000") para 6198a).

Any difference between the issue price and the repurchase price of the security due to the development of the reference underlying is treated as interest (§ 27(2)(2) EStG) for Austrian income tax purposes. Equally, any positive difference due to the development of the underlying that is realised upon the sale of a security is treated as investment income.

Interest received by an investor resident in Austria for tax purposes is subject to Austrian income tax. In case of a private investor, income tax is levied at the time the interest is received, i.e. according to the settled practice of Austrian tax authorities upon the redemption or the sale of the Securities with respect to any difference amount realised upon redemption or sale. A private investor is not taxed on the increase in value of the security due to the positive development of the underlying or the price of the security at the stock exchange prior to redemption or sale.

If a security within the meaning of § 93(3)(1) EStG (*Forderungswertpapier*; i.e., a security that securitises a claim in a way that the right under the security follows the right to the security) is held by a private investor resident in Austria for tax purposes and interest is paid by an Austrian coupon-paying agent within the meaning of § 95(3)(2) EStG (generally the Austrian depository), withholding tax at a rate of 25 per cent is triggered. For a private individual investor such withholding tax is final provided that the security is both legally and actually publicly offered. If such an investor's applicable average income tax rate is below 25 per cent, the investor may file an income tax return including the interest income and apply for assessment of his income tax liability based on his income tax return. In the absence of an Austrian coupon-paying agent the investor must file an income tax return and include the interest received. Income tax will be levied at a special rate of 25 per cent (§ 37(8) EStG; BMF, EStR 2000 para 7377a). A deduction of expenses that are directly economically connected to the securities, if the income received thereunder is subject to flat and final withholding tax or to the special income tax rate of 25 per cent, is not available.

If the issuer may settle a security either in cash or by physical delivery of a certain share (cash or share note), generally, the entire interest paid under such security is subject to the 25 % withholding tax. However, if the interest rate is considerably above market rate the BMF considers this an indication that the interest are paid in compensation for the underlying risk. Such high interest may be credited against a potential loss from the delivery of the share and is not subject to withholding tax to this extent. If tax has been withheld on such interest in the past, a credit of the tax withheld applies (§ 95(6) EStG) to the extent the interest has been used to cover losses. Reversed investment income is capped at the amount of interest of the last coupon payment period. The investor may apply for further credit in the tax return or pursuant to § 240(3) of the Austrian Federal Fiscal Code (*Bundesabgabenordnung* ("BAO")) (BMF, EStR 2000 para 6198).

Income from the sale of index or similarly structured products due to increases in value below the nominal value is subject to income tax (regular rates of up to 50 per cent) only if the sale occurs within one year after the acquisition (so called speculative transaction; § 30(1) EStG) and the aggregate amount of income from speculative transactions in the calendar year exceeds EUR 440. As regards securities that are acquired after 30 September 2011 and before 1 April 2012, pursuant to § 124b Z 184 EStG every sale or other settlement is treated as a speculative transaction (§ 30(1) EStG). Income from a sale or other settlement after 31 March 2012 is subject to the special income tax rate of 25 per cent pursuant to § 27a(1) EStG as amended by the *Budgetbegleitgesetz 2011* ("**BBG 2011**", BGBl I 111/2010; see below).

*Securities acquired after 31 March 2012 and new rules applicable as of 1 April 2012 (referring to the EStG as amended by the BBG 2011/Abgabenänderungsgesetz 2011 ("**AbgÄG 2011**", BGBl I 76/2011)/Budgetbegleitgesetz 2012 ("**BBG 2012**", BGBl I 112/2011))*

Pursuant to § 27(4) EStG, the difference payment, the premium, the capital gain and the income from another form of settlement of forward transactions (*Terminingeschäfte*, e.g. options) and other derivative financial instruments (e.g. index certificates) are income from investment in the form of income from derivatives. Other derivative financial instruments within the present context are derivative financial instruments irrespective of whether the underlying consists of financial assets, commodities or other assets, so that all types of certificates are covered. Consequently, in case of certificates the difference between the acquisition cost and the sales price, settlement amount or redemption amount is income from derivatives that is subject to income tax. The actual exercise of an option or the actual delivery of the underlying, however, is not a taxable event.

Income from investment derived from securities that securitise a receivable and are legally and actually publicly offered are subject to income tax at the special rate of 25 per cent pursuant to § 27a(1) EStG. With respect to income from derivatives (§ 27(4) EStG), income tax is levied by way of final withholding tax (such income does not have to be included in the income tax return, except in case of an exercise of the option for taxation at regular income tax rates or the option for setting-off of losses) in case of an Austrian depository or, in its absence, an Austrian paying agent, which has executed the transaction in connection with the depository and is involved in the transaction. An Austrian depository or paying agent may be credit institutions, Austrian branches of non-Austrian credit institutions or Austrian branches of certain investment services providers (§ 95(2)(2) EStG in connection with § 97(1) EStG). In the absence of an Austrian depository or paying agent, the income has to be included in the income tax return and is subject to income tax at the special rate of 25 per cent.

The investor may file an income tax return and apply for assessment of his income tax liability based on his income tax return (§ 27a(5) EStG). Subject to certain restrictions a set-off (but no carry forward) of losses is available among income from investment. For such setting-off of losses, generally the investor must opt for assessment to income tax (option for setting-off of losses; § 97(2) EStG in connection with § 27(8) EStG). In case of an Austrian depository, the



setting-off of losses has to be effected by the depository (§ 93 Abs 6 EStG). A deduction of expenses that are directly economically connected to the securities, if the income received thereunder is subject to the special income tax rate of 25 per cent pursuant to § 27(1) EStG, is not available (§ 20(2) EStG).

(b) Business investors

Income from a security held as a business asset constitutes business income.

A corporation subject to unlimited corporate income tax liability in Austria receiving such income will be subject to Austrian corporate income tax at a rate of 25 per cent.

Flat and final withholding tax at a rate of 25 per cent is triggered if the security is held by an individual investor resident for tax purposes in Austria and the interest is paid by an Austrian coupon-paying agent. In the absence of an Austrian coupon-paying agent, income tax at a special flat rate of 25 per cent will be due. A deduction of expenses that are directly economically connected to the securities, if the income received thereunder is subject to flat and final withholding tax or to the special income tax rate of 25 per cent, is not available.

Income from the sale of index or similarly structured products due to increases in value below the nominal value are subject to corporate income tax at a rate of 25 per cent in case of a corporation as investor and income tax at the regular rates of up to 50 per cent in case of an individual as investor irrespective of any holding periods.

*Securities acquired after 31 March 2012 and new rules applicable as of 1 April 2012 (referring to the EStG as amended by the BBG 2011/AbgÄG 2011/BBG 2012)*

In case of a corporation, the current regime of taxation applies.

If the securities are held by an individual, income from investment is subject to income tax at the special rate of 25 per cent which is levied by way of withholding in case of an Austrian depository or paying agent (§ 27a(6) EStG). However, in case of an individual holding the securities as business assets, pursuant to § 97(1) EStG the withholding tax on income from derivatives (§ 27(4) EStG) is not final (i.e., the income must be included in the income tax return). A set-off (and a carry forward) of losses is available under certain rules (§ 6(2)(c) EStG). A deduction of expenses that are directly economically connected to the securities, if the income received thereunder is subject to the special income tax rate of 25 per cent pursuant to § 27a(1) EStG, is not available.

(c) Risk of a Qualification as Units in a Non-Austrian Investment Fund

According to Austrian tax authorities, the provisions for non-Austrian investment funds within the meaning of § 42(1) of the Austrian Investment Fund Act (*Investmentfondsgesetz ("InvFG")*) (as of 1 April 2012: § 188 of the Austrian Investment Fund Act 2011 (*Investmentfondsgesetz 2011 ("InvFG 2011")*)) may equally apply if the repayment of the invested amount exclusively depends on the performance of certain securities (index) and either the issuer, a trustee or a direct or indirect subsidiary of the issuer actually acquires the

majority of the securities comprised by the index for the purposes of issuing the securities or the assets comprised by the index are actively managed. However, directly held notes the performance of which depends on an index, irrespective of whether the index is a recognised index or an individually composed fixed or at any time modifiable index are not treated as units in a non-Austrian investment fund (BMF, Investment Fund Guidelines 2008 (*Investmentfondsrichtlinien 2008* ("InvFR 2008"))) para 267). The risk of the qualification of a Security as unit in a non-Austrian investment fund must be assessed on a case-by-case basis.

## 4.2 Tax Treatment of non-Austrian Tax Resident Investors

### (a) Austrian Income Tax Liability

Pursuant to § 98(1)(5) EStG, interest received under securities (that are not held in an Austrian permanent establishment) by an investor not resident for tax purposes in Austria is basically not subject to Austrian income tax. If interest is paid by an Austrian coupon-paying agent, 25 per cent withholding tax is triggered, unless the non-Austrian tax resident individual investor proves his non-resident status for tax purposes to the Austrian coupon-paying agent by presenting an official picture identification card and provides his address. In addition, Austrian citizens or citizens of an Austrian neighbouring state have to provide a written declaration that they neither have a domicile nor their habitual place of abode in Austria. Further, the securities under which the interest is paid must be deposited with an Austrian bank (BMF, EStR 2000 paras 7775 et seq). If the investor is not an individual, the coupon-paying agent is discharged from its withholding obligation if the investor proves his non-resident status for tax purposes through presentation of an identification card of an individual acting on behalf of the corporation, the security is deposited with an Austrian credit institution and written evidence is provided by a declaration of the non-Austrian corporation and the individual acting on behalf the corporation that the non-Austrian corporation is the beneficial owner of the securities (BMF, Corporate Income Tax Guidelines 2001 (*Körperschaftsteuerrichtlinien 2001* ("KStR 2001"))) paras 1463 et seq and EStR 2000 paras 7779 et seq). Pursuant to § 98(1)(7) EStG investors who are not resident for tax purposes in Austria are generally not subject to income tax or, in case of a corporation, corporate income tax with respect to income from speculative transactions with securities (that are not held in an Austrian permanent establishment).

*Securities acquired after 31 March 2012 and new provisions applicable as of 1 April 2012 (referring to the EStG as amended by the BBG 2011/AbgÄG 2011/BBG 2012)*

Pursuant to § 98(1)(5) EStG, income from derivatives (§ 27(4) EStG) (that are not held in an Austrian permanent establishment) received by an investor who is not resident for tax purposes in Austria is basically not subject to Austrian income tax, or, in case of a corporation that is not resident for tax purposes in Austria, Austrian corporate income tax. Equally, there would generally be no (limited) income tax or corporate income tax liability in Austria with respect to interest paid under or realised increases in value of securities that securitise a

receivable. § 94(13) EStG provides for an exemption from withholding tax with respect to income that is not subject to (limited) income tax in Austria pursuant to § 98(1)(5) EStG (the documentation requirements pursuant to EStR 2000 paras 7775 et seq, presumably, will remain to be considered).

(b) Austrian EU Source Tax Liability

Directive 2003/48/EC of 3 June 2003 was implemented into Austrian domestic law by the enactment of the Austrian EU Source Tax Act (*EU-Quellensteuergesetz* ("**EU-QuStG**")). Accordingly, interest paid by an Austrian coupon-paying agent to an individual beneficial owner resident in another EU member state may be subject to EU source tax at a rate of currently 35 per cent. Whether interest under the Securities is subject to EU source tax must be determined on a case-by-case basis.

## 5. UNITED KINGDOM

The following applies only to persons who are beneficial owners of the Securities and is a summary of the Issuer's understanding of the current law and HM Revenue & Customs ("**HMRC**") practice in the United Kingdom relating to certain aspects of United Kingdom taxation. Some aspects do not apply to certain classes of persons (such as dealers and persons connected with the Issuer) to whom special rules apply. The United Kingdom tax treatment of prospective Securityholders depends on their individual circumstances and may be subject to change in the future. Prospective Securityholders who are in any doubt as to their own tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should consult their professional advisers.

### 5.1 Withholding Tax

#### ***Securities issued otherwise than through the Issuer's London branch and which are not Dutch Scheme Securities***

Payments on these Securities may be made without withholding or deduction for or on account of United Kingdom income tax.

#### ***Securities issued by the Issuer's London branch and Dutch Scheme Securities***

Payments by the Issuer's London branch or by RBS (in the case of Dutch Scheme Securities) are likely to be regarded as having a United Kingdom source. However payments made in respect of such Securities may be made without deduction or withholding for or on account of United Kingdom income tax where such payments are not regarded as either interest or annual payments for United Kingdom tax purposes.

Even if such payments by the Issuer's London branch or by RBS, as applicable, were to be regarded as interest or annual payments for United Kingdom tax purposes, the Issuer or RBS, as applicable should not be required to withhold or deduct sums for or on account of United Kingdom income tax from payments made in respect of the Securities provided that the Securities are derivative contracts, the profits and losses arising from which are calculated in accordance with the provisions of Part 7 of

the Corporation Tax Act 2009 (which broadly they should be provided that they are derivatives for the purposes of FRS25 (or International Accounting Standard 32) and are not excluded for the purposes of Part 7 of that Act by virtue of their underlying subject matter).

If interest is payable on the Securities or if payments made in respect of the Securities were to be regarded as interest for United Kingdom tax purposes, provided the Issuer's London branch, or RBS, as applicable, qualifies as a bank within the meaning of section 991 of the Income Tax Act 2007 (the "ITA 2007") on the date of such payments, such payments may be made without withholding or deduction for or on account of United Kingdom income tax where the interest is paid in the ordinary course of the Issuer's London branch's or RBS's business, as applicable, within the meaning of section 878 of the ITA 2007; this would include all payments of interest by the Issuer's London branch, or RBS, as applicable except where there is an intention to avoid United Kingdom tax.

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

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

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

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

deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

## **5.2 UK Information Gathering Powers**

Securityholders may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Securityholder. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Securities (which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005) to or receives such amounts for the benefit of another person, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid on or before 5 April 2013. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Securityholder is resident for tax purposes.

## **5.3 Stamp Taxes**

For the purposes of the following paragraphs, "**Exempt Loan Capital**" means any security which constitutes loan capital for the purposes of section 78 Finance Act 1986 ("**Loan Capital**") and: (a) does not carry rights to acquire shares or securities (by way of exchange, conversion or otherwise); (b) has not carried and does not carry a right to interest the amount of which exceeds a reasonable commercial return on the nominal amount of the relevant security; (c) subject to certain exceptions has not carried and does not carry a right to interest the amount of which falls or has fallen to be determined to any extent by reference to the results of, or any part of, a business or to the value of any property; and (d) has not carried and does not carry a right to a premium which is not reasonably comparable with amounts payable on securities listed on the London Stock Exchange.

Subject to what follows, no stamp duty, capital duty, stamp duty reserve tax or other similar tax is payable in the United Kingdom on the issue or transfer by delivery of any Securities.

In relation to Securities in bearer form which are denominated in sterling and are not Loan Capital, a charge to stamp duty at 1.5 per cent of the value of such Securities may arise if issued in the United Kingdom. No stamp duty liability will arise on the issue of such Securities if issued outside the United Kingdom. However, in relation to Securities of that kind originally issued outside the United Kingdom, on the first transfer by delivery in the United Kingdom of any such Security a stamp duty liability at 1.5 per cent of the value of such Security will arise.

A Security or any instrument granting a Security (each an instrument) may be subject to United Kingdom stamp duty if it is executed in the United Kingdom or if it relates to any property situate, or to any matter or thing done or to be done, in the United Kingdom.

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

An instrument transferring the Securities on sale may be subject to stamp duty at a rate of 0.5 per cent. of the consideration paid for the Securities unless the Securities comprise Exempt Loan Capital.

Stamp duty reserve tax at a rate of 1.5 per cent may be payable on the issue or transfer of a Security which is not a Dutch Scheme Security to a clearing system or depository receipt issuer where the Security comprises an interest in, or to dividends or other rights arising out of, or a right to allotment of or to subscribe for, or an option to acquire shares which are paired with shares (which are not "newly subscribed shares" as defined in section 99(12) of the Finance Act 1988) issued by a body corporate incorporated in the United Kingdom. The stamp duty reserve tax analysis in the above paragraph is also likely to apply to the issue or transfer of a Dutch Scheme Security to a clearing system, or to a depository receipt issuer, although this is not free from doubt. Were the analysis in the above paragraph not to apply to a transfer of such a Security, stamp duty reserve tax at a rate of 1.5 per cent may be payable on such a transfer in circumstances other than those described in the paragraph above if such Security is not Exempt Loan Capital.

Stamp duty reserve tax should generally not be payable in relation to an agreement to transfer or transfer of a Security within a clearance service provided that no election under section 97A of the Finance Act 1986 applies in respect of that Security.

Stamp duty reserve tax may be payable on a transfer of a Security in circumstances other than those described in the paragraphs above, if the Security does not comprise Exempt Loan Capital.

Stamp duty and stamp duty reserve tax may also be payable on the transfer of an asset on physical settlement of the Securities or on the transfer of security or other asset under the Collateral arrangements.

## **6. EU Savings Directive**

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

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

10. In the Bonus Discount Base Prospectus 2009 and the ETN Fixed Maturity Base Prospectus 2010, in the section "**GENERAL INFORMATION**" the paragraph with the heading "**Available Documents**" shall be replaced as follows:

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of the following documents will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com, and from the office of each Paying Agent as specified in the Final Terms. In addition, copies of the documents set forth hereinafter under (a)-(c) and (j)-(k) will be available via the Issuer's website as specified in the Final Terms:

- (a) the RBS N.V. Registration Document;
- (b) the RBS Registration Document;
- (c) the list entitled "Structured Retail Products" which was published by RBS N.V. and RBS on 23 March 2012 (the "**List of Securities**") which lists Structured Retail Products issued by RBS N.V. for which it is possible that RBS can become the issuer of such securities under the Proposed Dutch Scheme and details whether or not RBS is expected to become the issuer of those securities pursuant to the Proposed Dutch Scheme;
- (d) the Financial Statements 2011 of the Issuer;
- (e) the Financial Statements 2010 of the Issuer;
- (f) the Annual Report and Accounts 2011 of RBS;
- (g) the Annual Report and Accounts 2010 of RBS;
- (h) the Annual Report and Accounts 2011 of RBS Holdings;
- (i) the Annual Report 2010 of RBS Holdings;
- (j) this Base Prospectus and any Supplements; and
- (k) any Final Terms, provided, however, that any Final Terms relating to Securities that are neither admitted to trading in a regulated market within the European Economic Area nor offered within the European Economic Area in circumstances requiring publication of a prospectus under the Prospectus Directive will be made available exclusively to Securityholders who have submitted proof to the Issuer or the Principal Paying Agent, which proof must be satisfactory for the Issuer or the Principal Paying Agent, as the case may be, of their Securities holdings and their identity.

A copy of the Guarantee (declaration pursuant to Article 403 of the Netherlands Civil Code) may be obtained from the commercial register kept with the chamber of commerce of Amsterdam, De Ruyterkade 5, P.O. Box 2852, 1000 CW Amsterdam, the Netherlands.

**Investors are recommended to read all available documents prior to a purchase of the Securities.**

11. In the Bonus Discount Base Prospectus 2010, in the section "**GENERAL INFORMATION**" the paragraph with the heading "**Available Documents**" shall be replaced as follows:

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of the following documents will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com, and from the office of each Paying Agent as specified in the Final Terms. In addition, copies of the documents set forth hereinafter under (a)-(c) and (j)-(l) will be available via the Issuer's website as specified in the Final Terms:

- (a) the RBS N.V. Registration Document;
- (b) the RBS Registration Document;
- (c) the list entitled "Structured Retail Products" which was published by RBS N.V. and RBS on 23 March 2012 (the "**List of Securities**") which lists Structured Retail Products issued by RBS N.V. for which it is possible that RBS can become the issuer of such securities under the Proposed Dutch Scheme and details whether or not RBS is expected to become the issuer of those securities pursuant to the Proposed Dutch Scheme;
- (d) the Financial Statements 2011 of the Issuer;
- (e) the Financial Statements 2010 of the Issuer;
- (f) the Annual Report and Accounts 2011 of RBS;
- (g) the Annual Report and Accounts 2010 of RBS;
- (h) the Annual Report and Accounts 2011 of RBS Holdings;
- (i) the Annual Report 2010 of RBS Holdings;
- (j) the Base Prospectus 2009 and any supplements thereto;
- (k) this Base Prospectus and any Supplements; and
- (l) any Final Terms, provided, however, that any Final Terms relating to Securities that are neither admitted to trading in an regulated market within the European Economic Area nor offered within the European Economic Area in circumstances requiring publication of a prospectus under the Prospectus Directive will be made available exclusively to Securityholders who have submitted proof to the Issuer or the Principal Paying Agent, which proof must be satisfactory for the Issuer or the Principal Paying Agent, as the case may be, of their Securities holdings and their identity.



A copy of the Guarantee (declaration pursuant to Article 403 of the Netherlands Civil Code) may be obtained from the commercial register kept with the chamber of commerce of Amsterdam, De Ruijterkade 5, P.O. Box 2852, 1000 CW Amsterdam, the Netherlands.

**Investors are recommended to read all available documents prior to a purchase of the Securities.**

12. In the Bonus Discount Base Prospectus 2011, in the section "**GENERAL INFORMATION**" the paragraph with the heading "**Available Documents**" shall be replaced as follows:

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of the following documents will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com, and from the office of each Paying Agent as specified in the Final Terms. In addition, copies of the documents set forth hereinafter under (a)-(c) and (j)-(m) will be available via the Issuer's website as specified in the Final Terms:

- (a) the RBS N.V. Registration Document;
- (b) the RBS Registration Document;
- (c) the list entitled "Structured Retail Products" which was published by RBS N.V. and RBS on 23 March 2012 (the "**List of Securities**") which lists Structured Retail Products issued by RBS N.V. for which it is possible that RBS can become the issuer of such securities under the Proposed Dutch Scheme and details whether or not RBS is expected to become the issuer of those securities pursuant to the Proposed Dutch Scheme;
- (d) the Financial Statements 2011 of the Issuer;
- (e) the Financial Statements 2010 of the Issuer;
- (f) the Annual Report and Accounts 2011 of RBS;
- (g) the Annual Report and Accounts 2010 of RBS;
- (h) the Annual Report and Accounts 2011 of RBS Holdings;
- (i) the Annual Report 2010 of RBS Holdings;
- (j) the Base Prospectus 2010 and any supplements thereto;
- (k) the Base Prospectus 2009 and any supplements thereto;
- (l) this Base Prospectus and any Supplements; and
- (m) any Final Terms, provided, however, that any Final Terms relating to Securities that are neither admitted to trading in an regulated market within the European Economic Area nor

offered within the European Economic Area in circumstances requiring publication of a prospectus under the Prospectus Directive will be made available exclusively to Securityholders who have submitted proof to the Issuer or the Principal Paying Agent, which proof must be satisfactory for the Issuer or the Principal Paying Agent, as the case may be, of their Securities holdings and their identity.

A copy of the Guarantee (declaration pursuant to Article 403 of the Netherlands Civil Code) may be obtained from the commercial register kept with the chamber of commerce of Amsterdam, De Ruyterkade 5, P.O. Box 2852, 1000 CW Amsterdam, the Netherlands.

**Investors are recommended to read all available documents prior to a purchase of the Securities.**

13. In the Bonus Discount Base Prospectus 2009 and in the ETN Fixed Maturity Base Prospectus 2010, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced as follows:

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### **DOCUMENTS INCORPORATED BY REFERENCE**

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The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the RBS N.V. Registration Document dated 28 March 2012 (excluding any references in the RBS N.V. Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the RBS N.V. Registration Document (i) the last sentence in the second paragraph of the section headed "Risk Factors" and (ii) the last sentence of the paragraph headed "The Group is reliant on the RBSG Group", and excluding items (a) to (j) (including) in the section headed "Documents Incorporated by Reference" on pages 46 to 48 of the RBS N.V. Registration Document);
- (b) the RBS Registration Document dated 24 February 2012 (excluding items (a) to (f) (including) in the section headed "Documents Incorporated by Reference" on pages 67 to 69 of the RBS Registration Document);
- (c) the Articles of Association;
- (d) the Announcement;
- (e) the Annual Report and Accounts 2011 (excluding the section headed "Business Review - Risk Factors" on page 10 and the section headed "Additional Information - Risk Factors" on pages 236 to 245 of the Annual Report and Accounts 2011);

- (f) the Annual Report 2010 (excluding the section headed "Business Review - Risk Factors" on page 9 and the section headed "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010);
- (g) the following sections of the Annual Report and Accounts 2011 of RBSG for the year ended 31 December 2011 which were published by RBSG on 9 March 2012:
  - (i) Independent auditors' report on page 306;
  - (ii) Consolidated income statement on page 307;
  - (iii) Consolidated statement of comprehensive income on page 308;
  - (iv) Consolidated balance sheet at 31 December 2011 on page 309;
  - (v) Consolidated statements of changes in equity on pages 310 to 312;
  - (vi) Consolidated cash flow statement on page 313;
  - (vii) Accounting policies on pages 314 to 326;
  - (viii) Notes on the consolidated accounts on pages 327 to 419;
  - (ix) Parent company financial statements and notes on pages 420 to 431;
  - (x) Essential reading Highlights on page 1;
  - (xi) Chairman's statement on page 9;
  - (xii) Group Chief Executive's review on pages 10 to 11;
  - (xiii) Our key targets on page 13;
  - (xiv) Our business and our strategy on pages 14 to 18;
  - (xv) Divisional review on pages 19 to 29;
  - (xvi) Business review on pages 32 to 249;
  - (xvii) Corporate governance on pages 258 to 262;
  - (xviii) Letter from the Chair of the Remuneration Committee on pages 272 to 273;
  - (xix) Directors' remuneration report on pages 274 to 295;
  - (xx) Report of the Directors on pages 298 to 302;
  - (xxi) Directors' interests in shares on page 303;
  - (xxii) Financial summary on pages 433 to 441;
  - (xxiii) Exchange rates on page 441;
  - (xxiv) Economic and monetary environment on page 442;
  - (xxv) Supervision on page 443;
  - (xxvi) Regulatory developments and reviews on page 444;

- (xxvii) Description of property and equipment on page 445;
  - (xxviii) Major shareholders on page 445;
  - (xxix) Material contracts on pages 445 to 450;and
  - (xxx) Glossary of terms on pages 476 to 483;
- (h) the following sections of the Annual Report and Accounts 2010 of RBSG for the year ended 31 December 2010 which were published by RBSG on 17 March 2011:
- (i) Independent auditor's report on page 267;
  - (ii) Consolidated income statement on page 268;
  - (iii) Consolidated statement of comprehensive income on page 269;
  - (iv) Balance sheets as at 31 December 2010 on page 270;
  - (v) Statements of changes in equity on pages 271 to 273;
  - (vi) Cash flow statements on page 274;
  - (vii) Accounting policies on pages 275 to 286;
  - (viii) Notes on the accounts on pages 287 to 385;
  - (ix) Essential reading – We have met, and in some cases exceeded, the targets for the second year of our Strategic Plan on page 1;
  - (x) Chairman's statement on pages 2 to 3;
  - (xi) Group Chief Executive's review on pages 4 to 5;
  - (xii) Our key targets on page 7;
  - (xiii) Our business and our strategy on pages 8 to 19;
  - (xiv) Divisional review on pages 20 to 41;
  - (xv) Business review on pages 50 to 224 (excluding the financial information on page 51, pages 56 to 77, pages 106 to 118 and page 131 which is indicated as being "pro forma");
  - (xvi) Report of the Directors on pages 230 to 234;
  - (xvii) Corporate governance on pages 235 to 245;
  - (xviii) Letter from the Chair of the Remuneration Committee on pages 246 to 247;
  - (xix) Directors' remuneration report on pages 248 to 263;
  - (xx) Directors' interests in shares on page 264;
  - (xxi) Financial summary on pages 387 to 395;
  - (xxii) Exchange rates on page 395;

- (xxiii) Economic and monetary environment on page 396;
  - (xxiv) Supervision on page 397;
  - (xxv) Regulatory developments and reviews on pages 398 to 399;
  - (xxvi) Description of property and equipment on page 399;
  - (xxvii) Major shareholders on page 399;
  - (xxviii) Material contracts on pages 399 to 404;
  - (xxix) Glossary of terms on pages 434 to 439;
- (i) the Annual Report and Accounts 2011 of RBS (including (i) the audited consolidated annual financial statements of RBS and (ii) the non-consolidated balance sheet of RBS, in each case together with the audit report thereon) for the year ended 31 December 2011 (excluding the section headed "Risk factors" on pages 283 to 296) which were published on 26 March 2012;
  - (j) the Annual Report and Accounts 2010 of RBS (including (i) the audited consolidated annual financial statements of RBS and (ii) the non-consolidated balance sheet of RBS, in each case together with the audit report thereon) for the year ended 31 December 2010 (excluding the sections headed "Financial Review — Risk factors" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) which were published on 15 April 2011;
  - (k) the preliminary unaudited Annual Results 2011 of RBSG for the year ended 31 December 2011 which were published via the Regulatory News Services of the London Stock Exchange plc on 23 February 2012;
  - (l) the press release entitled "Further step in proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc: Dutch Scheme" which was published by RBSG via the Regulatory News Services of the London Stock Exchange plc on 26 March 2012;
  - (m) the press release entitled "Securities issued by, and guarantees of securities granted by, RBS N.V.: Expected Dutch Scheme" which was published by RBS N.V. and RBS via the Regulatory News Services of the London Stock Exchange plc on 23 March 2012; and
  - (n) the List of Securities which was published by RBS N.V. and RBS on 23 March 2012.

The documents referred to in (a), (c)-(f) and (l)-(n) were filed with the AFM. The documents referred to in (b), (g)-(k) were filed with the FSA.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(n) will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com).

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

14. In the Bonus Discount Base Prospectus 2010, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced as follows:

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### **DOCUMENTS INCORPORATED BY REFERENCE**

---

The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the RBS N.V. Registration Document dated 28 March 2012 (excluding any references in the RBS N.V. Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the RBS N.V. Registration Document (i) the last sentence in the second paragraph of the section headed "Risk Factors" and (ii) the last sentence of the paragraph headed "The Group is reliant on the RBSG Group", and excluding items (a) to (j) (including) in the section headed "Documents Incorporated by Reference" on pages 46 to 48 of the RBS N.V. Registration Document);
- (b) the RBS Registration Document dated 24 February 2012 (excluding items (a) to (f) (including) in the section headed "Documents Incorporated by Reference" on pages 67 to 69 of the RBS Registration Document);
- (c) the Articles of Association;
- (d) the Announcement;
- (e) the Annual Report and Accounts 2011 (excluding the section headed "Business Review - Risk Factors" on page 10 and the section headed "Additional Information - Risk Factors" on pages 236 to 245 of the Annual Report and Accounts 2011);
- (f) the Annual Report 2010 (excluding the section headed "Business Review - Risk Factors" on page 9 and the section headed "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010);
- (g) the Conditions 2009;
- (h) the following sections of the Annual Report and Accounts 2011 of RBSG for the year ended 31 December 2011 which were published by RBSG on 9 March 2012:
  - (i) Independent auditors' report on page 306;
  - (ii) Consolidated income statement on page 307;

- (iii) Consolidated statement of comprehensive income on page 308;
  - (iv) Consolidated balance sheet at 31 December 2011 on page 309;
  - (v) Consolidated statements of changes in equity on pages 310 to 312;
  - (vi) Consolidated cash flow statement on page 313;
  - (vii) Accounting policies on pages 314 to 326;
  - (viii) Notes on the consolidated accounts on pages 327 to 419;
  - (ix) Parent company financial statements and notes on pages 420 to 431;
  - (x) Essential reading Highlights on page 1;
  - (xi) Chairman's statement on page 9;
  - (xii) Group Chief Executive's review on pages 10 to 11;
  - (xiii) Our key targets on page 13;
  - (xiv) Our business and our strategy on pages 14 to 18;
  - (xv) Divisional review on pages 19 to 29;
  - (xvi) Business review on pages 32 to 249;
  - (xvii) Corporate governance on pages 258 to 262;
  - (xviii) Letter from the Chair of the Remuneration Committee on pages 272 to 273;
  - (xix) Directors' remuneration report on pages 274 to 295;
  - (xx) Report of the Directors on pages 298 to 302;
  - (xxi) Directors' interests in shares on page 303;
  - (xxii) Financial summary on pages 433 to 441;
  - (xxiii) Exchange rates on page 441;
  - (xxiv) Economic and monetary environment on page 442;
  - (xxv) Supervision on page 443;
  - (xxvi) Regulatory developments and reviews on page 444;
  - (xxvii) Description of property and equipment on page 445;
  - (xxviii) Major shareholders on page 445;
  - (xxix) Material contracts on pages 445 to 450;and
  - (xxx) Glossary of terms on pages 476 to 483;
- (i) the following sections of the Annual Report and Accounts 2010 of RBSG for the year ended 31 December 2010 which were published by RBSG on 17 March 2011:

- (i) Independent auditor's report on page 267;
- (ii) Consolidated income statement on page 268;
- (iii) Consolidated statement of comprehensive income on page 269;
- (iv) Balance sheets as at 31 December 2010 on page 270;
- (v) Statements of changes in equity on pages 271 to 273;
- (vi) Cash flow statements on page 274;
- (vii) Accounting policies on pages 275 to 286;
- (viii) Notes on the accounts on pages 287 to 385;
- (ix) Essential reading – We have met, and in some cases exceeded, the targets for the second year of our Strategic Plan on page 1;
- (x) Chairman's statement on pages 2 to 3;
- (xi) Group Chief Executive's review on pages 4 to 5;
- (xii) Our key targets on page 7;
- (xiii) Our business and our strategy on pages 8 to 19;
- (xiv) Divisional review on pages 20 to 41;
- (xv) Business review on pages 50 to 224 (excluding the financial information on page 51, pages 56 to 77, pages 106 to 118 and page 131 which is indicated as being "pro forma");
- (xvi) Report of the Directors on pages 230 to 234;
- (xvii) Corporate governance on pages 235 to 245;
- (xviii) Letter from the Chair of the Remuneration Committee on pages 246 to 247;
- (xix) Directors' remuneration report on pages 248 to 263;
- (xx) Directors' interests in shares on page 264;
- (xxi) Financial summary on pages 387 to 395;
- (xxii) Exchange rates on page 395;
- (xxiii) Economic and monetary environment on page 396;
- (xxiv) Supervision on page 397;
- (xxv) Regulatory developments and reviews on pages 398 to 399;
- (xxvi) Description of property and equipment on page 399;
- (xxvii) Major shareholders on page 399;
- (xxviii) Material contracts on pages 399 to 404;



- (xxix) Glossary of terms on pages 434 to 439;
- (j) the Annual Report and Accounts 2011 of RBS (including (i) the audited consolidated annual financial statements of RBS and (ii) the non-consolidated balance sheet of RBS, in each case together with the audit report thereon) for the year ended 31 December 2011 (excluding the section headed "Risk factors" on pages 283 to 296) which were published on 26 March 2012;
  - (k) the Annual Report and Accounts 2010 of RBS (including (i) the audited consolidated annual financial statements of RBS and (ii) the non-consolidated balance sheet of RBS, in each case together with the audit report thereon) for the year ended 31 December 2010 (excluding the sections headed "Financial Review — Risk factors" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) which were published on 15 April 2011;
  - (l) the preliminary unaudited Annual Results 2011 of RBSG for the year ended 31 December 2011 which were published via the Regulatory News Services of the London Stock Exchange plc on 23 February 2012;
  - (m) the press release entitled "Further step in proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc: Dutch Scheme" which was published by RBSG via the Regulatory News Services of the London Stock Exchange plc on 26 March 2012; and
  - (n) the press release entitled "Securities issued by, and guarantees of securities granted by, RBS N.V.: Expected Dutch Scheme" which was published by RBS N.V. and RBS via the Regulatory News Services of the London Stock Exchange plc on 23 March 2012; and
  - (o) the List of Securities which was published by RBS N.V. and RBS on 23 March 2012.

The documents referred to in (a), (c)-(f) and (m)-(o) were filed with the AFM. The documents referred to in (b), (h)-(l) were filed with the FSA. The document referred to in (g) was filed with the BaFin.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(o) will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: investor.relations@rbs.com.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

15. In the Bonus Discount Base Prospectus 2011, the section "**DOCUMENTS INCORPORATED BY**

REFERENCE" shall be replaced as follows:

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## DOCUMENTS INCORPORATED BY REFERENCE

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The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the RBS N.V. Registration Document dated 28 March 2012 (excluding any references in the RBS N.V. Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the RBS N.V. Registration Document (i) the last sentence in the second paragraph of the section headed "Risk Factors" and (ii) the last sentence of the paragraph headed "The Group is reliant on the RBSG Group", and excluding items (a) to (j) (including) in the section headed "Documents Incorporated by Reference" on pages 46 to 48 of the RBS N.V. Registration Document);
- (b) the RBS Registration Document dated 24 February 2012 (excluding items (a) to (f) (including) in the section headed "Documents Incorporated by Reference" on pages 67 to 69 of the RBS Registration Document);
- (c) the Articles of Association;
- (d) the Announcement;
- (e) the Annual Report and Accounts 2011 (excluding the section headed "Business Review - Risk Factors" on page 10 and the section headed "Additional Information - Risk Factors" on pages 236 to 245 of the Annual Report and Accounts 2011);
- (f) the Annual Report 2010 (excluding the section headed "Business Review - Risk Factors" on page 9 and the section headed "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010);
- (g) the Conditions 2009;
- (h) the Conditions 2010;
- (i) the following sections of the Annual Report and Accounts 2011 of RBSG for the year ended 31 December 2011 which were published by RBSG on 9 March 2012:
  - (i) Independent auditors' report on page 306;
  - (ii) Consolidated income statement on page 307;
  - (iii) Consolidated statement of comprehensive income on page 308;
  - (iv) Consolidated balance sheet at 31 December 2011 on page 309;
  - (v) Consolidated statements of changes in equity on pages 310 to 312;

- (vi) Consolidated cash flow statement on page 313;
  - (vii) Accounting policies on pages 314 to 326;
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  - (ix) Parent company financial statements and notes on pages 420 to 431;
  - (x) Essential reading Highlights on page 1;
  - (xi) Chairman's statement on page 9;
  - (xii) Group Chief Executive's review on pages 10 to 11;
  - (xiii) Our key targets on page 13;
  - (xiv) Our business and our strategy on pages 14 to 18;
  - (xv) Divisional review on pages 19 to 29;
  - (xvi) Business review on pages 32 to 249;
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  - (xviii) Letter from the Chair of the Remuneration Committee on pages 272 to 273;
  - (xix) Directors' remuneration report on pages 274 to 295;
  - (xx) Report of the Directors on pages 298 to 302;
  - (xxi) Directors' interests in shares on page 303;
  - (xxii) Financial summary on pages 433 to 441;
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  - (xxvi) Regulatory developments and reviews on page 444;
  - (xxvii) Description of property and equipment on page 445;
  - (xxviii) Major shareholders on page 445;
  - (xxix) Material contracts on pages 445 to 450;and
  - (xxx) Glossary of terms on pages 476 to 483;
- (j) the following sections of the Annual Report and Accounts 2010 of RBSG for the year ended 31 December 2010 which were published by RBSG on 17 March 2011:
- (i) Independent auditor's report on page 267;
  - (ii) Consolidated income statement on page 268;
  - (iii) Consolidated statement of comprehensive income on page 269;

- (iv) Balance sheets as at 31 December 2010 on page 270;
  - (v) Statements of changes in equity on pages 271 to 273;
  - (vi) Cash flow statements on page 274;
  - (vii) Accounting policies on pages 275 to 286;
  - (viii) Notes on the accounts on pages 287 to 385;
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  - (xi) Group Chief Executive's review on pages 4 to 5;
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  - (xvi) Report of the Directors on pages 230 to 234;
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  - (xviii) Letter from the Chair of the Remuneration Committee on pages 246 to 247;
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  - (xxv) Regulatory developments and reviews on pages 398 to 399;
  - (xxvi) Description of property and equipment on page 399;
  - (xxvii) Major shareholders on page 399;
  - (xxviii) Material contracts on pages 399 to 404;
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- (k) the Annual Report and Accounts 2011 of RBS (including (i) the audited consolidated annual financial statements of RBS and (ii) the non-consolidated balance sheet of RBS, in

each case together with the audit report thereon) for the year ended 31 December 2011 (excluding the section headed "Risk factors" on pages 283 to 296) which were published on 26 March 2012;

- (l) the Annual Report and Accounts 2010 of RBS (including (i) the audited consolidated annual financial statements of RBS and (ii) the non-consolidated balance sheet of RBS , in each case together with the audit report thereon) for the year ended 31 December 2010 (excluding the sections headed "Financial Review — Risk factors" on page 5 and "Additional Information — Risk factors" on pages 238 to 254) which were published on 15 April 2011;
- (m) the preliminary unaudited Annual Results 2011 of RBSG for the year ended 31 December 2011 which were published via the Regulatory News Services of the London Stock Exchange plc on 23 February 2012;
- (n) the press release entitled "Further step in proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc: Dutch Scheme" which was published by RBSG via the Regulatory News Services of the London Stock Exchange plc on 26 March 2012;
- (o) the press release entitled "Securities issued by, and guarantees of securities granted by, RBS N.V.: Expected Dutch Scheme" which was published by RBS N.V. and RBS via the Regulatory News Services of the London Stock Exchange plc on 23 March 2012; and
- (p) the List of Securities which was published by RBS N.V. and RBS on 23 March 2012.

The documents referred to in (a), (c)-(f) and (n)-(p) were filed with the AFM. The documents referred to in (b), (i)-(m) were filed with the FSA. The documents referred to in (g)-(h) were filed with the BaFin.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(p) will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: investor.relations@rbs.com.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

16. In the section "**PRODUCT CONDITIONS**" of the Base Prospectuses, under "1. DEFINITIONS" the definition of "Issuer" shall be replaced by the following definition:

**"Issuer"** means The Royal Bank of Scotland N.V., a bank incorporated in The Netherlands with its statutory seat in Amsterdam acting through its [principal office in The Netherlands][ branch in ●]. The Royal Bank of Scotland plc, a bank incorporated in Scotland with its statutory seat in

Edinburgh acting through its [principal office in Edinburgh, Scotland] [office in •] is expected to become the issuer of the Securities as a result of the proposed transfers of a substantial part of the business activities of The Royal Bank of Scotland N.V. to The Royal Bank of Scotland plc. Further information is made available in the base prospectus relating to the Securities and any supplements to such base prospectus];

17. Any reference to "Registration Document", if not further specified, in the Base Prospectuses is referencing the RBS N.V. Registration Document dated 28 March 2012.

London, 30 March 2012

**The Royal Bank of Scotland N.V.,  
London Branch**

By:

Signature

JÖRN PEGLOW  
Authorised Signatory

16 January 2012

**The Royal Bank of Scotland N.V.**  
**(previously named ABN AMRO Bank N.V.)**  
*(incorporated in the Netherlands with its statutory seat in Amsterdam)*

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SUPPLEMENT

IN ACCORDANCE WITH SECTION 16(1) OF THE GERMAN SECURITIES PROSPECTUS ACT

(*WERTPAPIERPROSPEKTGESETZ*; "**WpPG**")

TO THE FOLLOWING BASE PROSPECTUSES

(THE "**BASE PROSPECTUSES**"):

BASE PROSPECTUS DATED 11 AUGUST 2009 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS

(THE "**BONUS DISCOUNT BASE PROSPECTUS 2009**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "**CERTIFICATES 2009**")

(**FIFTH SUPPLEMENT**)

BASE PROSPECTUS DATED 12 AUGUST 2010 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS

(THE "**BONUS DISCOUNT BASE PROSPECTUS 2010**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "**CERTIFICATES 2010**")

(**SIXTH SUPPLEMENT**)

BASE PROSPECTUS DATED 9 AUGUST 2011 AS SUPPLEMENTED BY A PREVIOUS SUPPLEMENT

(THE "**BONUS DISCOUNT BASE PROSPECTUS 2011**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "**CERTIFICATES 2011**")

(**SECOND SUPPLEMENT**)



BASE PROSPECTUS DATED 20 MAY 2010 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS (THE  
"ETN FIXED MATURITY BASE PROSPECTUS 2010") RELATING TO EXCHANGE TRADED NOTES  
AND EXCHANGE TRADED COMMODITIES WITH A FIXED MATURITY (THE "NOTES 2010")  
(SEVENTH SUPPLEMENT)

(THE NOTES 2010, THE CERTIFICATES 2009 AND THE CERTIFICATES 2010 TOGETHER WITH THE  
CERTIFICATES 2011, THE "SECURITIES")

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**If, before this Supplement is published, investors have already agreed to purchase or subscribe for Securities issued under the Final Terms to the Base Prospectuses which have been published by the date of this Supplement, such investors shall have the right to withdraw their declaration of purchase or subscription in accordance with Section 16(3) WpPG within a period of two working days from the date of publication of this Supplement, unless such purchase or subscription has already been completed.**

**The withdrawal (for which no reasons need to be given) must be declared by written notice to that entity to which the relevant investor addressed the declaration of purchase or subscription or to The Royal Bank of Scotland N.V., London Branch, GBM, Legal Department/German Equities, 250 Bishopsgate, London EC2M 4AA, United Kingdom. Timely dispatch of notice is sufficient to comply with the notice period.**

During the validity of the Base Prospectuses and as long as any Securities issued in connection with the Base Prospectuses are listed on any stock exchange or offered to the public, copies of this Supplement and of the Base Prospectuses, as supplemented, will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com) and via the Issuer's website [www.rbs.de/markets](http://www.rbs.de/markets) for investors in Germany, [www.rbsbank.at/markets](http://www.rbsbank.at/markets) for investors in Austria and [www.rbs.com/markets](http://www.rbs.com/markets) for all other investors (or any successor website). If parts of the Base Prospectuses amended by this Supplement appear in the Final Terms published by the date of this Supplement, these Final Terms shall also be deemed to be amended by this Supplement.

This supplement to the Base Prospectuses is published because The Royal Bank of Scotland Group plc announced details of strategic and organisational changes in its investment banking and wholesale business on 12 January 2012.

1. In the Base Prospectuses in the section "**INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE GUARANTEE**" the chapter "**Additional Information about the Issuer and the Guarantor**" shall be replaced as follows:

### **Additional Information about the Issuer and the Guarantor**

The section headed "*Description of RBS Holdings N.V. and The Royal Bank of Scotland N.V. - General Information*", fourth paragraph, on page 20 of the Registration Document shall be updated as follows:

"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."

Furthermore, the section headed "*Description of RBS Holdings N.V. and The Royal Bank of Scotland N.V. – Legal and Regulatory Proceedings – Investigations – Independent Commission on Banking*" on pages 24 and 25 of the Registration Document shall be updated as follows:

#### *"Independent Commission on Banking*

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

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

impact on the RBSG Group's consolidated net assets, operating results or cash flows in any particular period."

In addition, the following documents are incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference"):

- (a) the English language version of the Articles of Association of each of the Guarantor and the Issuer as in force and effect on the date of the Registration Document (the "**Articles of Association**");
- (b) the announcement entitled "The Royal Bank of Scotland Group plc ("RBS") announces strategic and organisational changes in its investment banking/wholesale business" which was published via the Regulatory News Service of the London Stock Exchange plc on 12 January 2012 (the "**Announcement**");
- (c) the unaudited Interim Results for the half year ended 30 June 2011 of RBS Holdings N.V. (the "**Unaudited Interim Results 2011**") which include the unaudited condensed consolidated interim financial statements as at and for the half year ended 30 June 2011 of RBS Holdings N.V. on pages 17 to 36 of the Unaudited Interim Results 2011;
- (d) the Annual Report and Accounts 2010 of RBS Holdings N.V. (the "**Annual Report 2010**") (excluding the section headed "Business Review - Risk Factors" on page 9 and the section headed "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010) 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 International Financial Reporting Standards as adopted by the European Union). The audited consolidated annual financial statements of RBS Holdings appear on pages 96 to 193 of the Annual Report 2010 and the auditor's report thereon appears on page 199 of the Annual Report 2010; and
- (e) the Annual Report 2009 of ABN AMRO Holding N.V. (the "**Annual Report 2009**") which includes the publicly available consolidated audited annual financial statements of ABN AMRO Holding N.V. (as RBS Holdings N.V. was then named) for the financial year ended 31 December 2009 (prepared in accordance with International Financial Reporting Standards as adopted by the European Union). The consolidated audited annual financial statements of ABN AMRO Holding N.V. appear on pages 82 to 235 of the Annual Report 2009 and the auditor's report appears on pages 193 to 197 of the Annual Report 2009.

The information about the Guarantor was obtained in the English language from the Guarantor. It has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by the Guarantor, no facts have been omitted which would render the reproduced information inaccurate or misleading.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

The Issuer has published a press release dated 19 April 2011 regarding proposed transfers of a substantial part of the business activities of RBS N.V. to RBS (the "**Press Release dated 19 April 2011**") which is attached hereinafter as Annex 1. For the purposes of this Base Prospectus, references in this press release regarding persons not placing any reliance on the information contained in such press release or the Pro forma financial information in connection with making an investment decision (or for any other purpose) concerning securities or guarantees which are expected to be retained by RBS N.V. shall be deemed to be deleted.

The unaudited Abbreviated Interim Financial Report for the half year ended 30 June 2011 of The Royal Bank of Scotland N.V. (the "**Unaudited Interim Financial Report 2011 of the Issuer**") which includes the unaudited abbreviated interim financial statements of the Issuer for the half year ended 30 June 2011 is attached as Annex 2.

The Abbreviated Financial Statements 2010 of The Royal Bank of Scotland N.V. (the "**Financial Statements 2010 of the Issuer**") which include the audited abbreviated annual financial statements of the Issuer for the financial year ended 31 December 2010 are attached as Annex 3.

The Abbreviated Financial Statements 2009 of The Royal Bank of Scotland N.V. (the "**Financial Statements 2009 of the Issuer**") which include the audited abbreviated annual financial statements of the Issuer for the financial year ended 31 December 2009 are attached as Annex 4.

Unless provided otherwise in any supplement to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG, the information contained in the Registration Document and this Base Prospectus is the most recent information available about the Issuer and the Guarantor.

2. In the Bonus Discount Base Prospectus 2009 and in the ETN Fixed Maturity Base Prospectus 2010, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced as follows:

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## **DOCUMENTS INCORPORATED BY REFERENCE**

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The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the Registration Document dated 31 August 2011 (excluding any references in the Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the Registration Document (i) the last sentence in the second paragraph of the section headed "Risk Factors" and (ii) the last sentence of the paragraph headed "The Group is reliant on the RBSG Group", and excluding items (d) to (h) in the section headed "Documents Incorporated by Reference" on pages 43 to 45 of the Registration Document);
- (b) the Articles of Association;

- (c) the Announcement;
- (d) the Unaudited Interim Results 2011;
- (e) the Annual Report 2010 (excluding the section headed "Business Review - Risk Factors" on page 9 and the section headed "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010); and
- (f) the Annual Report 2009.

The documents referred to in (a)-(f) were filed with the AFM.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(f) will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: investor.relations@rbs.com.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

3. In the Bonus Discount Base Prospectus 2010, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced as follows:

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### **DOCUMENTS INCORPORATED BY REFERENCE**

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The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the Registration Document dated 31 August 2011 (excluding any references in the Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the Registration Document (i) the last sentence in the second paragraph of the section headed "Risk Factors" and (ii) the last sentence of the paragraph headed "The Group is reliant on the RBSG Group", and excluding items (d) to (h) in the section headed "Documents Incorporated by Reference" on pages 43 to 45 of the Registration Document);
- (b) the Articles of Association;
- (c) the Announcement;
- (d) the Unaudited Interim Results 2011;

- (e) the Annual Report 2010 (excluding the section headed "Business Review - Risk Factors" on page 9 and the section headed "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010);
- (f) the Annual Report 2009; and
- (g) the Conditions 2009.

The documents referred to in (a)-(f) were filed with the AFM. The document referred to in (g) was filed with the BaFin.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(g) will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: investor.relations@rbs.com.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

4. In the Bonus Discount Base Prospectus 2011, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced as follows:

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#### **DOCUMENTS INCORPORATED BY REFERENCE**

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The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the Registration Document dated 31 August 2011 (excluding any references in the Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the Registration Document (i) the last sentence in the second paragraph of the section headed "Risk Factors" and (ii) the last sentence of the paragraph headed "The Group is reliant on the RBSG Group", and excluding items (d) to (h) in the section headed "Documents Incorporated by Reference" on pages 43 to 45 of the Registration Document);
- (b) the Articles of Association;
- (c) the Announcement;
- (d) the Unaudited Interim Results 2011;

- (e) the Annual Report 2010 (excluding the section headed "Business Review - Risk Factors" on page 9 and the section headed "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010);
- (f) the Annual Report 2009;
- (g) the Conditions 2009; and
- (h) the Conditions 2010.

The documents referred to in (a)-(f) were filed with the AFM. The documents referred to in (g)-(h) were filed with the BaFin.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(h) will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com).

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.



London, 16 January 2012

**The Royal Bank of Scotland N.V.,  
London Branch**

By:

Signature

BENJAMIN A. WEIL  
Authorised Signatory

1 December 2011

**The Royal Bank of Scotland N.V.**  
**(previously named ABN AMRO Bank N.V.)**  
*(incorporated in the Netherlands with its statutory seat in Amsterdam)*

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SUPPLEMENT

IN ACCORDANCE WITH SECTION 16(1) OF THE GERMAN SECURITIES PROSPECTUS ACT

(*WERTPAPIERPROSPEKTGESETZ*; "**WPPG**")

TO THE FOLLOWING BASE PROSPECTUSES

(THE "**BASE PROSPECTUSES**"):

BASE PROSPECTUS DATED 11 AUGUST 2009 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS

(THE "**BONUS DISCOUNT BASE PROSPECTUS 2009**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "**CERTIFICATES 2009**")

(**FOURTH SUPPLEMENT**)

BASE PROSPECTUS DATED 12 AUGUST 2010 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS

(THE "**BONUS DISCOUNT BASE PROSPECTUS 2010**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "**CERTIFICATES 2010**")

(**FIFTH SUPPLEMENT**)

BASE PROSPECTUS DATED 9 AUGUST 2011 (THE "**BONUS DISCOUNT BASE PROSPECTUS 2011**")

RELATING TO **BONUS AND DISCOUNT CERTIFICATES** (THE "**CERTIFICATES 2011**")

(**FIRST SUPPLEMENT**)

BASE PROSPECTUS DATED 20 MAY 2010 AS SUPPLEMENTED BY PREVIOUS SUPPLEMENTS (THE  
"ETN FIXED MATURITY BASE PROSPECTUS 2010") RELATING TO EXCHANGE TRADED NOTES  
AND EXCHANGE TRADED COMMODITIES WITH A FIXED MATURITY (THE "NOTES 2010")  
(SIXTH SUPPLEMENT)

(THE NOTES 2010, THE CERTIFICATES 2009 AND THE CERTIFICATES 2010 TOGETHER WITH THE  
CERTIFICATES 2011, THE "SECURITIES")

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**If, before this Supplement is published, investors have already agreed to purchase or subscribe for Securities issued under the Final Terms to the Base Prospectuses which have been published by the date of this Supplement, such investors shall have the right to withdraw their declaration of purchase or subscription in accordance with Section 16(3) WpPG within a period of two working days from the date of publication of this Supplement, unless such purchase or subscription has already been completed.**

**The withdrawal (for which no reasons need to be given) must be declared by written notice to that entity to which the relevant investor addressed the declaration of purchase or subscription or to The Royal Bank of Scotland N.V., London Branch, GBM, Legal Department/German Equities, 250 Bishopsgate, London EC2M 4AA, United Kingdom. Timely dispatch of notice is sufficient to comply with the notice period.**

During the validity of the Base Prospectuses and as long as any Securities issued in connection with the Base Prospectuses are listed on any stock exchange or offered to the public, copies of this Supplement and of the Base Prospectuses, as supplemented, will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email [investor.relations@rbs.com](mailto:investor.relations@rbs.com) and via the Issuer's website [www.rbs.de/markets](http://www.rbs.de/markets) for investors in Germany, [www.rbsbank.at/markets](http://www.rbsbank.at/markets) for investors in Austria and [www.rbs.com/markets](http://www.rbs.com/markets) for all other investors (or any successor website). If parts of the Base Prospectuses amended by this Supplement appear in the Final Terms published by the date of this Supplement, these Final Terms shall also be deemed to be amended by this Supplement.

1. On the cover page of the Base Prospectuses, the second paragraph shall be replaced by the following paragraph:

This Base Prospectus must be read in connection with the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 31 August 2011 (the "**Registration Document**") which was approved by the competent authority in the Netherlands (*Autoriteit Financiële Markten*) (the "**AFM**") and which is incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG, as well as in connection with any supplements to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG (the "**Supplements**").

2. The section "**SUMMARY**" up to (and including) the paragraph with the heading "**Risk Factors relating to the Issuer and the Guarantor**" shall be replaced in the Base Prospectuses as follows:

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## SUMMARY

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*This summary should be read as an introduction to this base prospectus (the "Base Prospectus") and any decision to invest in any Securities issued by The Royal Bank of Scotland N.V. should be based on consideration by the investor of this Base Prospectus as a whole, including the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 31 August 2011 (the "Registration Document") which was approved by the competent authority in the Netherlands (Autoriteit Financiële Markten) (the "AFM") and which is incorporated into this Base Prospectus by reference, any supplements to this Base Prospectus approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), and the so-called final terms (the "Final Terms"). Liability attaches to The Royal Bank of Scotland N.V. with respect to this summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area (an "EEA State"), the plaintiff investor may, under the national legislation of the EEA States, have to bear the costs of translating this Base Prospectus before the legal proceedings are initiated.*

**Issuer:**

The Royal Bank of Scotland N.V. (previously named ABN AMRO Bank N.V.) acting either through its principal office in the Netherlands or through its London branch or any other branch as specified in the Final Terms (as defined below) (the "**Issuer**" or "**RBS N.V.**")

<b>Guarantor:</b>	RBS Holdings N.V. (previously named ABN AMRO Holding N.V.) (the " <b>Guarantor</b> " or " <b>RBS Holdings</b> ")
<b>Description of the Guarantee:</b>	On 15 June 1998, the Guarantor declared pursuant to 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 legal acts performed by the Issuer after 15 June 1998 (the " <b>Guarantee</b> ").
<b>History and Incorporation:</b>	<p>RBS N.V. is a public limited liability company incorporated under Dutch law on 7 February 1825. RBS N.V. is registered in the Trade Register of Amsterdam under number 33002587. Since 14 May 2011, RBS N.V.'s registered office is at Gustav Mahlerlaan 350, 1082 ME Amsterdam, the Netherlands.</p> <p>RBS N.V. is a wholly-owned subsidiary of RBS Holdings, which is a public limited liability company incorporated under Dutch law on 30 May 1990. Since 14 May 2011, the registered office of RBS Holdings is at Gustav Mahlerlaan 350, 1082 ME Amsterdam, the Netherlands.</p> <p>RBS Holdings has one subsidiary, RBS N.V., and RBS N.V. has various subsidiaries.</p> <p>As used herein, the "<b>Group</b>" refers to RBS Holdings and its consolidated subsidiaries. The term "<b>RBSG</b>" refers to The Royal Bank of Scotland Group plc and the "<b>RBSG Group</b>" refers to RBSG and its subsidiaries consolidated in accordance with International Financial Reporting Standards. The term "<b>RBS</b>" refers to The Royal Bank of Scotland plc.</p>
<b>Overview:</b>	<p>The Issuer is a bank licensed and regulated by the Dutch Central Bank (De Nederlandsche Bank).</p> <p>The Issuer operates across Europe, the Middle East and Africa (EMEA), the Americas and Asia. According to the unaudited Interim Results for the half year ended 30 June 2011 of RBS Holdings, the Group had total consolidated assets of EUR 206.7 billion as at 30 June 2011, the Group's Tier 1 and Core Tier 1 capital ratios were 9.6 per cent. and 7.4 per cent., respectively, as at that date and RBS Holdings recorded a loss of</p>

EUR 1,434 million for the first half of 2011, compared with a profit of EUR 409 million in the first half of 2010.

RBS Holdings and RBS N.V. form part of the RBSG Group. RBSG is the holding company of a 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, RBS's subsidiary Citizens Financial Group, Inc. is a 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.

**Group Organisational Structure:**

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 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 (as defined below), in which each of the Consortium Members has a joint and indirect interest.

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

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

**Separation from the ABN AMRO Group:**

On 17 October 2007, RFS Holdings B.V. ("**RFS Holdings**"), which at the time was owned by RBSG, Fortis N.V., Fortis S.A./N.V., Fortis Bank Nederland (Holding) N.V. and Banco Santander, S.A. ("**Santander**"), completed the acquisition of ABN AMRO Holding N.V., which was renamed RBS Holdings N.V. on 1 April 2010 when the shares in ABN AMRO Bank N.V. were transferred to ABN AMRO Group N.V., a holding company for the interests of the 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**").

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



and the Dutch State. Ultimately it is expected that RFS Holdings will become a wholly-owned subsidiary of RBSG.

**Proposed Transfer of Activities:**

On 19 April 2011, RBS N.V. announced that it had approved the proposed transfers of a substantial part of its business activities to RBS, subject to certain conditions (the "**Proposed Transfers**"). It is expected that the Proposed Transfers will be implemented on a phased basis over a period ending on 31 December 2013. A large part of the Proposed Transfers (including of certain debt securities issued by RBS N.V.) is expected to have taken place by the end of 2012. The Proposed Transfers include a proposal to change the issuer of a number of securities issued by RBS N.V. which will include some or all of the securities issued by RBS N.V. between 19 April 2011 and the date that the Proposed Transfers take effect.

**Summary Consolidated  
Financial Information relating to  
RBS Holdings:**

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 from the Annual Report 2010 of RBS Holdings, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

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, the ultimate parent company of RBS Holdings. 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)
	<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
<b>Total assets</b>	<b>200,382</b>	<b>469,345</b>

	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
<b>Total liabilities and equity</b>	<b>200,382</b>	<b>469,345</b>

	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

**Results of operations of the Issuer:**

The Issuer recorded a profit for 2010 of EUR 198 million. Its total assets were EUR 210 billion at 31 December 2010. According to the unaudited Abbreviated Interim Financial Report for the half year ended 30 June 2011 of the Issuer, the Issuer recorded a loss for the half year ended 30 June 2011 of EUR 1,434 million and its total assets were EUR 228 billion at 30 June 2011.

**Rating of the Issuer:**

As of 1 December 2011, the credit ratings<sup>1</sup> of the Issuer assigned by Moody's Investors Service Ltd., London, United Kingdom ("**Moody's Investors Service**"), Standard & Poor's Credit Market Services Europe Limited, London, United Kingdom ("**Standard & Poor's**"), and Fitch Ratings Limited, London, United Kingdom ("**Fitch Ratings**"), are as follows:

	Long term	Short term	Outlook
Moody's Investors Service	A2	P-1	Negative
Standard & Poor's	A	A-1	Stable
Fitch Ratings	A	F1	Stable

• **Moody's Investors Service definitions**

Obligations rated "A" are considered upper-medium grade and are subject to low credit risk.

The rating system used by Moody's Investors Service for long-term obligations has various subcategories ranging from "Aaa" (describing obligations judged to be of the highest quality, with minimal credit risk), "Aa", "A", "Baa", "Ba", "B", "Caa" and "Ca" to "C", the lowest category representing long-term obligations that are

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<sup>1</sup> Since 31 October 2011 the rating agencies set forth in this section are registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**Regulation**") as published on the website of the European Securities and Markets Authority pursuant to Article 18(3) of the Regulation.

typically in default, with little prospect for recovery of principal or interest. In addition, Moody's Investors Service appends numerical modifiers ("1", "2", and "3") to each generic rating classification from "Aa" through "Caa". The modifier "1" indicates that the respective long-term obligation ranks in the higher end of its generic rating category; the modifier "2" indicates a mid-range ranking, and the modifier "3" indicates a ranking in the lower end of that generic rating category.

Issuers rated "P-1" have a superior ability to repay short-term debt obligations.

The rating system used by Moody's Investors Service for short-term obligations has various subcategories ranging from "P-1", "P-2" and "P-3" to "NP", the lowest category representing issuers that do not fall within any of the "Prime" rating categories.

A rating outlook is an opinion regarding the likely direction of a rating over the medium term. Where assigned, rating outlooks fall into the following four categories: "Positive", "Negative", "Stable", and "Developing" (contingent upon an event).

- ***Standard and Poor's definitions***

An obligor rated "A" by Standard & Poor's has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

The rating system used by Standard & Poor's for the capacity of an obligor to pay its financial obligations over a long-term horizon has various subcategories ranging from "AAA" (which is the highest quality rating), "AA", "A", "BBB"; "BB"; "B", "CCC", "CC", "R" and "SD" to "D", the lowest category indicating that Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. Plus ("+") or minus ("-") signs following ratings from the "AA" to "CCC" categories show the relative standing within the major

rating categories.

An obligor rated "A-1" by Standard & Poor's has strong capacity to meet its financial commitments over a short-term time horizon. It is rated in the highest category by Standard & Poor's.

The rating system used by Standard & Poor's for short-term issuer credit ratings has various subcategories ranging from "A-1" (which is the highest quality rating), "A-2", "A-3", "B", "C", "R" and "SD" to "D", the lowest category indicating that Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due.

"Stable" means that a rating is not likely to change.

- ***Fitch Ratings definitions***

"A" ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

The rating system used by Fitch Ratings for long-term financial commitments has various subcategories ranging from "AAA" (which is the highest quality rating), "AA", "A", "BBB", "BB", "B", "CCC", "CC", "C", "RD" to "D", the lowest category indicating that the issuer in Fitch Ratings' opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business. The modifiers "+" or "-" may be appended to a rating to denote relative status within a major rating category. Such suffixes are not added to the "AAA" rating category or to the categories below "B".

An "F1" rating indicates the strongest intrinsic capacity for timely payment of short-term financial commitments.

The rating system used by Fitch Ratings for short-term liabilities has various subcategories ranging from "F1" (which is the highest quality rating), "F2", "F3", "B", "C"

and "RD" to "D", the lowest category indicating a broad-based default event for an entity.

The rating definitions set out above were obtained in the English language from Moody's Investors Service ([www.moody.com](http://www.moody.com)), Standard & Poor's ([www.standardandpoors.com](http://www.standardandpoors.com)) and Fitch Ratings ([www.fitchratings.com](http://www.fitchratings.com)), respectively.

**Risk Factors:**

The purpose of the risk factors description is to protect potential purchasers of the Securities from making investments that are not suitable for their purposes as well as to set out economic and legal risks associated with an investment in the Securities. Potential purchasers of the Securities should be aware of the risks associated with an investment in the Securities before making an investment decision.

**Risk Factors relating to the Issuer and the Guarantor:**

The Group is reliant on the RBSG Group. Prospective investors should note that the Group is subject to certain risks specific to the RBSG Group including, without limitation, instability in the global financial markets, lack of liquidity, depressed asset valuations, geopolitical conditions, full nationalisation and other resolution procedures under the United Kingdom Banking Act 2009 and risks related to the entry into the asset protection scheme. Accordingly, risk factors below which relate to RBSG and the RBSG Group will also be of relevance to the Issuer and the Group:

- The Group's businesses and performance can be negatively affected by actual or perceived global economic and financial market conditions and by other geopolitical risks.
- An extensive restructuring and balance sheet reduction programme of the RBSG Group is ongoing and may adversely affect the Group's business, results of operations, financial condition, capital ratios and liquidity and may also negatively impact the value of securities issued by RBS N.V.
- The execution and/or any delay in the execution (or non-completion) of the approved proposed transfers of a

substantial part of the business activities of RBS N.V. to RBS may have a material adverse effect on the Group and may also negatively impact the value of securities issued by RBS N.V.

- Lack of liquidity is a risk to the Group's business and there is a risk that the Group's ability to access sources of liquidity and funding could become constrained.
- The financial performance of the Group has been materially affected by deteriorations in borrower and counterparty credit quality and it may continue to be impacted by any further deteriorations, including as a result of prevailing economic and market conditions, and legal and regulatory developments.
- The Group's earnings and financial condition have been, and its future earnings and financial condition may continue to be, materially affected by depressed asset valuations resulting from poor market conditions.
- Changes in interest rates, foreign exchange rates, credit spreads, bond, equity and commodity prices, basis, volatility and correlation risks and other market factors have significantly affected and will continue to affect the Group's business and results of operations.
- The Group's borrowing costs, its access to the debt capital markets and its liquidity depend significantly on its credit ratings.
- The Group's business performance could be adversely affected if its capital is not managed effectively or as a result of changes to capital adequacy and liquidity requirements.
- The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgements and estimates that may change over time or may ultimately not turn out to be accurate.
- The Group operates in markets that are highly competitive and its business and results of operations may be adversely affected.

- As a condition to the RBSG Group receiving HM Treasury support, the Group is prohibited from making discretionary coupon payments on, and exercising call options in relation to, certain of its existing hybrid capital instruments, which may impair the Group's ability to raise new capital through the issuance of securities.
- The Group could fail to attract or retain senior management, which may include members of the Group's Supervisory Board and Managing Board, or other key employees, and it may suffer if it does not maintain good employee relations.
- Each of the Group's businesses is subject to substantial regulation and oversight. Significant regulatory developments, including changes in tax law, could have an adverse effect on how the Group conducts its business and on its results of operations and financial condition.
- The Group is and may be subject to litigation and regulatory investigations that may impact its business.
- The Group may be required to make further contributions to its pension schemes if the value of pension fund assets is not sufficient to cover potential obligations.
- The Group is subject to enforcement risks relating to the United States Department of Justice's criminal investigation of its dollar clearing activities.
- The legal demerger of ABN AMRO Bank N.V. (as it was then named) has resulted in a cross liability that changes the legal recourse available to investors.
- Operational risks are inherent in the Group's businesses.
- The Group's operations have inherent reputational risk.
- The recoverability and regulatory capital treatment of certain deferred tax assets recognised by the Group depends on the Group's ability to generate sufficient future taxable profits and there being no adverse



changes to tax legislation, regulatory requirements or accounting standards.

- In addition to the risk factors described above, the Group is also subject to additional risks related to the entry by RBSG Group into the asset protection scheme and the two back to back contracts (the "**Contracts**") entered into by RBS in connection with certain assets and exposures of RBS N.V. and its wholly-owned subsidiaries.
- The extensive governance, asset management and information requirements under the conditions of the asset protection scheme, 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 conditions of the asset protection scheme may have a negative impact on the expected benefits of the Contracts and may have an adverse impact on the Group.
- Any changes to the expected regulatory capital treatment of the Contracts may negatively impact the Group's capital position.
- Fulfilling the disclosure obligations of the Group under the Contracts may give rise to litigation and regulatory risk.

3. The section "**ZUSAMMENFASSUNG (GERMAN LANGUAGE VERSION OF THE SUMMARY)**" up to (and including) the paragraph with the heading "**Risikofaktoren in Bezug auf die Emittentin und die Garantin**" shall be replaced in the Base Prospectuses as follows:

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**ZUSAMMENFASSUNG**  
**(GERMAN LANGUAGE VERSION OF THE SUMMARY)**

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*Diese Zusammenfassung sollte als Einführung zum vorliegenden Basisprospekt (der „Basisprospekt“) verstanden werden. Eine Entscheidung zur Anlage in von der The Royal Bank of Scotland N.V. begebene Wertpapiere durch den Anleger sollte auf die Prüfung des gesamten Basisprospekts, einschließlich des Registrierungsformulars der RBS Holdings*

*N.V. und der The Royal Bank of Scotland N.V. vom 31. August 2011 (das „Registrierungsformular“), das von der zuständigen niederländischen Finanzmarktbehörde (Autoriteit Financiële Markten) (die „AFM“) gebilligt wurde und das per Verweis in diesen Basisprospekt einbezogen wird, etwaiger von der Bundesanstalt für Finanzdienstleistungsaufsicht gebilligter Nachträge zu diesem Basisprospekt und der sogenannten endgültigen Bedingungen (die „Endgültigen Bedingungen“) gestützt werden. Die The Royal Bank of Scotland N.V. kann in Bezug auf diese Zusammenfassung einschließlich Übersetzungen davon haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen dieses Basisprospekts gelesen wird. Für den Fall, dass vor einem Gericht in einem Mitgliedstaat des Europäischen Wirtschaftsraumes (ein „EWR-Staat“) Ansprüche aufgrund der in diesem Basisprospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der EWR-Staaten die Kosten für die Übersetzung des Basisprospekts vor Prozessbeginn zu tragen haben.*

**Emittentin:** The Royal Bank of Scotland N.V. (bisheriger Name ABN AMRO Bank N.V.), handelnd entweder über ihre Hauptniederlassung in den Niederlanden, ihre Niederlassung in London oder eine andere Niederlassung, wie jeweils in den Endgültigen Bedingungen (wie nachstehend definiert) angegeben (die „**Emittentin**“ oder „**RBS N.V.**“)

**Garantin:** RBS Holdings N.V. (bisheriger Name ABN AMRO Holding N.V.) (die „**Garantin**“ oder „**RBS Holdings**“)

**Beschreibung der Garantie:** Die Garantin hat am 15. Juni 1998 gemäß Artikel 403 Abs. 1 lit. f Buch 2 des niederländischen Bürgerlichen Gesetzbuchs erklärt, dass sie gesamtschuldnerisch für sämtliche Verbindlichkeiten haftet, die aus nach dem 15. Juni 1998 von der Emittentin vorgenommenen Rechtshandlungen entstehen (die „**Garantie**“).

**Geschichte und Gründung:** Die RBS N.V. ist eine am 7. Februar 1825 nach niederländischem Recht gegründete Aktiengesellschaft. Die RBS N.V. ist im Handelsregister von Amsterdam unter der Nummer 33002587 eingetragen. Der eingetragene Sitz der RBS N.V. befindet sich seit dem 14. Mai 2011 in Gustav Mahlerlaan 350, 1082 ME Amsterdam, Niederlande.

Die RBS N.V. ist eine 100 %-ige Tochtergesellschaft der

RBS Holdings, einer am 30. Mai 1990 nach niederländischem Recht gegründeten Aktiengesellschaft. Der eingetragene Sitz der RBS Holdings befindet sich seit dem 14. Mai 2011 in Gustav Mahlerlaan 350, 1082 ME Amsterdam, Niederlande.

Die RBS Holdings hat eine Tochtergesellschaft, die RBS N.V., die wiederum verschiedene Tochtergesellschaften hat.

Der Begriff „**Gruppe**“ in diesem Prospekt bezieht sich auf RBS Holdings und ihre konsolidierten Tochtergesellschaften. Der Begriff „**RBSG**“ bezieht sich auf The Royal Bank of Scotland Group plc, und „**RBSG-Gruppe**“ bezieht sich auf die RBSG und ihre nach den *International Financial Reporting Standards* konsolidierten Tochtergesellschaften. Der Begriff „**RBS**“ bezieht sich auf The Royal Bank of Scotland plc.

#### **Überblick:**

Die Emittentin ist eine durch die niederländische Zentralbank (De Nederlandsche Bank) zugelassene und beaufsichtigte Bank.

Die Emittentin ist in Europa, im Nahen Osten und Afrika (EMEA), in Amerika und Asien tätig. Nach den ungeprüften Zwischenergebnissen (*Interim Results*) der Gruppe für das am 30. Juni 2011 endende Halbjahr hatte die Gruppe zum 30. Juni 2011 konsolidierte Vermögenswerte von EUR 206,7 Mrd., betragen die Kernkapitalquote (*Tier 1 capital*) und die harte Kernkapitalquote (*core Tier 1 capital*) der Gruppe zu diesem Datum 9,6 % bzw. 7,4 %, und verzeichnete RBS Holdings im ersten Halbjahr 2011 einen Verlust von EUR 1.434 Millionen, im Vergleich zu einem Gewinn von EUR 409 Millionen im ersten Halbjahr 2010.

Die RBS Holdings und die RBS N.V. sind Teil der RBSG-Gruppe. Die RBSG ist die Muttergesellschaft einer weltweit tätigen Bank- und Finanzdienstleistungsgruppe. Mit Hauptsitz in Edinburgh, ist die RBSG-Gruppe im Vereinigten Königreich, in den Vereinigten Staaten und international durch ihre drei Haupttochtergesellschaften, RBS, National Westminster

Bank Public Limited Company („**NatWest**“) und RBS N.V. tätig. Sowohl die RBS als auch NatWest sind bedeutende Clearingbanken im Vereinigten Königreich. In den Vereinigten Staaten ist Citizens Financial Group, Inc., die Tochtergesellschaft der RBS, eine Handelsbankengruppe. Die Gruppe hat weltweit eine diversifizierte Kundenbasis und stellt Privat- und Geschäftskunden sowie Großunternehmen und institutionellen Kunden eine breite Palette von Produkten und Dienstleistungen zur Verfügung.

**Organisationsstruktur der Gruppe:**

Die Gruppe umfasst die folgenden vier Unternehmensbereiche:

- *Global Banking & Markets* (Globales Bankgeschäft und Märkte, „**GBM**“): Der Unternehmensbereich GBM bietet im Bankgeschäft bedeutenden Unternehmen und Finanzinstituten weltweit eine breite Palette von Kredit- und Eigenkapitalfinanzierungen, Risikomanagement und Investmentdienstleistungen an. Der Unternehmensbereich GBM innerhalb von RBS Holdings ist in vier Hauptgeschäftsbereiche aufgeteilt: *Global Lending* (Globales Kreditgeschäft), *Equities* (Aktiengeschäft), *Short Term Markets & Funding* (Kurzfristige Märkte und Finanzierung) und *Local Markets* (Lokale Märkte).
- *Global Transaction Services* (Globale Transaktionsdienstleistungen, „**GTS**“): GTS bietet als globale Transaktionsdienstleistungen *Global Trade Finance* (Globale Handelsfinanzierung), *Transaction Banking* (Transaktionsbankgeschäft) und *International Cash Management* (Internationales Liquiditätsmanagement) an.
- *Central Items* (Zentralbereiche): Der Unternehmensbereich *Central Items* umfasst Gruppen- und Zentralbereiche, wie z.B. *Treasury* (Finanzabteilung), *Capital Management* und *Finance* (Eigenmittelverwaltung und Finanzierung), das Risikomanagement, die Rechtsabteilung, die Unternehmenskommunikation und die Personalabteilung. *Central Items* verwaltet das Kapital der Gruppe, die gesetzlichen und aufsichtsrechtlichen Verpflichtungen und bietet Dienstleistungen

für das Filialnetz.

- *Non-Core Segment* (Nicht-Kernabteilung): Die Nicht-Kernabteilung umfasst eine Reihe von Geschäftsbereichen und gesondert verwalteten Vermögensportfolien, die die Gruppe im Rahmen der Strategie der RBSG-Gruppe für das Nicht-Kernvermögen abzuwickeln bzw. zu veräußern beabsichtigt. Es umfasst auch bei der RBS N.V. verbleibendes Vermögen und Verbindlichkeiten, das/die noch nicht verkauft, abgewickelt oder alternativ durch die Mitglieder des Konsortiums (nachstehend definiert) übertragen werden, und an dem/den jedes Mitglied des Konsortiums eine gemeinsame und unmittelbare Beteiligung hat.

*Global Banking & Markets, Global Transaction Services* und *Central Items* stellen die Kernbereiche der Gruppe dar.

Diese Geschäftsbereiche sind Teil der globalen Geschäftseinheiten der RBSG-Gruppe, die durch verschiedene juristische Personen handeln. Die Strategie der Gruppe ist Teil der gesamten Unternehmensstrategie der RBSG-Gruppe. Die RBS Holdings ist in Kern- und Nicht-Kernbereiche restrukturiert worden. Die RBSG-Gruppe wird voraussichtlich die Geschäftsbereiche Vermögenswerte und Portfolien innerhalb des Nicht-Kernbereiches bis 2013 im Wesentlichen abgewickelt bzw. veräußert haben, und die RBSG-Gruppe hat die Veräußerung der Unternehmen in Lateinamerika, Asien, Europa und im Nahen Osten vollzogen.

**Abspaltung der ABN AMRO Gruppe:**

Am 17. Oktober 2007 hat die RFS Holdings B.V. („**RFS Holdings**“), die zu der Zeit von der RBSG, Fortis N.V., Fortis S.A./N.V., Fortis Bank Nederland (Holding) N.V. und Banco Santander, S.A. („**Santander**“) gehalten wurde, den Erwerb der ABN AMRO Holding N.V. abgeschlossen. Am 1. April 2010 wurden die Aktien der ABN AMRO Bank N.V. auf die ABN AMRO Group N.V., eine Holding-Gesellschaft für die Beteiligung des niederländischen Staates, übertragen, und die ABN AMRO Holding N.V. wurde in RBS Holdings N.V.

umfirmiert. Dies kennzeichnete im Wesentlichen den Abschluss der Restrukturierung der Tätigkeit der ABN AMRO Holding N.V. gemäß der Vereinbarung zwischen der RBSG, dem niederländischen Staat und Santander (die „**Mitglieder des Konsortiums**“).

Am 31. Dezember 2010 wurde das Stammkapital der RFS Holdings in der Weise geändert, dass nunmehr ca. 98% des ausgegebenen Stammkapitals der RFS Holdings von der RBSG gehalten wird, und der Rest wird von Santander und dem niederländischen Staat gehalten. Letztendlich soll die RFS Holdings eine 100%-ige Tochtergesellschaft der RBSG werden.

**Geplante Übertragung von  
Aktivitäten:**

Am 19. April 2011 hat die RBS N.V. mitgeteilt, dass sie, vorbehaltlich bestimmter Bedingungen, einer geplanten Übertragung eines wesentlichen Teils ihrer Geschäftsaktivitäten auf die RBS zugestimmt hat (die „**Geplanten Übertragungen**“). Es wird erwartet, dass die Geplanten Übertragungen in mehreren Stufen bis zum 31. Dezember 2013 durchgeführt werden. Ein großer Teil der Geplanten Übertragungen (einschließlich der Übertragung bestimmter, von der RBS N.V. ausgegebener Wertpapiere) soll den Planungen zufolge bis Ende 2012 erfolgt sein. Die Geplanten Übertragungen beinhalten eine Ersetzung der Emittentin für eine Vielzahl der von der RBS N.V. begebenen Wertpapiere. Dies wird auch für einen Teil oder alle der von der RBS N.V. zwischen dem 19. April 2011 und dem Zeitpunkt des Wirksamwerdens der Geplanten Übertragungen begebenen Wertpapiere gelten.

**Zusammenfassung der  
konsolidierten  
Finanzinformationen der RBS  
Holdings:**

Die folgenden Tabellen fassen bestimmte Finanzinformationen der RBS Holdings für ihre zum 31. Dezember 2010 und zum 31. Dezember 2009 endenden Geschäftsjahre zusammen. Diese sind dem Jahresabschluss der RBS Holdings für das Geschäftsjahr 2010 entnommen, der gemäß den von der Europäischen Union anerkannten internationalen Rechnungslegungsvorschriften (*International Financial Reporting Standards*) erstellt wurde.

Die rechtliche Abspaltung der ABN AMRO Bank N.V.

wurde am 1. April 2010 vollzogen. Daher konsolidiert die Gruppe nicht länger die Beteiligung an der ABN AMRO Bank N.V., und deren Ergebnisse werden als eingestellte Geschäftsaktivitäten erfasst. Die Ergebnisse für das Jahr 2009 sind entsprechend angepasst neu dargestellt. Die Gruppe wird mehrheitlich von der RBSG-Gruppe gehalten; vor diesem Hintergrund wurde die Darstellung der Finanzausweise an jene der RBSG, der Konzernobergesellschaft der RBS Holdings, angepasst. Diese Änderungen haben keinen Einfluss auf die Bilanzierungs- und Bewertungsmethoden, Ergebnisse oder Gesamtaktiva bzw. -passiva der Gruppe. Die Darstellung der Vergleichszahlen wurde ebenfalls entsprechend angepasst.

	Für das zum 31. Dezember 2010 endende Geschäftsjahr (geprüft)	Für das zum 31. Dezember 2009 endende Geschäftsjahr (geprüft)
	<i>(in Mio. EUR)</i>	
Operativer Gewinn/(Verlust) vor Steuern	425	(4.847)
Steuern (Erhebung)/Gutschrift	(302)	465
Gewinn/(Verlust) aus fortgeführten Geschäftsaktivitäten	123	(4.382)
Gewinn/(Verlust) aus eingestellten Geschäftsaktivitäten, ohne Steuern	985	(18)
Gewinn/(Verlust) für das Geschäftsjahr	1.108	(4.400)

	Für das zum 31. Dezember 2010 endende Geschäftsjahr (geprüft)	Für das zum 31. Dezember 2009 endende Geschäftsjahr (geprüft)
	<i>(in Mio. EUR)</i>	
Darlehen und Vorauszahlungen	71.201	257.677
Fremdkapitalwertpapiere und Aktien	74.894	102.036
Derivate und Saldenausgleiche	31.845	60.790
Sonstige Vermögenswerte	22.442	48.842
<b>Summe der Aktiva</b>	<b>200.382</b>	<b>469.345</b>

	Für das zum 31. Dezember 2010 endende Geschäftsjahr	Für das zum 31. Dezember 2009 endende Geschäftsjahr
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	(geprüft)	(geprüft)
	(in Mio. EUR)	
Nachrangige Verbindlichkeiten	6.894	14.666
Einlagen	86.890	246.046
Derivate, Saldenausgleiche und Short-Positionen	40.875	70.462
Sonstige Verbindlichkeiten	60.751	119.255
Auf die Gesellschafter der Konzernobergesellschaft entfallendes Eigenkapital	4.948	18.880
Minderheitsbeteiligungen	24	36
<b>Summe der Passiva</b>	<b>200.382</b>	<b>469.345</b>

	Für das zum 31. Dezember 2010 endende Geschäftsjahr (ungeprüft)	Für das zum 31. Dezember 2009 endende Geschäftsjahr (ungeprüft)
	(Prozent)	
Harte Kernkapitalquote ( <i>Core Tier 1 ratio</i> )	8,7	16,9
Kernkapitalquote ( <i>Tier 1 ratio</i> )	11,0	19,9
Gesamtkapitalquote	15,8	25,5

#### **Geschäftszahlen der Emittentin:**

Die Emittentin verzeichnete für 2010 einen Gewinn in Höhe von EUR 198 Mio. Ihre Gesamtvermögenswerte betragen EUR 210 Mrd. zum 31. Dezember 2010. Nach dem ungeprüften Verkürzten Zwischenbericht (*Abbreviated Interim Financial Report*) der Emittentin für das am 30. Juni 2011 endende Halbjahr verzeichnete die Emittentin für das am 30. Juni 2011 endende Halbjahr einen Verlust in Höhe von EUR 1.434 Mio., und ihre Gesamtvermögenswerte betragen EUR 228 Mrd. zum 30. Juni 2011.

#### **Rating der Emittentin:**

Zum 1. Dezember 2011 lauten die Kreditratings<sup>2</sup> der Emittentin, die durch Moody's Investors Service Ltd., London, Vereinigtes Königreich (**„Moody's Investors Service“**), Standard & Poor's Credit Market Services

<sup>2</sup> Seit dem 31. Oktober 2011 sind die in diesem Abschnitt aufgeführten Ratingagenturen gemäß der Verordnung (EG) Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009 über Ratingagenturen (die „**Verordnung**“) registriert, wie auf der Internetseite der European Securities and Markets Authority gemäß Artikel 18(3) der Verordnung veröffentlicht.



Europe Limited, London, Vereinigtes Königreich („**Standard & Poor's**“), und Fitch Ratings Limited, London, Vereinigtes Königreich („**Fitch Ratings**“), vergeben wurden, wie folgt:

	Langfristig	Kurzfristig	Ausblick
Moody's Investors Service	A2	P-1	Negativ
Standard & Poor's	A	A-1	Stabil
Fitch Ratings	A	F1	Stabil

- **Moody's Investors Service Definitionen**

Verbindlichkeiten, die mit „A“ eingestuft sind, werden als Verbindlichkeiten der „oberen Mittelklasse“ zugerechnet und bergen ein geringes Kreditrisiko.

Die von Moody's Investors Service verwendete Rating-Skala für langfristige Verbindlichkeiten hat verschiedene Kategorien und reicht von „Aaa“, die die Kategorie höchster Qualität mit einem minimalen Kreditrisiko bezeichnet, über die Kategorien „Aa“, „A“, „Baa“, „Ba“, „B“, „Caa“, „Ca“, bis zur niedrigsten Kategorie „C“, die langfristige Verbindlichkeiten bezeichnet, bei denen ein Zahlungsausfall in der Regel bereits eingetreten ist und eine geringe Aussicht auf Rückzahlung von Kapital und Zinsen besteht. Moody's Investors Service verwendet innerhalb der Kategorien „Aa“ bis „Caa“ zusätzlich numerische Unterteilungen („1“, „2“ oder „3“). Der Zusatz „1“ weist darauf hin, dass die jeweilige langfristige Verbindlichkeit zum oberen Drittel der jeweiligen Rating-Kategorie gehört, während der Zusatz „2“ auf eine Klassifizierung im mittleren Drittel und der Zusatz „3“ auf eine solche im unteren Drittel hinweist.

Emittenten mit der Einstufung „P-1“ verfügen in

herausragender Weise über die Fähigkeit, ihre kurzfristigen Schuldverschreibungen zurückzuzahlen.

Die von Moody's Investors Service verwendete Rating-Skala für die Fähigkeit eines Emittenten zur Erfüllung seiner kurzfristigen Finanzverbindlichkeiten hat verschiedene Kategorien und reicht von „P-1“ über die Kategorien „P-2“ und „P-3“ bis zur niedrigsten Kategorie „NP“, die verdeutlicht, dass ein Emittent zu keiner der „Prime“-Rating-Kategorien gehört.

Ein Rating-Ausblick ist eine Meinung über die Richtung, in die sich ein Rating mittelfristig voraussichtlich entwickeln wird. Die Ausblicke werden in die folgenden vier Kategorien unterteilt: „positiv“, „negativ“, „stabil“ und „noch unbestimmt“ (d. h. ereignisabhängig).

- ***Standard and Poor's Definitionen***

Die Fähigkeit eines Schuldners mit einem Standard & Poor's-Rating von „A“, seine finanziellen Verpflichtungen zu erfüllen, ist stark, aber etwas anfälliger gegenüber nachteiligen Auswirkungen von Veränderungen äußerer Umstände und wirtschaftlicher Bedingungen als bei Schuldnern, die in einer höheren Rating-Kategorie eingestuft sind.

Die von Standard & Poor's verwendete Rating-Skala für die langfristige Fähigkeit eines Schuldners zur Erfüllung seiner Verbindlichkeiten hat verschiedene Rating-Kategorien und reicht von „AAA“, die die Kategorie höchster Bonität bezeichnet, über die Kategorien „AA“, „A“, „BBB“, „BB“, „B“, „CCC“, „CC“, „R“ und „SD“ bis zur niedrigsten Kategorie „D“, die kennzeichnet, dass Standard & Poor's davon ausgeht, dass der Zahlungsausfall einen allgemeinen Ausfall darstellen wird und Zahlungsausfälle bei allen oder nahezu allen fälligen Verpflichtungen des Schuldners eintreten werden. Den Kategorien „AA“ bis „CCC“ kann jeweils ein Pluszeichen („+“) oder Minuszeichen („-“) hinzugefügt werden, um die relative Stellung innerhalb der Haupt-Rating-Kategorien zu verdeutlichen.

Die kurzfristige Fähigkeit eines Schuldners zur Erfüllung

seiner finanziellen Verpflichtungen mit einem „A-1“-Rating ist stark. Er ist mit der höchsten Rating-Kategorie von Standard & Poor's bewertet.

Die von Standard & Poor's verwendete Rating-Skala für die kurzfristige Fähigkeit eines Schuldners zur Erfüllung seiner Verbindlichkeiten hat verschiedene Rating-Kategorien und reicht von „A-1“, welche die Kategorie höchsten Bonität bezeichnet, über die Kategorien „A-2“, „A-3“, „B“, „C“, „R“ und „SD“ bis zur niedrigsten Kategorie „D“, die kennzeichnet, dass Standard & Poor's davon ausgeht, dass der Zahlungsausfall einen allgemeinen Ausfall darstellen wird und Zahlungsausfälle bei allen oder nahezu allen fälligen Verpflichtungen des Schuldners eintreten werden.

„Stabil“ bedeutet, dass sich die Bonitätseinstufung voraussichtlich nicht ändern wird.

- ***Fitch Ratings Definitionen***

Ein „A“-Rating steht für ein gering eingeschätztes Kreditrisiko. Es bezeichnet eine gute Fähigkeit zur fristgerechten Zahlung der Verbindlichkeiten. Diese Fähigkeit ist jedoch durch ungünstige geschäftliche oder wirtschaftliche Ereignisse mehr gefährdet als bei höheren Ratings.

Die von Fitch Ratings verwendete Rating-Skala für langfristige Verbindlichkeiten hat verschiedene Kategorien und reicht von „AAA“, die für die höchste Kreditqualität steht, über die Kategorien „AA“, „A“, „BBB“, „BB“, „B“, „CCC“, „CC“, „C“, „RD“ bis zur niedrigsten Kategorie „D“, die nach Fitch Ratings' Einschätzung kennzeichnet, dass ein Emittent sich in einem Insolvenzverfahren, unter Zwangsverwaltung, in einem Vergleichsverfahren, in Auflösung oder einem anderen formellen Verfahren zur Abwicklung befindet oder in sonstiger Weise seine Geschäftstätigkeit eingestellt hat. Den Kategorien kann jeweils ein Plus- („+“) oder Minuszeichen („-“) beigefügt werden, um eine relative Einordnung innerhalb der Haupt-Rating-Kategorien auszudrücken. Solche Zusätze werden nicht

der Rating-Kategorie „AAA“ oder den Rating-Kategorien unter „B“ beigefügt.

Ein „F1“-Rating bezeichnet die beste Fähigkeit für eine fristgerechte Zahlung der kurzfristigen Verbindlichkeiten.

Die von Fitch Ratings verwendete Rating-Skala für kurzfristige Verbindlichkeiten hat verschiedene Kategorien und reicht von „F1“, die für die höchste Kreditqualität steht, über die Kategorien „F2“, „F3“, „B“, „C“ und „RD“ bis zur niedrigsten Kategorie „D“, die einen weitgehenden Zahlungsausfall eines Schuldners kennzeichnet.

Die oben aufgeführten Rating-Definitionen stammen in englischer Sprache von der jeweiligen Internetseite von Moody's Investors Service ([www.moody.com](http://www.moody.com)), Standard & Poor's ([www.standardandpoors.com](http://www.standardandpoors.com)) bzw. Fitch Ratings ([www.fitchratings.com](http://www.fitchratings.com)).

**Risikofaktoren:**

Ziel der Beschreibung der Risikofaktoren ist es, potenzielle Käufer der Wertpapiere vor der Tätigung von Anlagen zu schützen, die nicht für ihre Zwecke geeignet sind, sowie die wirtschaftlichen und rechtlichen Risiken, die mit einer Anlage in die Wertpapiere verbunden sind, aufzuzeigen. Potenzielle Käufer der Wertpapiere sollten vor einer Anlageentscheidung die mit einer Anlage in die Wertpapiere verbundenen Risiken bedenken.

**Risikofaktoren in Bezug auf die Emittentin und die Garantin:**

Die Gruppe ist abhängig von der RBSG-Gruppe. Potenzielle Anleger sollten beachten, dass die Gruppe bestimmten Risiken der RBSG-Gruppe ausgesetzt ist, unter anderem der Instabilität der globalen Finanzmärkte, fehlender Liquidität, niedriger Bewertung von Vermögenswerten, geopolitischen Bedingungen, vollständiger Verstaatlichung und anderen Maßnahmen nach dem britischen Banking Act 2009 sowie anderen Risiken, die sich aus dem staatlichen Schutzprogramm für Risiken aus bestimmten Vermögenswerten (*asset protection scheme*) ergeben. Daher sind die nachfolgenden Risikofaktoren, die sich auf die RBSG und die RBSG-Gruppe beziehen, auch für die Emittentin und die Gruppe von Bedeutung:

- Die Geschäftslage und Geschäftsentwicklung der Gruppe kann durch bestehende und erwartete Bedingungen der Weltwirtschaft und der globalen Finanzmärkte und durch andere geopolitische Risiken negativ beeinträchtigt werden.
- Ein umfangreiches Programm der RBSG-Gruppe zur Restrukturierung und Verkürzung der Bilanz dauert an und kann den Geschäftsbetrieb der Gruppe, die Betriebsergebnisse, die Finanzlage, die Eigenkapitalquoten und die Liquidität beeinträchtigen sowie den Wert von Wertpapieren nachteilig beeinflussen, die von der RBS N.V. begeben wurden.
- Die Durchführung der genehmigten und geplanten Übertragung, eine Verzögerung der Durchführung oder ein Scheitern der Übertragung wesentlicher Teile der Geschäftsaktivitäten der RBS N.V. auf die RBS kann erhebliche nachteilige Auswirkungen auf die Gruppe haben und ebenfalls den Wert der von der RBS N.V. ausgegebenen Wertpapiere negativ beeinflussen.
- Ein Risiko des Geschäfts der Gruppe liegt im Fehlen von Liquidität, und es besteht das Risiko, dass der Zugang der Gruppe zu Liquidität und zu Finanzierungsmöglichkeiten beschränkt sein könnte.
- Die finanzielle Entwicklung der Gruppe wurde durch die Verschlechterung der Kreditqualität von Schuldern und Vertragsparteien erheblich beeinträchtigt und kann durch weitere Verschlechterungen noch weitergehend beeinflusst werden, u.a. durch die vorherrschenden Wirtschafts- und Marktverhältnisse sowie rechtliche und regulatorische Entwicklungen.
- Die Ertrags- und Finanzlage der Gruppe wurde durch die sich aus dem schwachen Marktumfeld ergebende niedrige Vermögensbewertung erheblich beeinträchtigt und kann dadurch weiter erheblich beeinträchtigt werden.
- Änderungen der Zinssätze, Wechselkurse, Credit Spreads, Anleihe-, Aktien- und Rohstoffpreise, Basis-, Volatilitäts- und Korrelationsrisiken sowie anderer

Marktfaktoren haben das Geschäft sowie das Betriebsergebnis der Gruppe wesentlich beeinträchtigt und werden sie weiter beeinträchtigen.

- Die Fremdfinanzierungskosten der Gruppe, ihr Zugang zu den Anleihekapitalmärkten sowie ihre Liquidität hängen entscheidend von dem Kreditrating der Gruppe ab.
- Die Geschäftsentwicklung der Gruppe kann beeinträchtigt werden, wenn ihr Kapital nicht effizient verwaltet wird oder wenn Kapitaladäquanz- und Liquiditätsanforderungen geändert werden.
- Bestimmte Finanzinstrumente werden zum Marktwert angesetzt, der mithilfe von Finanzmodellen ermittelt wird, die Annahmen, Beurteilungen und Schätzungen beinhalten, die sich im Verlauf der Zeit ändern können oder die sich als nicht richtig herausstellen.
- Die Gruppe ist in sehr kompetitiven Märkten tätig, und ihr Geschäft und ihr Betriebsergebnis könnten negativ beeinträchtigt werden.
- Um die Unterstützung des britischen Schatzamts (*HM Treasury*) für die RBSG-Gruppe zu erhalten, ist es der Gruppe untersagt, in ihrem Ermessen stehende Zahlungen auf Coupons zu leisten und Ankaufsoptionen in Bezug auf bestimmte bestehende hybride Kapitalinstrumente der Gruppe auszuüben. Dies kann die Fähigkeit der Gruppe zur Gewinnung neuen Kapitals im Wege der Ausgabe von Wertpapieren beeinträchtigen.
- Es ist möglich, dass es der Gruppe nicht gelingt, Führungskräfte (einschließlich der Mitglieder des Aufsichtsrates und des Vorstandes der Gruppe und anderen Mitarbeitern in Schlüsselpositionen) zu gewinnen oder zu halten, und sie könnte Schaden erleiden, wenn sie kein gutes Verhältnis zu ihren Arbeitnehmern unterhält.
- Alle Geschäftsbereiche der Gruppe sind weitgehend reguliert und beaufsichtigt. Wesentliche

aufsichtsrechtliche und steuerrechtliche Veränderungen könnten sich nachteilig auf die Geschäftstätigkeit sowie das Betriebsergebnis und die Finanzlage der Gruppe auswirken.

- Die Gruppe ist Rechtsstreitigkeiten und aufsichtsrechtlichen Untersuchungen ausgesetzt und kann dies auch in Zukunft sein, was zu Geschäftsbeeinträchtigungen führen kann.
- Es kann sein, dass die Gruppe weitere Beiträge für ihr Pensionssystem aufbringen muss, wenn der Wert der Vermögenswerte in Pensionsfonds nicht ausreichend ist, um potenzielle Verbindlichkeiten zu decken.
- Die Gruppe unterliegt Risiken hinsichtlich der strafrechtlichen Ermittlungen durch das *United States Department of Justice* (Justizministerium der Vereinigten Staaten) im Hinblick auf ihre Dollar-Clearing-Aktivitäten.
- Die rechtliche Abspaltung der ABN AMRO Bank N.V. (damaliger Firmenname) hat wechselseitige Haftungsverhältnisse zur Folge, die die rechtlichen Rückgriffsmöglichkeiten für Anleger verändern.
- Das Geschäft der Gruppe birgt betriebsbedingte Risiken.
- Die Geschäftstätigkeit der Gruppe unterliegt damit verbundenen Reputationsrisiken.
- Die Werthaltigkeit und die aufsichtsrechtliche Eigenkapitalbehandlung bestimmter von der Gruppe berücksichtigter latenter Steueransprüche hängt von der Fähigkeit der Gruppe ab, ausreichende zukünftige steuerpflichtige Gewinne zu erzielen und davon, dass sich Steuergesetzgebung, aufsichtsrechtliche Anforderungen und Bilanzierungsgrundsätze nicht in nachteiliger Weise ändern.
- Zusätzlich zu den oben beschriebenen Risikofaktoren unterliegt die Gruppe Risiken, die sich aus der Beteiligung der RBSG-Gruppe an dem staatlichen Schutzprogramm für Risiken aus bestimmten

Vermögenswerten (*asset protection scheme*) sowie aus zwei Absicherungsverträgen (die „**Absicherungsverträge**“), die von der RBS in Verbindung mit bestimmten, der RBS N.V. und ihren hundertprozentigen Tochtergesellschaften zuzurechnenden Vermögenswerten und Risikopositionen abgeschlossen wurden, ergeben.

- Die umfangreichen Anforderungen an die Unternehmensleitung, die Verwaltung von Vermögenswerten und im Hinblick auf Informationspflichten, denen die Gruppe unter den Bedingungen des Schutzprogramms für Risiken aus bestimmten Vermögenswerten unterliegt bzw. deren mögliche Einhaltung durch die RBS sie nach den Absicherungsverträgen sicherstellen muss, können negative Auswirkungen auf die Gruppe haben. Zudem kann jede Änderung oder Modifizierung der Bedingungen des Schutzprogramms für Risiken aus bestimmten Vermögenswerten negative Auswirkungen auf die erwarteten Vorteile aus den Absicherungsverträgen und damit auf die Gruppe haben.
- Jegliche Änderungen in Bezug auf die regulatorische Behandlung von Kapital nach den Absicherungsverträgen kann negative Auswirkungen auf die Kapitalstruktur der Gruppe haben.
- Die Erfüllung der Offenlegungsverpflichtungen der Gruppe nach den Absicherungsverträgen kann Rechtsstreitigkeiten zur Folge haben und aufsichtsrechtliche Risiken begründen.

4. In the Base Prospectuses, the second paragraph of the section "**RISK FACTORS**" shall be replaced by the following paragraph:

***Potential purchasers of the Securities should be aware of the risks associated with an investment in the Securities before making an investment decision. Hence, potential purchasers of the Securities should also read the rest of the information set out in this Base Prospectus, the registration document of RBS Holdings N.V. (the "Guarantor") and The Royal Bank of Scotland N.V. (the "Issuer") dated 31 August 2011 (the "Registration Document") which was approved by the competent authority in the Netherlands (Autoriteit***



*Financiële Markten) (the "AFM") and which is incorporated into this Base Prospectus by reference, as well as in any supplements to this Base Prospectus approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) and in the so-called final terms (the "Final Terms") prior to making any investment decision. To be able to make their own assessments prior to making any investment decision, potential purchasers of the Securities should consult their own stockbroker, banker, lawyer, accountant or other legal, tax or financial advisers and carefully review the risks entailed in an investment in the Securities and consider such an investment decision in the light of their personal circumstances.*

5. In the Base Prospectuses the section **"INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE GUARANTEE"** shall be replaced by the following sections **"INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE GUARANTEE"**, **"ANNEX 1: PRESS RELEASE DATED 19 APRIL 2011"**, **"ANNEX 2: UNAUDITED INTERIM FINANCIAL REPORT 2011 OF THE ISSUER"**, **"ANNEX 3: FINANCIAL STATEMENTS 2010 OF THE ISSUER"** and **"ANNEX 4: FINANCIAL STATEMENTS 2009 OF THE ISSUER"**:

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## **INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE GUARANTEE**

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### **Registration Document**

The required information about The Royal Bank of Scotland N.V. acting either through its principal office in the Netherlands or through its London branch or any other branch, as specified in the Final Terms, as issuer of the Securities (the **"Issuer"**) and RBS Holdings N.V. as guarantor (the **"Guarantor"** or **"RBS Holdings"**) for all liabilities of the Issuer incurred in connection with legal acts performed by the Issuer after 15 June 1998 (the **"Guarantee"**) as well as the Guarantee is contained in the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 31 August 2011 (the **"Registration Document"**) which was approved by the competent authority in the Netherlands (*Autoriteit Financiële Markten*) (the **"AFM"**) and which is incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference") excluding

- (a) any references in the Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the Registration Document (i) the last sentence in the second paragraph of the section headed "Risk Factors" and (ii) the last sentence of the paragraph headed "The Group is reliant on the RBSG Group"; and
- (b) items (d) to (h) in the section headed "Documents Incorporated by Reference" on pages 43 to 45 of the Registration Document.

## **Additional Information about the Issuer and the Guarantor**

The section headed "*Description of RBS Holdings N.V. and The Royal Bank of Scotland N.V. - General Information*", fourth paragraph, on page 20 of the Registration Document shall be updated as follows:

"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."

Furthermore, the section headed "*Description of RBS Holdings N.V. and The Royal Bank of Scotland N.V. – Legal and Regulatory Proceedings – Investigations – Independent Commission on Banking*" on pages 24 and 25 of the Registration Document shall be updated as follows:

### *"Independent Commission on Banking*

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

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

In addition, the following documents are incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference"):

- (a) the English language version of the Articles of Association of each of the Guarantor and the Issuer as in force and effect on the date of the Registration Document (the "**Articles of Association**");

- (b) the unaudited Interim Results for the half year ended 30 June 2011 of RBS Holdings N.V. (the "**Unaudited Interim Results 2011**") which include the unaudited condensed consolidated interim financial statements as at and for the half year ended 30 June 2011 of RBS Holdings N.V. on pages 17 to 36 of the Unaudited Interim Results 2011;
- (c) the Annual Report and Accounts 2010 of RBS Holdings N.V. (the "**Annual Report 2010**") (excluding the section headed "Business Review - Risk Factors" on page 9 and the section headed "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010) 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 International Financial Reporting Standards as adopted by the European Union). The audited consolidated annual financial statements of RBS Holdings appear on pages 96 to 193 of the Annual Report 2010 and the auditor's report thereon appears on page 199 of the Annual Report 2010; and
- (d) the Annual Report 2009 of ABN AMRO Holding N.V. (the "**Annual Report 2009**") which includes the publicly available consolidated audited annual financial statements of ABN AMRO Holding N.V. (as RBS Holdings N.V. was then named) for the financial year ended 31 December 2009 (prepared in accordance with International Financial Reporting Standards as adopted by the European Union). The consolidated audited annual financial statements of ABN AMRO Holding N.V. appear on pages 82 to 235 of the Annual Report 2009 and the auditor's report appears on pages 193 to 197 of the Annual Report 2009.

The documents under (a)-(d) are also referred to in the Registration Document.

The information about the Guarantor was obtained in the English language from the Guarantor. It has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by the Guarantor, no facts have been omitted which would render the reproduced information inaccurate or misleading.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

The Issuer has published a press release dated 19 April 2011 regarding proposed transfers of a substantial part of the business activities of RBS N.V. to RBS (the "**Press Release dated 19 April 2011**") which is attached hereinafter as Annex 1. For the purposes of this Base Prospectus, references in this press release regarding persons not placing any reliance on the information contained in such press release or the Pro forma financial information in connection with making an investment decision (or for any other purpose) concerning securities or guarantees which are expected to be retained by RBS N.V. shall be deemed to be deleted.

The unaudited Abbreviated Interim Financial Report for the half year ended 30 June 2011 of The Royal Bank of Scotland N.V. (the "**Unaudited Interim Financial Report 2011 of the Issuer**") which includes the unaudited abbreviated interim financial statements of the Issuer for the half year ended 30 June 2011 is attached as Annex 2.

The Abbreviated Financial Statements 2010 of The Royal Bank of Scotland N.V. (the "**Financial Statements 2010 of the Issuer**") which include the audited abbreviated annual financial statements of the Issuer for the financial year ended 31 December 2010 are attached as Annex 3.

The Abbreviated Financial Statements 2009 of The Royal Bank of Scotland N.V. (the "**Financial Statements 2009 of the Issuer**") which include the audited abbreviated annual financial statements of the Issuer for the financial year ended 31 December 2009 are attached as Annex 4.

Unless provided otherwise in any supplement to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG, the information contained in the Registration Document and this Base Prospectus is the most recent information available about the Issuer and the Guarantor.

### **Significant changes**

There has been no significant change in the financial or trading position of the Group consisting of the Guarantor and its consolidated subsidiaries (including the Issuer) since 30 June 2011 and there has been no significant change in the financial position of the Issuer since 30 June 2011. Save in relation to matters referred to on pages 42 to 43 of the Unaudited Interim Results 2011, relating to the exposure of the Group consisting of the Guarantor and its consolidated subsidiaries (including the Issuer) to Greek sovereign debt, which the Group has made provision for therein, (i) there has been no material adverse change in the prospects of the Guarantor since 31 December 2010, and (ii) there has been no material adverse change in the prospects of the Issuer since 31 December 2010.

### **Rating of the Issuer**

As of 1 December 2011, the credit ratings<sup>3</sup> of the Issuer assigned by Moody's Investors Service Ltd., London, United Kingdom ("**Moody's Investors Service**"), Standard & Poor's Credit Market Services Europe Limited, London, United Kingdom ("**Standard & Poor's**"), and Fitch Ratings Limited, London, United Kingdom ("**Fitch Ratings**"), are as follows:

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<sup>3</sup> Since 31 October 2011 the rating agencies set forth in this section are registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**Regulation**") as published on the website of the European Securities and Markets Authority pursuant to Article 18(3) of the Regulation.

	Long term	Short term	Outlook
Moody's Investors Service	A2	P-1	Negative
Standard & Poor's	A	A-1	Stable
Fitch Ratings	A	F1	Stable

### ***Moody's Investors Service definitions***

Obligations rated "A" are considered upper-medium grade and are subject to low credit risk.

The rating system used by Moody's Investors Service for long-term obligations has various subcategories ranging from "Aaa" (describing obligations judged to be of the highest quality, with minimal credit risk), "Aa", "A", "Baa", "Ba", "B", "Caa" and "Ca" to "C", the lowest category representing long-term obligations that are typically in default, with little prospect for recovery of principal or interest. In addition, Moody's Investors Service appends numerical modifiers ("1", "2", and "3") to each generic rating classification from "Aa" through "Caa". The modifier "1" indicates that the respective long-term obligation ranks in the higher end of its generic rating category; the modifier "2" indicates a mid-range ranking, and the modifier "3" indicates a ranking in the lower end of that generic rating category.

Issuers rated "P-1" have a superior ability to repay short-term debt obligations.

The rating system used by Moody's Investors Service for short-term obligations has various subcategories ranging from "P 1", "P-2" and "P-3" to "NP", the lowest category representing issuers that do not fall within any of the "Prime" rating categories.

A rating outlook is an opinion regarding the likely direction of a rating over the medium term. Where assigned, rating outlooks fall into the following four categories: "Positive", "Negative", "Stable", and "Developing" (contingent upon an event).

### ***Standard and Poor's definitions***

An obligor rated "A" by Standard & Poor's has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

The rating system used by Standard & Poor's for the capacity of an obligor to pay its financial obligations over a long-term horizon has various subcategories ranging from "AAA" (which is the

highest quality rating), "AA", "A", "BBB"; "BB"; "B", "CCC", "CC", "R" and "SD" to "D", the lowest category indicating that Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. Plus ("+") or minus ("-") signs following ratings from the "AA" to "CCC" categories show the relative standing within the major rating categories.

An obligor rated "A-1" by Standard & Poor's has strong capacity to meet its financial commitments over a short-term time horizon. It is rated in the highest category by Standard & Poor's.

The rating system used by Standard & Poor's for short-term issuer credit ratings has various subcategories ranging from "A-1" (which is the highest quality rating), "A-2", "A-3", "B", "C", "R" and "SD" to "D", the lowest category indicating that Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due.

"Stable" means that a rating is not likely to change.

### ***Fitch Ratings definitions***

"A" ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

The rating system used by Fitch Ratings for long-term financial commitments has various subcategories ranging from "AAA" (which is the highest quality rating), "AA", "A", "BBB", "BB", "B", "CCC", "CC", "C", "RD" to "D", the lowest category indicating that the issuer in Fitch Ratings' opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business. The modifiers "+" or "-" may be appended to a rating to denote relative status within a major rating category. Such suffixes are not added to the "AAA" rating category or to the categories below "B".

An "F1" rating indicates the strongest intrinsic capacity for timely payment of short-term financial commitments.

The rating system used by Fitch Ratings for short-term liabilities has various subcategories ranging from "F1" (which is the highest quality rating), "F2", "F3", "B", "C" and "RD" to "D", the lowest category indicating a broad-based default event for an entity.

*The rating definitions set out above were obtained in the English language from Moody's Investors Service ([www.moody.com](http://www.moody.com)), Standard & Poor's ([www.standardandpoors.com](http://www.standardandpoors.com)) and Fitch Ratings ([www.fitchratings.com](http://www.fitchratings.com)), respectively. They have been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by Moody's Investors Service, Standard & Poor's, and Fitch Ratings, respectively, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

## **Publication of information subsequent to the issue of Securities**

The Issuer does not intend to make available any further information subsequent to any issue of Securities other than information which needs to be published in the form of a supplement in accordance with Section 16 WpPG.

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**ANNEX 1: PRESS RELEASE DATED 19 APRIL 2011**

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**19<sup>th</sup> April 2011**

**Proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc**

The Boards of The Royal Bank of Scotland Group plc (RBSG), The Royal Bank of Scotland plc (RBS plc), RBS Holdings N.V. and The Royal Bank of Scotland N.V. (RBS N.V.) have approved the proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc (the "Proposed Transfers"), subject, amongst other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures. This follows a period of extensive dialogue with key regulators and rating agencies. The Proposed Transfers will not include the Consortium Shared Assets referred to below.

The Proposed Transfers will streamline the manner in which the Global Banking & Markets (GBM) and Global Transaction Services (GTS) businesses of RBSG and its subsidiaries and subsidiary undertakings (the "RBS Group") interact with clients with simplified access to the GBM and GTS product suites. They will provide benefits to clients in effecting easier interaction with the RBS Group including management of collateral. Clients will continue to deal, and conduct business, with their local RBS teams as at present. There is no requirement for clients to take any action now and any action required in connection with the Proposed Transfers will be communicated in a timely way with a view to ensuring a smooth transition.

The Proposed Transfers will not result in any change to the current business strategy for any of the transferred RBS N.V. businesses and the way in which the RBS Group commercially operates will remain unchanged.

The Proposed Transfers are consistent with RBS Group's efforts to simplify its structure, thereby reducing risk, cost and complexity. In addition, the Proposed Transfers are expected to result in a simplified management and reporting framework for the RBS Group across the multiple jurisdictions in which RBS plc and RBS N.V. operate.

RBS N.V.'s businesses include the following product areas: Equities & Structured Retail Products, Emerging Markets, Lending, Global Transaction Services (GTS), and Short Term Markets & Financing (STMF). RBS N.V. also currently holds directly and indirectly certain other assets which are owned by RBSG jointly with the Dutch State and Santander (the "Consortium Shared Assets"). As at 31 December 2010, RBS N.V. had consolidated total assets of €200.4bn (£172.8bn), a Core Tier 1 Capital Ratio of 8.7% and a Tier 1 Capital Ratio of 11.0%. As at the same date, RBSG had consolidated total assets of £1.5tn, a Core Tier 1 Capital Ratio of 10.7% and a Tier 1 Capital Ratio of 12.9% and RBS plc, the receiving entity for the Proposed Transfers, had consolidated total assets of £1.3tn, a Core Tier 1 Capital Ratio of 8.4% and a Tier 1 Capital Ratio of 10.1%. The Proposed Transfers are not expected to have any impact on RBSG's capital position.

It is expected that the Proposed Transfers will be implemented on a phased basis over a period ending 31 December 2013. A large part of the Proposed Transfers (including the transfers of certain securities issued by RBS N.V.) is expected to have

taken place by the end of 2012. This will be subject, amongst other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures.

RBS plc and RBS N.V. have discussed the Proposed Transfers in detail with the UK Financial Services Authority and De Nederlandsche Bank (“DNB”) and they will continue to be involved as the Proposed Transfers progress through to completion. Approvals from these and other regulators will be required prior to execution. Where available and practicable, statutory transfer schemes will be used to implement the Proposed Transfers which may require court approval.

Due to legal constraints, securities and related guarantees which are governed by New York, New South Wales, New Zealand and Hong Kong law (including the three series of Trust Preferred Securities issued by RBS N.V. Capital Funding Trusts V, VI and VII) are currently not expected to be transferred to RBS plc pursuant to the statutory transfer schemes which are anticipated to be used to implement the Proposed Transfers. Alternative steps will be considered in relation to such securities and guarantees, where reasonably practicable in RBS’s opinion. In respect of securities and guarantees governed by other laws which have been issued by RBS N.V., further analysis is ongoing to establish whether they will or will not be transferred to RBS plc pursuant to the Proposed Transfers and further announcements will be made in due course. In the meantime, holders of RBS N.V. securities are not required to take any action in connection with the Proposed Transfers. The proposed transfers of securities from RBS N.V. to RBS plc are not, of themselves, expected to change the price that RBS plc, as part of its normal market making activities, may bid for such securities. However, RBS cannot guarantee the price at which such securities may trade. The market prices for such securities may be impacted by a number of factors, including the value of the assets underlying such securities and prevailing market conditions, any of which may affect the value of the securities.

For legal, tax and other reasons, there are expected to be certain operations, assets and other liabilities in RBS N.V. which will not be transferred to RBS plc. RBSG is committed to providing the necessary support to ensure that RBS N.V. continues to meet its commitments during and after the Proposed Transfers. Following completion of the Proposed Transfers, RBS N.V. will continue to be authorised and regulated by DNB.

The RBS Group has held detailed discussions on the Proposed Transfers with the three main rating agencies, Moody’s, Standard & Poor’s and Fitch. The plan for the Proposed Transfers has been designed not to impact the ratings of RBS N.V. or RBS plc. It is anticipated that the agencies will publish their credit opinions following this announcement.

Certain unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V. is set out in the Appendix to this announcement.

**For Further Information Contact:**

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**Disclaimer**

*No person should place any reliance on the information in this announcement concerning securities/guarantees which are expected to be retained by RBS N.V. in connection with making an investment decision or for any other purpose and should be aware that changes to the current proposals (including, without limitation, to the identity of the securities/guarantees to be retained, the eventual manner in which securities/guarantees are proposed to be transferred and to the timing pursuant to which they are proposed to be transferred) may be made if required, or if determined by RBS N.V. or RBS plc (in their absolute discretion) to be desirable for commercial or other reasons. Accordingly, nothing in this announcement should be taken as (or is) a representation that any of the securities/guarantees of RBS N.V. will be transferred or retained, whether in the manner described in this announcement, in accordance with the timing set out in this announcement, or at all. For the avoidance of doubt, this announcement has been prepared and circulated solely for information purposes and does not constitute an offer to any person. If you are in any doubt as to whether there is any tax or other impact on you as a result of the Proposed Transfers, please discuss such matters with your advisers.*

**Cautionary Statement**

*Certain statements found in this document may constitute "forward-looking statements" as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such "forward-looking statements" reflect management's current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as "anticipate," "believe," "expect," "estimate," "forecast," "intend," "plan," "project" and similar expressions which indicate future events and trends may identify "forward-looking statements". In particular, this document includes forward-looking statements relating, but not limited, to the Proposed Transfers. Such statements are based on current plans, estimates and projections and are subject to various risks, uncertainties and other factors that could cause actual results to differ materially from those projected or implied in the "forward-looking statements". Certain "forward-looking statements" are based upon current assumptions of future events which may not prove to be accurate. Other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this document include, but are not limited to: the ability to complete restructurings on a timely basis; regulatory or legal changes (including those requiring any restructuring of the operations of RBSG, RBS plc, RBS Holdings N.V. or RBS N.V.) in the United Kingdom, the Netherlands, the United States and other countries in which these entities operate; changes in UK and foreign laws, regulations, accounting standards and taxes, including changes in regulatory capital regulations and liquidity requirements; and the success of RBSG, RBS plc, RBS Holdings N.V. or RBS N.V. in managing the risks involved in the foregoing.*

*Undue reliance should not be placed on "forward-looking statements" as such statements speak only as of the date of this document. Neither RBSG, RBS plc, RBS Holdings N.V. nor RBS N.V. undertake to update any forward-looking statement contained herein to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.*

*The information, statements and opinions contained in this document do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.*

## Appendix

### Unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V.

#### Background

This appendix provides pro forma financial information as at and for the year ended 31 December 2010 for RBS Holdings N.V. The proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc (“the Proposed Transfers”) collectively constitute a significant event and historical financial information on a pro forma basis is provided to give investors a better understanding of what the results of operations and financial position of RBS N.V. might have looked like had the transfers to RBS plc occurred in respect of the unaudited pro forma condensed consolidated Statement of Financial Position as at 31 December 2010 and, in respect of the unaudited pro forma condensed consolidated income statements on 1 January of the respective years. The Proposed Transfers are expected to be implemented on a phased basis over a period ending 31 December 2013.

For the purposes of the pro forma financial information, RBS Holdings N.V. comprises RBS Holdings N.V. and its consolidated subsidiaries.

The pro forma financial information has been prepared for illustrative purposes only on the basis of estimates and assumptions about which assets and liabilities will be transferred. These assumptions are preliminary and subject to ongoing analysis with respect to which specific assets and liabilities will in fact be transferred and which will be retained in RBS N.V. The pro forma information addresses a hypothetical situation and does not represent the actual position or the results of RBS Holdings N.V. nor is it necessarily indicative of the results of operations or financial position that may, or may be expected to, be achieved in the future.

The pro forma financial information includes the following condensed consolidated pro forma information for RBS Holdings N.V. (i) a pro forma condensed consolidated statement of financial position as at 31 December 2010, (ii) a pro forma condensed consolidated income statement for each of the years ended 31 December 2010, 31 December 2009 and 31 December 2008, and (iii) Notes to the pro forma financial information.

As at the date of this announcement, Management of RBS Holdings N.V. is not aware of any matters that could impact the results and financial position as presented in the pro forma financial information.

## Appendix

### Unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V.

#### Unaudited pro forma Condensed Consolidated Statement of Financial Position as at 31 December 2010

	RBS Holdings N.V.(1) €m	Proposed Transfers (2) €m	Pro Forma Total (3)(4) €m
<b>Assets</b>			
Cash and balances at central banks	8,323	8,142	181
Loans and advances to banks	26,705	25,246	1,459
Loans and advances to customers	44,496	37,476	7,020
Debt securities	52,260	23,294	28,966
Equity shares	22,634	21,131	1,503
Settlement balances	3,573	3,399	174
Derivatives	28,272	25,837	2,435
Other assets	14,119	10,481	3,638
<b>Total assets</b>	<b>200,382</b>	<b>155,006</b>	<b>45,376</b>
<b>Liabilities</b>			
Deposits by banks	31,985	10,682	21,303
Customer accounts	54,905	50,258	4,647
Debt securities in issue	53,411	46,042	7,369
Settlement balances and short positions	5,202	4,936	266
Derivatives	35,673	31,467	4,206
Other liabilities	14,234	9,049	5,185
<b>Total liabilities</b>	<b>195,410</b>	<b>152,434</b>	<b>42,976</b>
<b>Equity</b>			
Non-controlling interests	24	10	14
Shareholders of the parent company	4,948	2,562	2,386
<b>Total equity</b>	<b>4,972</b>	<b>2,572</b>	<b>2,400</b>
<b>Total equity and liabilities</b>	<b>200,382</b>	<b>155,006</b>	<b>45,376</b>

#### Notes:

- (1) This financial information for RBS Holdings N.V. as at 31 December 2010 has been extracted from audited financial information contained within the Annual Report and Accounts of RBS Holdings N.V. published on 29 March 2011.
- (2) This represents the value of the assets, liabilities and equity as at 31 December 2010 proposed to be transferred to RBS plc over the period up until 31 December 2013. See "Notes to the pro forma financial information relating to RBS Holdings N.V." for further information.
- (3) This represents the value of the assets, liabilities and equity as at 31 December 2010 assuming the Proposed Transfers had occurred at that date.
- (4) As part of the Proposed Transfers it is assumed that all intercompany transactions are settled and that the retained business is refinanced according to its funding needs.

## Appendix

Unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V.

### Unaudited pro forma Condensed Consolidated Income Statement for the year ended 31 December 2010

	RBS Holdings N.V. (1) €m	Proposed Transfers (2) €m	Pro Forma Total (3) €m
<b>Net interest income</b>	1,427	986	441
Fees and commissions receivable	1,152	1,019	133
Fees and commissions payable	214	113	101
Income from trading activities	1,131	1,074	57
Other operating (loss)/income	(52)	108	(160)
<b>Non-interest income</b>	2,445	2,314	131
<b>Total income</b>	3,872	3,300	572
Operating expenses	(3,380)	(3,035)	(345)
<b>Profit before impairment losses</b>	492	265	227
Impairment losses	(67)	93	(160)
<b>Operating profit before tax</b>	425	358	67
Tax (charge)/credit	(302)	(303)	1
<b>Profit for the year from continuing operations</b>	123	55	68
<i>Attributable to:</i>			
Non-controlling interests	(2)	-	(2)
Shareholders of parent company	125	55	70

For notes to this table refer to page A 1-7.

### Unaudited pro forma Condensed Consolidated Income Statement for the year ended 31 December 2009

	RBS Holdings N.V. (1) €m	Proposed Transfers (2) €m	Pro Forma Total (3) €m
<b>Net interest income</b>	1,834	1,546	288
Fees and commissions receivable	1,506	1,297	209
Fees and commissions payable	(483)	(455)	(28)
(Loss)/income from trading activities	(303)	(634)	331
Other operating loss	(1,157)	(724)	(433)
<b>Non-interest (loss)/income</b>	(437)	(516)	79
<b>Total income</b>	1,397	1,030	367
Operating expenses	(4,621)	(3,914)	(707)
<b>Loss before impairment losses</b>	(3,224)	(2,884)	(340)
Impairment losses	(1,623)	(1,055)	(568)
<b>Operating loss before tax</b>	(4,847)	(3,939)	(908)
Tax credit/(charge)	465	586	(121)
<b>Loss for the year from continuing operations</b>	(4,382)	(3,353)	(1,029)
<i>Attributable to:</i>			
Non-controlling interests	(1)	-	(1)
Shareholders of parent company	(4,381)	(3,353)	(1,028)

For notes to this table refer to page A 1-7.

## Appendix

Unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V.

### Unaudited pro forma Condensed Consolidated Income Statement for the year ended 31 December 2008

	RBS Holdings N.V. (1) €m	Proposed Transfers (2) €m	Pro Forma Total (3) €m
<b>Net interest income</b>	2,835	2,437	398
Fees and commissions receivable	1,681	1,457	224
Fees and commissions payable	(374)	(457)	83
Loss from trading activities	(7,716)	(5,494)	(2,222)
Other operating loss	(1,763)	(1,816)	53
<b>Non-interest (loss)/income</b>	<b>(8,172)</b>	<b>(6,310)</b>	<b>(1,862)</b>
<b>Total income/(loss)</b>	<b>(5,337)</b>	<b>(3,873)</b>	<b>(1,464)</b>
Operating expenses	(7,844)	(4,956)	(2,888)
<b>Loss before impairment losses</b>	<b>(13,181)</b>	<b>(8,829)</b>	<b>(4,352)</b>
Impairment losses	(2,920)	(1,973)	(947)
<b>Operating loss before tax</b>	<b>(16,101)</b>	<b>(10,802)</b>	<b>(5,299)</b>
Tax credit/(charge)	2,736	2,331	405
<b>Profit/(loss) for the year from continuing operations</b>	<b>(13,365)</b>	<b>(8,471)</b>	<b>(4,894)</b>
<i>Attributable to:</i>			
Non-controlling interests	15	-	15
Shareholders of parent company	(13,380)	(8,471)	(4,909)

#### Notes:

- (1) This financial information for RBS Holdings N.V. has been extracted from audited financial information contained within the Annual Report and Accounts of RBS Holdings N.V. published on 29 March 2011.
- (2) This represents the income and expenses relating to the Proposed Transfers for the years ended 31 December 2010, 2009 and 2008. See "Notes to the pro forma financial information relating to RBS Holdings N.V." for further information.
- (3) This represents the income and expenses for the years ended 31 December 2010, 2009 and 2008 assuming the Proposed Transfers had occurred on 1 January of the respective years.

## Appendix

### Notes to the pro forma financial information relating to RBS Holdings N.V.

#### 1 Basis of preparation

The pro forma financial information for RBS Holdings N.V. as at 31 December 2010, and for the years ended 31 December 2010, 31 December 2009 and 31 December 2008 respectively, has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB and adopted by the European Union. The financial information has been extracted from audited financial information for the year ended 31 December 2010 contained within the Annual Report and Accounts of RBS Holdings N.V. published on 29 March 2011 and does not reflect subsequent events.

The pro forma financial information has been prepared on the following basis:

- The pro forma financial information has been prepared on the basis of management's best estimate of the relevant third party assets and liabilities of RBS N.V. that will be transferred to RBS plc.
- The pro forma condensed consolidated statement of financial position of RBS Holdings N.V. as at 31 December 2010 is presented to show the effect of the Proposed Transfers as if the Proposed Transfers had occurred on 31 December 2010.
- The pro forma condensed consolidated income statements of RBS Holdings N.V. for the years ended 31 December 2010, 2009 and 2008 respectively, are presented to show the effect of the Proposed Transfers as if the Proposed Transfers had occurred on 1 January of the respective years.
- Assets and liabilities to be transferred are presented based on their carrying values determined under IFRS. The allocation of equity was assessed on a global basis to reflect the expected level of capital support required by the transferring and retained businesses. Pre-existing intra-group funding was treated as settled upon transfer with new funding allocated as needed to reflect the financing needs of the transferring and retained businesses. Certain modifications were applied where, in the opinion of management, material non-recurring profit and loss items could be allocated more reliably on an individual basis.
- The Proposed Transfers are subject, amongst other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures, any of which may significantly change the pro forma information from that presented.

The same accounting policies were followed in the pro forma financial information as were applied in the preparation of RBS Holdings N.V. financial statements for the year ended 31 December 2010.



## Appendix

### Notes to the pro forma financial information relating to RBS Holdings N.V.

#### **2 Businesses to be transferred as part of the Proposed Transfers**

RBS N.V.'s businesses include the following product areas: Equities & Structured Retail Products, Emerging Markets, Lending, Global Transaction Services (GTS), and Short Term Markets & Financing (STMF). The Proposed Transfers comprise a number of subsidiary companies and specific product portfolios together with associated hedging. RBS N.V. also currently holds directly and indirectly certain other assets which are owned by RBSG jointly with the Dutch State and Santander (the "Consortium Shared Assets"); these are part of the retained businesses.

It is expected that the Proposed Transfers will be implemented on a phased basis over a period ending 31 December 2013. A large part of the Proposed Transfers (including the transfers of certain securities issued by RBS N.V.) is expected to have taken place by the end of 2012. This will be subject, amongst other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures.

It is not certain whether such transfers (or any of them) will be effected at the value used for the pro forma financial information. No person should place any reliance on the pro forma financial information in connection with making an investment decision or for any other purpose and should be aware that changes to the current proposals (including, without limitation, to the assets and liabilities to be transferred or retained, the eventual manner in which such assets and liabilities are proposed to be transferred and to the timing pursuant to which they are proposed to be transferred) may be made if required, or if determined by RBS N.V. or RBS plc (in their absolute discretion) to be desirable for commercial or other reasons. Accordingly, nothing in this pro forma financial information should be taken as (or is) a representation that any of the assets and liabilities referred to will be transferred or retained, whether in a manner consistent with the figures contained in this pro forma financial information, in accordance with the timing set out above, or at all. For the avoidance of doubt, this pro forma financial information has been prepared and circulated solely for information purposes and does not constitute an offer to any person.

#### **3 Overview of RBS Holdings N.V. after the Proposed Transfers**

For legal, tax and other reasons, there are expected to be certain operations, assets and liabilities in RBS N.V. which will not be transferred to RBS plc. RBSG is committed to providing the necessary support to ensure that RBS N.V. continues to meet its commitments during and after the Proposed Transfers. Following completion of the Proposed Transfers, RBS N.V. will continue to be authorised and regulated by DNB.

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**ANNEX 2: UNAUDITED INTERIM FINANCIAL REPORT 2011 OF THE ISSUER**

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# **The Royal Bank of Scotland N.V.**

**Abbreviated Interim Financial Report for the half year ended  
30 June 2011**

**Amsterdam, 31 August 2011**

**The Royal Bank of Scotland N.V.**  
**Abbreviated interim financial report for the half year ended 30 June 2011**

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## **Management's report on the abbreviated interim financial statements**

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The Managing Board confirms that, to the best of its knowledge the abbreviated interim financial statements give a true and fair view, in all material respects, of the assets, liabilities, financial position and profit and loss of The Royal Bank of Scotland N.V. and, the appendix to the Abbreviated Interim Financial Report for the half year ended 30 June 2011, gives a true and fair view, in all material respects, of its state of affairs during the first half 2011 and describes the material risks that The Royal Bank of Scotland N.V. is facing.

Amsterdam,  
31 August 2011

Jan de Ruiter  
Chairman of the Managing Board

Pieter van der Harst  
Chief Financial Officer

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## Abbreviated interim financial statements

## Basis of presentation

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On the basis of article 403 of part 9 of Book 2 of the Netherlands Civil Code, The Royal Bank of Scotland N.V. ('RBS N.V.') is not required to publish annual financial statements. Only abbreviated financial statements need to be drawn up and approved by the company directors. The shareholder of RBS N.V. has agreed to this in a declaration of consent, dated 15 April 2011 and filed with the Chamber of Commerce in Amsterdam.

Furthermore a statement of liability by the parent company (RBS Holdings N.V.) is filed with the Chamber of Commerce in Amsterdam. In accordance with the AFM Transparency Directive, which is effective as of 1 January 2009, the interim financial statements of an Issuer which is not required to prepare and file consolidated financial statements, should include in the abbreviated balance sheet and in the abbreviated income statement the same items as were included in the latest published financial statements. The assets and liabilities and the income statement of RBS N.V. are fully consolidated in the interim condensed consolidated financial statements for the half year ended 30 June 2011 of RBS Holdings N.V., dated 30 August 2011.

The income statement and statement of financial position as presented on pages 6 and 7 of this report are derived from the presentation of the RBS N.V. income statement and statement of financial position on pages 65 up to and including 68 of the RBS Holdings N.V. Interim Financial Results for the half year ended 30 June 2011, dated 30 August 2011, which is included as an appendix to this report.

Both the abbreviated interim financial statements of RBS N.V. and the interim condensed consolidated financial statements of RBS Holdings N.V. for the half year ended 30 June 2011 are unaudited.

The condensed consolidated interim financial statements of RBS Holdings N.V. for the half year ended 30 June 2011 are presented in accordance with International Accounting Standard 34 Interim Financial Reporting. The condensed consolidated interim financial statements for the half year ended 30 June 2011 of RBS Holdings N.V. do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the RBS Holdings N.V.'s audited Annual Report and Accounts as at 31 December 2010, which was prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and adopted by the European Union ('EU').

**RBS N.V.**  
**Company income statement**  
**for the half year ended 30 June 2011 (unaudited)**

	<b>First half 2011</b>	First half 2010
Net interest income	254	450
Results from consolidated subsidiaries	130	(225)
Non-interest income	268	862
<b>Total Income</b>	<b>652</b>	1,087
Operating expenses	(1,104)	(1,469)
Impairment losses	(1,090)	(90)
<b>Operating loss before tax</b>	<b>(1,542)</b>	(472)
Tax credit/(charge)	86	(74)
Profit from discontinued operations	22	(17)
<b>Loss for the reporting period</b>	<b>(1,434)</b>	(563)
Non-controlling interests	-	-
<b>Loss attributable to controlling interests</b>	<b>(1,434)</b>	(563)



**RBS N.V.**  
**Company balance sheet**  
**at 30 June 2011 (unaudited)**

	<b>30 June 2011 €m</b>	31 December 2010 €m
<b>Assets</b>		
Cash and balances at central banks	12,973	7,321
Loans and advances to banks	46,040	35,113
Loans and advances to customers	31,858	44,844
Debt securities	50,972	53,048
Equity shares	2,150	21,805
Settlement balances	877	3,389
Derivatives	13,165	27,582
Intangible assets	82	95
Property, plant and equipment	69	80
Deferred taxation	1,426	5,163
Prepayments, accrued income and other assets	11,156	9,250
Assets of disposal groups	57,159	1,966
<b>Total assets</b>	<b>227,927</b>	<b>209,656</b>
<b>Liabilities and equity</b>		
Deposits by banks	62,493	42,554
Customer accounts	35,079	62,986
Debt securities in issue	26,211	49,778
Settlement balances and short positions	2,213	4,982
Derivatives	16,511	34,743
Accruals, deferred income and other liabilities	3,020	3,275
Retirement benefit liabilities	71	73
Deferred taxation	45	47
Subordinated liabilities	4,350	4,661
Liabilities of disposal groups	73,823	1,602
Controlling interests	4,111	4,955
Non-controlling interests	-	-
<b>Total liabilities and equity</b>	<b>227,927</b>	<b>209,656</b>

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**ANNEX 3: FINANCIAL STATEMENTS 2010 OF THE ISSUER**

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# The Royal Bank of Scotland N.V.

## Abbreviated Financial Statements 2010

Amsterdam, 28 April 2011  
KVK number: 33002587

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2	Management's report on the abbreviated financial statements
3	Basis of presentation
3	Corporate governance
4	Company income statements
5	Company balance sheets
6	Independent auditor's report

## Management's report on the abbreviated financial statements

The Managing Board certifies that, to the best of their knowledge, the abbreviated financial statements give a true and fair view, in all material respects, of the assets, liabilities, financial position and profit and loss of The Royal Bank of Scotland N.V. ('RBS N.V.') as at 31 December 2010 and for the year then ended.

Amsterdam, 28 April 2011

Jan de Ruiter  
Chairman of the Managing Board

Pieter van der Harst  
Chief Financial Officer

## Company information

### Basis of presentation

On the basis of article 403 of Part 9 of Book 2 of the Netherlands Civil Code, The Royal Bank of Scotland N.V. ('RBS N.V.') is not required to publish annual financial statements. Only abbreviated financial statements need to be drawn up and approved by the company directors. The shareholder of RBS N.V. has agreed to this in a declaration of consent, dated 15 April 2011 and filed with the Chamber of Commerce in Amsterdam. Furthermore a statement of liability by the parent company (RBS Holdings N.V.) is 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 2010 consolidated financial statements of RBS Holdings N.V., which are included in the Annual Report and Accounts 2010 dated 28 March 2011.

In the abbreviated financial statements, the terms 'company' and 'RBS N.V.' mean The Royal Bank of Scotland N.V. The term 'Group' refers to RBS Holdings and its consolidated subsidiaries. The term 'RBS Group' refers to The Royal Bank of Scotland Group plc whose shareholding in RFS Holdings B.V. ('RFS Holdings') was increased to 97.7% as at 31 December 2010. The abbreviation '€m' represents millions of euros.

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

Following the legal separation, RBS Holdings N.V. has one direct subsidiary, RBS N.V., a fully operational bank within the RBS Group. RBS N.V. is independently rated and regulated by the Dutch Central Bank. As announced on 1 April 2010, RBS N.V. has appointed new Supervisory and Managing Boards. As a result of legal separation RBS N.V. 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 RBS Group and therefore the presentation of the abbreviated financial statements has been aligned with that of RBS Group, the ultimate parent company. Further details of the reclassifications are provided in the 2010 consolidated financial statements of RBS Holdings N.V. included in the Annual Report and Accounts 2010 on page 102. The changes do not affect the Group's accounting policies, results, total assets or total liabilities. The presentation of comparatives has been aligned accordingly.

The income statement and balance sheet as presented on the next two pages are derived from the presentation of the RBS N.V. income statement and balance sheet on page 189 to 192 of the RBS Holdings N.V.'s Annual Report and Accounts 2010, dated 28 March 2011.

An unqualified auditor's report was provided on the 2010 consolidated financial statements of RBS Holdings N.V. included in the Annual Report and Accounts 2010 on page 199 to 200.

The consolidated financial statements of RBS Holdings N.V. for the year ended 31 December 2010 are prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU') and IFRS as issued by the International Accounting Standards Board ('IASB') which vary in certain significant respects from accounting principles generally accepted in the United States ('US'), or 'US GAAP'.

In preparing the enclosed financial information in respect of RBS N.V., the same accounting principles and methods of computation are applied as in the consolidated financial statements at 31 December 2010 and for the year then ended of RBS Holdings N.V. We refer to page 102 to 112 of the RBS Holdings N.V. Annual Report and Accounts 2010 for the description of the company's accounting policies.

### Corporate Governance

The Dutch Corporate Governance Code ('Code Frijns') is formally applicable to the company. For all the relevant information, we kindly refer you to the Annual Report and Accounts 2010 of RBS Holdings N.V.

### Subsequent events

RBS Holdings N.V. announced on 19 April 2011 the proposed transfers of a substantial part of the business activities of RBS N.V. to The Royal Bank of Scotland plc. For further details on this announcement please visit <http://www.investors.rbs.com>.

Company income statements  
for the year ended 31 December 2010

	2010	2009*
	€m	€m
Net interest income	833	1,518
Results from consolidated subsidiaries	(100)	(130)
Non-interest income/(loss)	2,374	(1,050)
Total income	3,107	338
Operating expenses	2,620	3,819
Impairment losses/ (reversals)	(115)	1,500
Operating profit/(loss) before tax	602	(4,981)
Tax (charge)/credit	(282)	581
Profit/(loss) from continuing operations	320	(4,400)
Loss from discontinued operations, net of tax	(122)	(114)
Profit/(loss) for the year	198	(4,514)

\*Comparatives for 2009 have been re-presented for the classification of the Dutch State acquired businesses as discontinued operations

Company balance sheets  
as at 31 December 2010

	2010 €m	2009 €m
<b>Assets</b>		
Cash and balances at central banks	7,321	27,026
Loans and advances to banks	35,113	132,813
Loans and advances to customers	44,844	145,374
Debt securities	53,048	117,711
Equity shares	21,805	15,305
Settlement balances	3,389	10,442
Derivatives	27,582	53,419
Intangible assets	95	300
Property, plant and equipment	80	1,187
Deferred tax	5,163	4,980
Prepayments, accrued income and other assets	9,250	12,302
Assets of disposal groups	1,966	3,766
<b>Total assets</b>	<b>209,656</b>	<b>524,625</b>
<b>Liabilities and equity</b>		
Deposits by banks	42,554	143,770
Customer accounts	62,986	198,748
Debt securities in issue	49,778	73,322
Settlement balances and short positions	4,982	11,086
Derivatives	34,743	58,871
Accruals, deferred income and other liabilities	3,275	7,431
Retirement benefit liabilities	73	123
Deferred tax	47	65
Subordinated liabilities	4,661	6,573
Liabilities of disposal groups	1,602	12,321
Shareholders equity attributable to the parent company	4,955	12,315
<b>Total liabilities and equity</b>	<b>209,656</b>	<b>524,625</b>



## Independent auditors' report

**To the Shareholder, Supervisory Board and Managing Board of The Royal Bank of Scotland N.V.**

### **Independent auditor's report**

#### **Report on the abbreviated financial statements of The Royal Bank of Scotland N.V.**

We have audited whether the accompanying abbreviated financial statements of The Royal Bank of Scotland N.V., consisting of the balance sheet as at 31 December 2010 and income statement for the year 2010 of The Royal Bank of Scotland N.V., Amsterdam, the Netherlands as included in this document on pages 4 and 5 are consistent, in all material respects, with the audited consolidated financial statements as included in the Annual Report and Accounts 2010 of RBS Holdings N.V. dated 28 March 2011 from which they have been derived. We expressed an unqualified opinion on these consolidated financial statements.

The abbreviated financial statements do not contain the disclosures required by the International Financial Reporting Standards as endorsed by the European Union that have been applied in the preparation of the audited consolidated financial statements. Therefore the abbreviated financial statements are not a substitute for reading the audited consolidated financial statements.

The abbreviated financial statements are prepared later than the date of the independent auditor's report on the consolidated financial statements of RBS Holdings N.V., dated 28 March 2011. The abbreviated financial statements do not reflect the effects of any events that occurred subsequent to the date of the independent auditor's report on the audited consolidated financial statements of RBS Holdings N.V.

#### **Management responsibility**

Management is responsible for the preparation of the abbreviated financial statements in accordance with the accounting policies as applied in the 2010 consolidated financial statements of RBS Holdings N.V. from which they have been derived.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these abbreviated financial statements. We conducted our audit in accordance with Dutch law and the International Standard on Auditing 810 "Engagements to report on summary financial statements". We planned and performed the audit to obtain reasonable assurance that the abbreviated financial statements have been derived consistently from the consolidated financial statements of RBS Holdings N.V. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, these abbreviated financial statements have been derived consistently, in all material respects, from the audited consolidated financial statements of RBS Holdings N.V.

#### **Emphasis of matter**

Without impacting our opinion above, we emphasise that for a better understanding of the company's financial position and results and the scope of our audit, the abbreviated financial statements of The Royal Bank of Scotland N.V. should be read in conjunction with the unabridged consolidated financial statements of RBS Holdings N.V., from which the abbreviated financial statements of The Royal Bank of Scotland N.V. were derived and our unqualified independent auditor's report thereon dated 28 March 2011.

Deloitte Accountants B.V.

M.B. Hengeveld

Amsterdam, 28 April 2011

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**ANNEX 4: FINANCIAL STATEMENTS 2009 OF THE ISSUER**

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# The Royal Bank of Scotland N.V.

(Previously named ABN AMRO Bank N.V.)

## Abbreviated Financial Statements 2009

Amsterdam, 29 April 2010

KVK number: 33002587

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Basis of Presentation	4
Company Income Statement	5
Company Balance Sheet	6
Auditor's Report	7

## **Management's report on the abbreviated financial statements**

The Managing Board certifies that, to the best of their knowledge that the abbreviated financial statements give a true and fair view, in all material respects, of the assets, liabilities, financial position and profit and loss of The Royal Bank of Scotland N.V. ("RBS N.V.")

Amsterdam, 29 April 2010

Jan de Ruiter  
Chairman of the Managing Board

Petri Hofsté  
Chief Financial Officer

## **Basis of presentation**

On the basis of article 403 of Part 9 of Book 2 of the Netherlands Civil Code, The Royal Bank of Scotland N.V. (RBS N.V.) is not required to publish financial statements. Only abbreviated financial statements need to be drawn up and approved by the company directors. 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. Furthermore a statement of liability by the parent company (RBS Holdings N.V.) is 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 2009 consolidated financial statements of RBS Holdings N.V., which are included in the 2009 Annual Report dated 26 March 2010.

Following the legal demerger of the Dutch State acquired business into the new ABN ARMO Bank N.V. (formerly named ABN AMRO II N.V.) on 6 February 2010, the legal entity ABN AMRO Bank N.V., was renamed The Royal Bank of Scotland N.V.. After the legal separation of ABN AMRO Bank N.V. from ABN AMRO Holding N.V. through a sale of the shares in ABN ARMO Bank N.V. to ABN AMRO Group N.V. a company wholly held by the Dutch State on 1 April 2010, ABN AMRO Holding N.V. was renamed RBS Holdings N.V.

The income statement and balance sheet as presented on the next two pages are derived from the presentation of the ABN AMRO Bank N.V. income statement and balance sheet on page 180 to 181 of the ABN AMRO Holding N.V. 2009 Annual Report, dated 26 March 2010.

An unqualified auditor's report was provided on the 2009 consolidated financial statements of ABN AMRO Holding N.V. included in that Annual Report on page 193 to 194.

The consolidated financial statements of ABN AMRO Holding N.V. for the year ended 31 December 2009 are prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU') and IFRS as issued by the International Accounting Standards Board ('IASB') which vary in certain significant respects from accounting principles generally accepted in the United States ('US'), or 'US GAAP'.

In preparing the enclosed financial information in respect of RBS N.V., the same accounting principles and methods of computation are applied as in the consolidated financial statements at 31 December 2009 and for the year then ended of ABN AMRO Holding N.V. We refer to page 82 to 99 of the ABN AMRO Holding N.V. 2009 Annual Report for the description of the company's accounting policies.

**RBS N.V.****Company income statement for 2009***(in millions of euros)*

	<u>2009</u>	<u>2008</u>
Net interest income	3,283	4,382
Results from consolidated subsidiaries	250	(509)
Net commissions	1,233	1,546
Trading income	1,146	(9,765)
Results from financial transactions	(1,932)	(565)
Other operating income/ (loss)	(168)	170
Total operating income	<u>3,812</u>	<u>(4,741)</u>
Operating expenses	6,509	7,888
Provision loan losses	<u>2,355</u>	<u>3,169</u>
Operating profit/ (loss) before tax	<u>(5,052)</u>	<u>(15,798)</u>
Taxes	(535)	(2,757)
Discontinued operations	<u>3</u>	<u>6,940</u>
Profit/ (loss) for the year	<u>(4,514)</u>	<u>(6,101)</u>

**RBS N.V.****Company balance sheet at 31 December 2009***(in millions of euros)*

	<u>2009</u>	<u>2008</u>
<b><i>Assets</i></b>		
Cash and balances at central banks	27,026	4,184
Financial assets held for trading	74,495	208,132
Financial investments	109,278	94,144
Loans and receivables - banks	142,272	163,197
Loans and receivables - customers	143,613	193,527
Equity accounted investments	8,316	10,097
Property and equipment	1,187	1,319
Goodwill and other intangible assets	300	674
Assets of businesses held for sale	3,766	418
Accrued income and prepaid expenses	4,580	5,499
Tax assets	5,526	4,653
Other assets	4,266	11,498
Total assets	<u>524,625</u>	<u>697,342</u>
<b><i>Liabilities and Equity</i></b>		
Financial liabilities held for trading	60,177	189,886
Due to banks	148,833	154,423
Due to customers	196,237	232,367
Issued debt securities	72,817	74,674
Provisions	1,275	1,113
Liabilities of businesses held for sale	6,573	484
Accrued expenses and deferred income	5,594	6,880
Tax liabilities	157	278
Other liabilities	8,424	8,964
Subordinated liabilities	12,223	11,147
Shareholders equity attributable to the parent company	12,315	17,130
Minority interests	-	(4)
Total liabilities and equity	<u>524,625</u>	<u>697,342</u>



To the Shareholder, Supervisory Board and Managing Board of  
The Royal Bank of Scotland N.V.  
Amsterdam

Date  
29 April 2010

From  
M.B. Hengeveld

Reference

## **Auditor's report**

### **Report on the abbreviated financial statements of The Royal Bank of Scotland N.V.**

We have audited whether the accompanying abbreviated financial statements of The Royal Bank of Scotland N.V., consisting of the balance sheet as at 31 December 2009 and income statement for the year 2009 of The Royal Bank of Scotland N.V., Amsterdam, the Netherlands as included in this document on pages 5 and 6 are consistent, in all material respects, with the audited consolidated financial statements as included in the Annual Report of ABN AMRO Holding N.V. dated 26 March 2010 from which they have been derived. We expressed an unqualified opinion on these financial statements.

The abbreviated financial statements do not contain all the disclosures required by International Financial Reporting Standards as endorsed by the European Union. Reading the abbreviated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of ABN AMRO Holding N.V.

The abbreviated financial statements are prepared later than the date of the auditor's report on the consolidated financial statements of ABN AMRO Holding N.V., dated 26 March 2010. The abbreviated financial statements do not reflect the effects of events that occurred subsequent to the date of the auditor's report on the audited consolidated financial statements of ABN AMRO Holding N.V.

### **Management responsibility**

Management is responsible for the preparation of the abbreviated financial statements in accordance with the accounting policies as applied in the 2009 consolidated financial statements of ABN AMRO Holding N.V.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these abbreviated financial statements. We conducted our audit in accordance with Dutch law and the International Standard on Auditing 810 "Engagements to report on summary financial statements". We planned and performed the audit to obtain reasonable assurance that the abbreviated financial statements have been derived consistently from the consolidated financial statements of ABN AMRO Holding N.V. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, these abbreviated financial statements have been derived consistently, in all material respects, from the audited consolidated financial statements of ABN AMRO Holding N.V.

**Emphasis of matter**

Without impacting our opinion above, we emphasise that for a better understanding of the company's financial position and results and the scope of our audit, the abbreviated financial statements of The Royal Bank of Scotland N.V. should be read in conjunction with the unabridged consolidated financial statements of ABN AMRO Holding N.V., from which the abbreviated financial statements of The Royal Bank of Scotland N.V. were derived and our unqualified auditors' report thereon dated 26 March 2010.

Deloitte Accountants B.V.

Signed by M.B. Hengeveld  
Amsterdam, 29 April 2010

6. In the Bonus Discount Base Prospectus 2009 and the ETN Fixed Maturity Base Prospectus 2010, in the section "**GENERAL INFORMATION**" the paragraph with the heading "**Available Documents**" shall be replaced as follows:

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of the following documents will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com, and from the office of each Paying Agent as specified in the Final Terms. In addition, copies of the documents set forth hereinafter under (a) and (e)-(f) will be available via the Issuer's website as specified in the Final Terms:

- (a) the Registration Document;
- (b) the Unaudited Interim Financial Report 2011 of the Issuer;
- (c) the Financial Statements 2010 of the Issuer;
- (d) the Financial Statements 2009 of the Issuer;
- (e) this Base Prospectus and any Supplements; and
- (f) any Final Terms, provided, however, that any Final Terms relating to Securities that are neither admitted to trading in a regulated market within the European Economic Area nor offered within the European Economic Area in circumstances requiring publication of a prospectus under the Prospectus Directive will be made available exclusively to Securityholders who have submitted proof to the Issuer or the Principal Paying Agent, which proof must be satisfactory for the Issuer or the Principal Paying Agent, as the case may be, of their Securities holdings and their identity.

A copy of the Guarantee (declaration pursuant to Article 403 of the Netherlands Civil Code) may be obtained from the commercial register kept with the chamber of commerce of Amsterdam, De Ruyterkade 5, P.O. Box 2852, 1000 CW Amsterdam, the Netherlands.

**Investors are recommended to read all available documents prior to a purchase of the Securities.**

7. In the Bonus Discount Base Prospectus 2010, in the section "**GENERAL INFORMATION**" the paragraph with the heading "**Available Documents**" shall be replaced as follows:

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of the following documents will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com, and from the office of each

Paying Agent as specified in the Final Terms. In addition, copies of the documents set forth hereinafter under (a) and (e)-(g) will be available via the Issuer's website as specified in the Final Terms:

- (a) the Registration Document;
- (b) the Unaudited Interim Financial Report 2011 of the Issuer;
- (c) the Financial Statements 2010 of the Issuer;
- (d) the Financial Statements 2009 of the Issuer;
- (e) the Base Prospectus 2009 and any supplements thereto;
- (f) this Base Prospectus and any Supplements; and
- (g) any Final Terms, provided, however, that any Final Terms relating to Securities that are neither admitted to trading in an regulated market within the European Economic Area nor offered within the European Economic Area in circumstances requiring publication of a prospectus under the Prospectus Directive will be made available exclusively to Securityholders who have submitted proof to the Issuer or the Principal Paying Agent, which proof must be satisfactory for the Issuer or the Principal Paying Agent, as the case may be, of their Securities holdings and their identity.

A copy of the Guarantee (declaration pursuant to Article 403 of the Netherlands Civil Code) may be obtained from the commercial register kept with the chamber of commerce of Amsterdam, De Ruyterkade 5, P.O. Box 2852, 1000 CW Amsterdam, the Netherlands.

**Investors are recommended to read all available documents prior to a purchase of the Securities.**

8. In the Bonus Discount Base Prospectus 2011, in the section "**GENERAL INFORMATION**" the paragraph with the heading "**Available Documents**" shall be replaced as follows:

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of the following documents will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com, and from the office of each Paying Agent as specified in the Final Terms. In addition, copies of the documents set forth hereinafter under (a) and (e)-(h) will be available via the Issuer's website as specified in the Final Terms:

- (a) the Registration Document;
- (b) the Unaudited Interim Financial Report 2011 of the Issuer;
- (c) the Financial Statements 2010 of the Issuer;

- (d) the Financial Statements 2009 of the Issuer;
- (e) the Base Prospectus 2009 and any supplements thereto;
- (f) the Base Prospectus 2010 and any supplements thereto;
- (g) this Base Prospectus and any Supplements; and
- (h) any Final Terms, provided, however, that any Final Terms relating to Securities that are neither admitted to trading in an regulated market within the European Economic Area nor offered within the European Economic Area in circumstances requiring publication of a prospectus under the Prospectus Directive will be made available exclusively to Securityholders who have submitted proof to the Issuer or the Principal Paying Agent, which proof must be satisfactory for the Issuer or the Principal Paying Agent, as the case may be, of their Securities holdings and their identity.

A copy of the Guarantee (declaration pursuant to Article 403 of the Netherlands Civil Code) may be obtained from the commercial register kept with the chamber of commerce of Amsterdam, De Ruyterkade 5, P.O. Box 2852, 1000 CW Amsterdam, the Netherlands.

**Investors are recommended to read all available documents prior to a purchase of the Securities.**

9. In the Bonus Discount Base Prospectus 2009, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" set forth hereinafter shall be inserted after the section "**GENERAL INFORMATION**" and in the ETN Fixed Maturity Base Prospectus 2010, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced as follows:

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#### **DOCUMENTS INCORPORATED BY REFERENCE**

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The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the Registration Document dated 31 August 2011 (excluding any references in the Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the Registration Document (i) the last sentence in the second paragraph of the section headed "Risk Factors" and (ii) the last sentence of the paragraph headed "The Group is reliant on the RBSG Group", and excluding items (d) to (h) in the section headed "Documents Incorporated by Reference" on pages 43 to 45 of the Registration Document);
- (b) the Articles of Association;
- (c) the Unaudited Interim Results 2011;

- (d) the Annual Report 2010 (excluding the section headed "Business Review - Risk Factors" on page 9 and the section headed "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010); and
- (e) the Annual Report 2009.

The documents referred to in (a)-(e) were filed with the AFM.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(e) will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: investor.relations@rbs.com.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

10. In the Bonus Discount Base Prospectus 2010, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced as follows:

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#### **DOCUMENTS INCORPORATED BY REFERENCE**

---

The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the Registration Document dated 31 August 2011 (excluding any references in the Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the Registration Document (i) the last sentence in the second paragraph of the section headed "Risk Factors" and (ii) the last sentence of the paragraph headed "The Group is reliant on the RBSG Group", and excluding items (d) to (h) in the section headed "Documents Incorporated by Reference" on pages 43 to 45 of the Registration Document);
- (b) the Articles of Association;
- (c) the Unaudited Interim Results 2011;
- (d) the Annual Report 2010 (excluding the section headed "Business Review - Risk Factors" on page 9 and the section headed "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010);
- (e) the Annual Report 2009; and

(f) the Conditions 2009.

The documents referred to in (a)-(e) were filed with the AFM. The document referred to in (f) was filed with the BaFin.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(f) will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: investor.relations@rbs.com.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

11. In the Bonus Discount Base Prospectus 2011, the section "**DOCUMENTS INCORPORATED BY REFERENCE**" shall be replaced as follows:

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#### **DOCUMENTS INCORPORATED BY REFERENCE**

---

The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the Registration Document dated 31 August 2011 (excluding any references in the Registration Document to the "RBSG Risk Factors" and the "RBSG Registration Document" and in particular excluding on page 3 of the Registration Document (i) the last sentence in the second paragraph of the section headed "Risk Factors" and (ii) the last sentence of the paragraph headed "The Group is reliant on the RBSG Group", and excluding items (d) to (h) in the section headed "Documents Incorporated by Reference" on pages 43 to 45 of the Registration Document);
- (b) the Articles of Association;
- (c) the Unaudited Interim Results 2011;
- (d) the Annual Report 2010 (excluding the section headed "Business Review - Risk Factors" on page 9 and the section headed "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010);
- (e) the Annual Report 2009;
- (f) the Conditions 2009; and
- (g) the Conditions 2010.

The documents referred to in (a)-(e) were filed with the AFM. The documents referred to in (f)-(g) were filed with the BaFin.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(g) will be available free of charge upon request from The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com).

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

12. Any Annexes inserted previously in any of the Base Prospectuses shall be deleted.



London, 1 December 2011

**The Royal Bank of Scotland N.V.,  
London Branch**

By:

Signature

JÖRN PEGLOW  
Authorised Signatory

20 APRIL 2011

**The Royal Bank of Scotland N.V.**  
(incorporated in The Netherlands with its statutory seat in Amsterdam)

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FIFTH SUPPLEMENT  
IN ACCORDANCE WITH  
SECTION 16(1) OF THE GERMAN SECURITIES PROSPECTUS ACT  
(*WERTPAPIERPROSPEKTGESETZ*; "**WpPG**")  
TO THE  
BASE PROSPECTUS DATED 20 MAY 2010  
(THE "**BASE PROSPECTUS**")  
RELATING TO  
**EXCHANGE TRADED NOTES AND EXCHANGE TRADED COMMODITIES**  
**WITH A FIXED MATURITY**  
(THE "**SECURITIES**")

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If, before this Supplement is published, investors have already agreed to purchase or subscribe for Securities issued under the Final Terms to the Base Prospectus, such investors shall have the right to withdraw their declaration of purchase or subscription in accordance with Section 16(3) WpPG within a period of two working days from the date of publication of this Supplement, unless such purchase or subscription has already been completed.

The withdrawal (for which no reasons need to be given) must be declared by written notice to that entity to which the relevant investor addressed the declaration of purchase or subscription or to The Royal Bank of Scotland N.V., London Branch, GBM, Legal

**Department/German Equities, 250 Bishopsgate, London EC2M 4AA, United Kingdom. Timely dispatch of notice is sufficient to comply with the notice period.**

During the validity of the Base Prospectus and as long as any Securities issued in connection with the Base Prospectus are listed on any stock exchange or offered to the public, copies of this Supplement and of the Base Prospectus, as supplemented, will be available free of charge upon request from the Issuer (The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email [investor.relations@rbs.com](mailto:investor.relations@rbs.com)) and via the Issuer's website [www.rbs.de/markets](http://www.rbs.de/markets) for investors in Germany, [www.rbsbank.at/markets](http://www.rbsbank.at/markets) for investors in Austria and [www.rbs.com/markets](http://www.rbs.com/markets) for all other investors (or any successor website). If parts of the Base Prospectus amended by this Supplement appear in the Final Terms published by the date of this Supplement, these Final Terms shall also be deemed to be amended by this Supplement.

This supplement to the Base Prospectus is published because RBS Holdings N.V. and The Royal Bank of Scotland N.V. published the first supplement dated 19 April 2011 to the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 5 April 2011.

1. On the cover page of the Base Prospectus, the second paragraph shall be replaced by the following paragraph:

This Base Prospectus must be read in connection with the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 5 April 2011 as supplemented by the first supplement to this registration document dated 19 April 2011 (the "**Registration Document**") which was approved by the competent authority in the Netherlands (*Autoriteit Financiële Markten*) (the "**AFM**") and which is incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG, as well as in connection with any supplements to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG (the "**Supplements**").

2. On page 4 *et seq.* of the Base Prospectus, the heading of the section "**SUMMARY**" including the first paragraph of this section shall be replaced as follows:

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## SUMMARY

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*This summary should be read as an introduction to this Base Prospectus (the "Base Prospectus") and any decision to invest in any Securities issued by The Royal Bank of Scotland N.V. should be based on consideration by the investor of this Base Prospectus as a whole, including the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 5 April 2011 as well as the first supplement to this registration document dated 19 April 2011 (together the "Registration Document") which was approved by the competent authority in the Netherlands (Autoriteit Financiële Markten) (the "AFM") and which is incorporated into this Base Prospectus by reference, any supplements to this Base Prospectus approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), and the so-called final terms (the "Final Terms"). Liability attaches to The Royal Bank of Scotland N.V. with respect to this summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the EEA (an "EEA State"), the plaintiff investor may, under the national legislation of the EEA States, have to bear the costs of translating this Base Prospectus before the legal proceedings are initiated.*

3. In the section "**SUMMARY**" of the Base Prospectus, the following paragraph with the heading "**Proposed Transfer of Activities**" shall be inserted before the paragraph with the heading "**Summary Consolidated Financial Information relating to RBS Holdings**":

**Proposed Transfer of Activities:**

On 19 April 2011, RBS N.V. announced that it had approved the proposed transfers of a substantial part of its business activities to RBS, subject to certain conditions (the "**Proposed Transfers**"). It is expected that the Proposed Transfers will be implemented on a phased basis over a period ending on 31 December 2013. A large part of the Proposed Transfers (including of certain debt securities issued by RBS N.V.) is expected to have taken place by the end of 2012. The Proposed Transfers include a proposal to change the issuer of a number of securities issued by RBS N.V. which will include some or all of the securities issued by RBS N.V. between 19 April 2011 and the date that the Proposed Transfers take effect.

4. In the section "**SUMMARY**" of the Base Prospectus, under the paragraph with the heading "**Risk Factors relating to the Issuer and the Guarantor**" the following sentence shall be deleted:

"An extensive restructuring and balance sheet reduction programme of the RBSG Group is ongoing and may adversely affect the Group's business, results of operations, financial condition, capital ratios and liquidity."

and replaced as follows:

"An extensive restructuring and balance sheet reduction programme of the RBSG Group is ongoing. In particular, on 19 April 2011, the boards of RBSG, RBS, RBS Holdings and RBS N.V. approved the proposed transfers of a substantial part of the business activities of RBS N.V. to RBS. Such restructuring and balance sheet reduction programme may adversely affect the Group's business, results of operations, financial condition, capital ratios and liquidity and may also negatively impact the value of securities issued by RBS N.V."

5. On page 28 *et seq.* of the Base Prospectus, the heading of the section "**ZUSAMMENFASSUNG (GERMAN LANGUAGE VERSION OF THE SUMMARY)**" including the first paragraph of this section shall be replaced as follows:

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**ZUSAMMENFASSUNG**  
**(GERMAN LANGUAGE VERSION OF THE SUMMARY)**

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*Diese Zusammenfassung sollte als Einführung zum vorliegenden Basisprospekt (der "Basisprospekt") verstanden werden. Eine Entscheidung zur Anlage in von der The Royal Bank of Scotland N.V. begebene Wertpapiere durch den Anleger sollte auf die Prüfung des gesamten Basisprospekts, einschließlich des Registrierungsformulars der RBS Holdings N.V. und der The Royal Bank of Scotland N.V. vom 5. April 2011 sowie des ersten Nachtrags zu diesem Registrierungsformular vom 19. April 2011 (zusammen das "Registrierungsformular"), das von der zuständigen niederländischen Finanzmarktbehörde (Autoriteit Financiële Markten) (die "AFM") gebilligt wurde und das per Verweis in diesen Basisprospekt einbezogen wird, etwaiger von der Bundesanstalt für Finanzdienstleistungsaufsicht gebilligter Nachträge zu diesem Basisprospekt und der so genannten endgültigen Bedingungen (die "Endgültigen Bedingungen") gestützt werden. Die The Royal Bank of Scotland N.V. kann in Bezug auf diese Zusammenfassung einschließlich Übersetzungen davon haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen dieses Basisprospekts gelesen wird. Für den Fall, dass vor einem Gericht in einem Mitgliedstaat des EWR (ein "EWR-Staat") Ansprüche aufgrund der in diesem Basisprospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der EWR-Staaten die Kosten für die Übersetzung des Basisprospekts vor Prozessbeginn zu tragen haben.*

6. In the section "**ZUSAMMENFASSUNG (GERMAN LANGUAGE VERSION OF THE SUMMARY)**" of the Base Prospectus, the following heading shall be deleted:

**"Organisationsstruktur:"**

and replaced as follows:

**"Organisationsstruktur der Gruppe:"**

7. In the section "**ZUSAMMENFASSUNG (GERMAN LANGUAGE VERSION OF THE SUMMARY)**" of the Base Prospectus, the following paragraph with the heading "**Geplante Übertragungen von Aktivitäten**"

shall be inserted before the paragraph with the heading "**Zusammenfassung der konsolidierten Finanzinformationen der RBS Holdings**":

**Geplante Übertragung von  
Aktivitäten:**

Am 19. April 2011 hat die RBS N.V. mitgeteilt, dass sie, vorbehaltlich bestimmter Bedingungen, einer geplanten Übertragung eines wesentlichen Teils ihrer Geschäftsaktivitäten auf die RBS zugestimmt hat (die "**Geplanten Übertragungen**"). Es wird erwartet, dass die Geplanten Übertragungen in mehreren Stufen bis zum 31. Dezember 2013 durchgeführt werden. Ein großer Teil der Geplanten Übertragungen (einschließlich der Übertragung bestimmter, von der RBS N.V. ausgegebener Wertpapiere) soll den Planungen zufolge bis Ende 2012 erfolgt sein. Die Geplanten Übertragungen beinhalten eine Ersetzung der Emittentin für eine Vielzahl der von der RBS N.V. begebenen Wertpapiere. Dies wird auch für einen Teil oder alle der von der RBS N.V. zwischen dem 19. April 2011 und dem Zeitpunkt des Wirksamwerdens der Geplanten Übertragungen begebenen Wertpapiere gelten.

8. In the section "**ZUSAMMENFASSUNG (GERMAN LANGUAGE VERSION OF THE SUMMARY)**" of the Base Prospectus, under the paragraph with the heading "**Risikofaktoren in Bezug auf die Emittentin und die Garantin**" the following sentence shall be deleted:

"Ein umfangreiches Programm der RBSG-Gruppe zur Restrukturierung und Verkürzung der Bilanz dauert an und kann den Geschäftsbetrieb der Gruppe, die Betriebsergebnisse, die Finanzlage, die Eigenkapitalquoten und die Liquidität beeinträchtigen."

and replaced as follows:

"Ein umfangreiches Programm der RBSG-Gruppe zur Restrukturierung und Verkürzung der Bilanz dauert an. Insbesondere haben die Vorstände und Aufsichtsräte der RBSG, RBS, RBS Holdings und RBS N.V. am 19. April 2011 den geplanten Übertragungen eines wesentlichen Teils der Geschäftsaktivitäten von der RBS N.V. auf die RBS zugestimmt. Dieses Programm zur Restrukturierung und Verkürzung der Bilanz kann den Geschäftsbetrieb der Gruppe, die Betriebsergebnisse, die Finanzlage, die Eigenkapitalquoten und die Liquidität beeinträchtigen sowie den Wert von Wertpapieren nachteilig beeinflussen, die von der RBS N.V. begeben wurden."

9. On page 57 of the Base Prospectus, the second paragraph of the section "**RISK FACTORS**" shall be replaced by the following paragraph:

*Potential purchasers of the Securities should be aware of the risks associated with an investment in the Securities before making an investment decision. Hence, potential purchasers of the Securities should also read the rest of the information set out in this Base Prospectus, the registration document of RBS Holdings N.V. (the "Guarantor") and The Royal Bank of Scotland N.V. (the "Issuer") dated 5 April 2011 and the first supplement to this registration document dated 19 April 2011 (together the "Registration Document") as well as in any supplements to this Base Prospectus approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) and in the so-called final terms (the "Final Terms") prior to making any investment decision. To be able to make their own assessments prior to making any investment decision, potential purchasers of the Securities should consult their own stockbroker, banker, lawyer, accountant or other legal, tax or financial advisers and carefully review the risks entailed in an investment in the Securities and consider such an investment decision in the light of their personal circumstances.*

10. On page 77 *et seq.* of the Base Prospectus, in the section "**INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE GUARANTEE**", the paragraph with the heading "**Registration Document**" (including all paragraphs under such heading) shall be replaced by the following heading and paragraphs:

### **Registration Document**

The required information about The Royal Bank of Scotland N.V. acting either through its principal office in The Netherlands or through its London branch or any other branch, as specified in the Final Terms, as issuer of the Securities (the "**Issuer**") and RBS Holdings N.V. as guarantor (the "**Guarantor**") for all liabilities of the Issuer incurred in connection with legal acts performed by the Issuer after 15 June 1998 (the "**Guarantee**") as well as the Guarantee is contained in the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 5 April 2011 and in the first supplement to this registration document dated 19 April 2011 (together the "**Registration Document**") which was approved by the competent authority in the Netherlands (*Autoriteit Financiële Markten*) (the "**AFM**") and which is incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference").

The Issuer has published a press release dated 19 April 2011 regarding proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc and which is attached as Annex 1 to this Base Prospectus. For the purposes of this Base Prospectus, references in this press release regarding persons not placing any reliance on the information contained in such press release or the Pro forma financial information in connection with making an investment



decision (or for any other purpose) concerning securities or guarantees which are expected to be retained by RBS N.V. shall be deemed to be deleted.

Unless provided otherwise in any supplement to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG, the information contained in the Registration Document is the most recent information available about the Issuer and the Guarantor.

Furthermore, the following documents are incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "Documents Incorporated by Reference"):

- (a) the English language version of the Articles of Association of each of the Guarantor and the Issuer as in force and effect on the date of the Registration Document (the "**Articles of Association**");
- (b) the Annual Report and Accounts 2010 of RBS Holdings N.V. (the "**Annual Report 2010**") (excluding the section headed "Business Review - Risk Factors" on page 9 and the section headed "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010) 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 International Financial Reporting Standards as adopted by the European Union). The audited consolidated annual financial statements of RBS Holdings appear on pages 96 to 193 of the Annual Report 2010 and the auditor's report thereon appears on page 199 of the Annual Report 2010. The Annual Report 2010 has been previously filed with the AFM;
- (c) the Annual Report 2009 of ABN AMRO Holding N.V. (the "**Annual Report 2009**") which includes the publicly available consolidated audited annual financial statements of ABN AMRO Holding N.V. (as RBS Holdings N.V. was then named) for the financial year ended 31 December 2009 (prepared in accordance with International Financial Reporting Standards as adopted by the European Union). The consolidated audited annual financial statements of ABN AMRO Holding N.V. appear on pages 82 to 235 of the Annual Report 2009 and the auditor's report appears on pages 193 to 197 of the Annual Report 2009;
- (d) the Abbreviated Interim Financial Report of The Royal Bank of Scotland N.V. for the half year ended 30 June 2010 published on 31 August 2010 (the "**Interim Financial Report 2010 of the Issuer**") which includes the unaudited abbreviated interim results of the Issuer for the half year ended 30 June 2010;
- (e) the Abbreviated Financial Statements 2009 of The Royal Bank of Scotland N.V. (the "**Financial Statements 2009 of the Issuer**") which include the audited abbreviated annual financial statements of the Issuer for the financial year ended 31 December 2009; and
- (f) the Abbreviated Financial Statements 2008 of ABN AMRO Bank N.V. (the "**Financial Statements 2008 of the Issuer**") which include the audited abbreviated annual financial statements of ABN AMRO Bank N.V. (as the Issuer was then named) for the financial year ended 31 December 2008.

The documents under (a)-(c) are also referred to in the Registration Document.

The information about the Guarantor was obtained in the English language from the Guarantor. It has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by the Guarantor, no facts have been omitted which would render the reproduced information inaccurate or misleading.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

11. The section "**DOCUMENTS INCORPORATED BY REFERENCE**" of the Base Prospectus shall be replaced as follows:

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### **DOCUMENTS INCORPORATED BY REFERENCE**

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The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the Registration Document (including the unaudited pro forma financial information<sup>1</sup> of RBS Holdings as at 19 April 2011 for the year ended 31 December 2010, as set out in Schedule 1 of the first supplement dated 19 April 2011 to the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 5 April 2011);
- (b) the Articles of Association;
- (c) the Annual Report 2010 (excluding the section headed "Business Review - Risk Factors" on page 9 and the section headed "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010);
- (d) the Annual Report 2009;
- (e) the Interim Financial Report 2010 of the Issuer;
- (f) the Financial Statements 2009 of the Issuer; and
- (g) the Financial Statements 2008 of the Issuer.

The documents referred to in (a)-(g) were filed with the AFM and are incorporated by reference in this Base Prospectus (see section "Information about the Issuer, the Guarantor and the Guarantee", heading "Registration Document").

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<sup>1</sup> A report of Deloitte Accountants B.V. in accordance with Commission Regulation (EC) No. 809/2004 relating to the unaudited pro forma financial information is set forth in Schedule 1 of the first supplement dated 19 April 2011 to the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 5 April 2011.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(g) will be available free of charge upon request from the Issuer (The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: [investor.relations@rbs.com](mailto:investor.relations@rbs.com)).

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

## **ANNEX 1**

**19<sup>th</sup> April 2011**

**Proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc**

The Boards of The Royal Bank of Scotland Group plc (RBSG), The Royal Bank of Scotland plc (RBS plc), RBS Holdings N.V. and The Royal Bank of Scotland N.V. (RBS N.V.) have approved the proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc (the "Proposed Transfers"), subject, amongst other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures. This follows a period of extensive dialogue with key regulators and rating agencies. The Proposed Transfers will not include the Consortium Shared Assets referred to below.

The Proposed Transfers will streamline the manner in which the Global Banking & Markets (GBM) and Global Transaction Services (GTS) businesses of RBSG and its subsidiaries and subsidiary undertakings (the "RBS Group") interact with clients with simplified access to the GBM and GTS product suites. They will provide benefits to clients in effecting easier interaction with the RBS Group including management of collateral. Clients will continue to deal, and conduct business, with their local RBS teams as at present. There is no requirement for clients to take any action now and any action required in connection with the Proposed Transfers will be communicated in a timely way with a view to ensuring a smooth transition.

The Proposed Transfers will not result in any change to the current business strategy for any of the transferred RBS N.V. businesses and the way in which the RBS Group commercially operates will remain unchanged.

The Proposed Transfers are consistent with RBS Group's efforts to simplify its structure, thereby reducing risk, cost and complexity. In addition, the Proposed Transfers are expected to result in a simplified management and reporting framework for the RBS Group across the multiple jurisdictions in which RBS plc and RBS N.V. operate.

RBS N.V.'s businesses include the following product areas: Equities & Structured Retail Products, Emerging Markets, Lending, Global Transaction Services (GTS), and Short Term Markets & Financing (STMF). RBS N.V. also currently holds directly and indirectly certain other assets which are owned by RBSG jointly with the Dutch State and Santander (the "Consortium Shared Assets"). As at 31 December 2010, RBS N.V. had consolidated total assets of €200.4bn (£172.8bn), a Core Tier 1 Capital Ratio of 8.7% and a Tier 1 Capital Ratio of 11.0%. As at the same date, RBSG had consolidated total assets of £1.5tn, a Core Tier 1 Capital Ratio of 10.7% and a Tier 1 Capital Ratio of 12.9% and RBS plc, the receiving entity for the Proposed Transfers, had consolidated total assets of £1.3tn, a Core Tier 1 Capital Ratio of 8.4% and a Tier 1 Capital Ratio of 10.1%. The Proposed Transfers are not expected to have any impact on RBSG's capital position.

It is expected that the Proposed Transfers will be implemented on a phased basis over a period ending 31 December 2013. A large part of the Proposed Transfers (including the transfers of certain securities issued by RBS N.V.) is expected to have

taken place by the end of 2012. This will be subject, amongst other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures.

RBS plc and RBS N.V. have discussed the Proposed Transfers in detail with the UK Financial Services Authority and De Nederlandsche Bank (“DNB”) and they will continue to be involved as the Proposed Transfers progress through to completion. Approvals from these and other regulators will be required prior to execution. Where available and practicable, statutory transfer schemes will be used to implement the Proposed Transfers which may require court approval.

Due to legal constraints, securities and related guarantees which are governed by New York, New South Wales, New Zealand and Hong Kong law (including the three series of Trust Preferred Securities issued by RBS N.V. Capital Funding Trusts V, VI and VII) are currently not expected to be transferred to RBS plc pursuant to the statutory transfer schemes which are anticipated to be used to implement the Proposed Transfers. Alternative steps will be considered in relation to such securities and guarantees, where reasonably practicable in RBS’s opinion. In respect of securities and guarantees governed by other laws which have been issued by RBS N.V., further analysis is ongoing to establish whether they will or will not be transferred to RBS plc pursuant to the Proposed Transfers and further announcements will be made in due course. In the meantime, holders of RBS N.V. securities are not required to take any action in connection with the Proposed Transfers. The proposed transfers of securities from RBS N.V. to RBS plc are not, of themselves, expected to change the price that RBS plc, as part of its normal market making activities, may bid for such securities. However, RBS cannot guarantee the price at which such securities may trade. The market prices for such securities may be impacted by a number of factors, including the value of the assets underlying such securities and prevailing market conditions, any of which may affect the value of the securities.

For legal, tax and other reasons, there are expected to be certain operations, assets and other liabilities in RBS N.V. which will not be transferred to RBS plc. RBSG is committed to providing the necessary support to ensure that RBS N.V. continues to meet its commitments during and after the Proposed Transfers. Following completion of the Proposed Transfers, RBS N.V. will continue to be authorised and regulated by DNB.

The RBS Group has held detailed discussions on the Proposed Transfers with the three main rating agencies, Moody’s, Standard & Poor’s and Fitch. The plan for the Proposed Transfers has been designed not to impact the ratings of RBS N.V. or RBS plc. It is anticipated that the agencies will publish their credit opinions following this announcement.

Certain unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V. is set out in the Appendix to this announcement.

**For Further Information Contact:**

RBS Group Investor Relations

RBS Group Media Relations

Emete Hassan, Head of Debt Investor Relations

Michael Strachan, Group Media Centre

+44 207 672 1758

+44 131 523 4414

**Disclaimer**

*No person should place any reliance on the information in this announcement concerning securities/guarantees which are expected to be retained by RBS N.V. in connection with making an investment decision or for any other purpose and should be aware that changes to the current proposals (including, without limitation, to the identity of the securities/guarantees to be retained, the eventual manner in which securities/guarantees are proposed to be transferred and to the timing pursuant to which they are proposed to be transferred) may be made if required, or if determined by RBS N.V. or RBS plc (in their absolute discretion) to be desirable for commercial or other reasons. Accordingly, nothing in this announcement should be taken as (or is) a representation that any of the securities/guarantees of RBS N.V. will be transferred or retained, whether in the manner described in this announcement, in accordance with the timing set out in this announcement, or at all. For the avoidance of doubt, this announcement has been prepared and circulated solely for information purposes and does not constitute an offer to any person. If you are in any doubt as to whether there is any tax or other impact on you as a result of the Proposed Transfers, please discuss such matters with your advisers.*

**Cautionary Statement**

*Certain statements found in this document may constitute “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such “forward-looking statements” reflect management’s current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as “anticipate,” “believe,” “expect,” “estimate,” “forecast,” “intend,” “plan,” “project” and similar expressions which indicate future events and trends may identify “forward-looking statements”. In particular, this document includes forward-looking statements relating, but not limited, to the Proposed Transfers. Such statements are based on current plans, estimates and projections and are subject to various risks, uncertainties and other factors that could cause actual results to differ materially from those projected or implied in the “forward-looking statements”. Certain “forward-looking statements” are based upon current assumptions of future events which may not prove to be accurate. Other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this document include, but are not limited to: the ability to complete restructurings on a timely basis; regulatory or legal changes (including those requiring any restructuring of the operations of RBSG, RBS plc, RBS Holdings N.V. or RBS N.V.) in the United Kingdom, the Netherlands, the United States and other countries in which these entities operate; changes in UK and foreign laws, regulations, accounting standards and taxes, including changes in regulatory capital regulations and liquidity requirements; and the success of RBSG, RBS plc, RBS Holdings N.V. or RBS N.V. in managing the risks involved in the foregoing.*

*Undue reliance should not be placed on “forward-looking statements” as such statements speak only as of the date of this document. Neither RBSG, RBS plc, RBS Holdings N.V. nor RBS N.V. undertake to update any forward-looking statement contained herein to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.*

*The information, statements and opinions contained in this document do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.*

## Appendix

### Unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V.

#### Background

This appendix provides pro forma financial information as at and for the year ended 31 December 2010 for RBS Holdings N.V. The proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc (“the Proposed Transfers”) collectively constitute a significant event and historical financial information on a pro forma basis is provided to give investors a better understanding of what the results of operations and financial position of RBS N.V. might have looked like had the transfers to RBS plc occurred in respect of the unaudited pro forma condensed consolidated Statement of Financial Position as at 31 December 2010 and, in respect of the unaudited pro forma condensed consolidated income statements on 1 January of the respective years. The Proposed Transfers are expected to be implemented on a phased basis over a period ending 31 December 2013.

For the purposes of the pro forma financial information, RBS Holdings N.V. comprises RBS Holdings N.V. and its consolidated subsidiaries.

The pro forma financial information has been prepared for illustrative purposes only on the basis of estimates and assumptions about which assets and liabilities will be transferred. These assumptions are preliminary and subject to ongoing analysis with respect to which specific assets and liabilities will in fact be transferred and which will be retained in RBS N.V. The pro forma information addresses a hypothetical situation and does not represent the actual position or the results of RBS Holdings N.V. nor is it necessarily indicative of the results of operations or financial position that may, or may be expected to, be achieved in the future.

The pro forma financial information includes the following condensed consolidated pro forma information for RBS Holdings N.V. (i) a pro forma condensed consolidated statement of financial position as at 31 December 2010, (ii) a pro forma condensed consolidated income statement for each of the years ended 31 December 2010, 31 December 2009 and 31 December 2008, and (iii) Notes to the pro forma financial information.

As at the date of this announcement, Management of RBS Holdings N.V. is not aware of any matters that could impact the results and financial position as presented in the pro forma financial information.



## Appendix

### Unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V.

#### Unaudited pro forma Condensed Consolidated Statement of Financial Position as at 31 December 2010

	RBS Holdings N.V.(1) €m	Proposed Transfers (2) €m	Pro Forma Total (3)(4) €m
<b>Assets</b>			
Cash and balances at central banks	8,323	8,142	181
Loans and advances to banks	26,705	25,246	1,459
Loans and advances to customers	44,496	37,476	7,020
Debt securities	52,260	23,294	28,966
Equity shares	22,634	21,131	1,503
Settlement balances	3,573	3,399	174
Derivatives	28,272	25,837	2,435
Other assets	14,119	10,481	3,638
<b>Total assets</b>	<b>200,382</b>	<b>155,006</b>	<b>45,376</b>
<b>Liabilities</b>			
Deposits by banks	31,985	10,682	21,303
Customer accounts	54,905	50,258	4,647
Debt securities in issue	53,411	46,042	7,369
Settlement balances and short positions	5,202	4,936	266
Derivatives	35,673	31,467	4,206
Other liabilities	14,234	9,049	5,185
<b>Total liabilities</b>	<b>195,410</b>	<b>152,434</b>	<b>42,976</b>
<b>Equity</b>			
Non-controlling interests	24	10	14
Shareholders of the parent company	4,948	2,562	2,386
<b>Total equity</b>	<b>4,972</b>	<b>2,572</b>	<b>2,400</b>
<b>Total equity and liabilities</b>	<b>200,382</b>	<b>155,006</b>	<b>45,376</b>

#### Notes:

- (1) This financial information for RBS Holdings N.V. as at 31 December 2010 has been extracted from audited financial information contained within the Annual Report and Accounts of RBS Holdings N.V. published on 29 March 2011.
- (2) This represents the value of the assets, liabilities and equity as at 31 December 2010 proposed to be transferred to RBS plc over the period up until 31 December 2013. See "Notes to the pro forma financial information relating to RBS Holdings N.V." for further information.
- (3) This represents the value of the assets, liabilities and equity as at 31 December 2010 assuming the Proposed Transfers had occurred at that date.
- (4) As part of the Proposed Transfers it is assumed that all intercompany transactions are settled and that the retained business is refinanced according to its funding needs.

## Appendix

Unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V.

### Unaudited pro forma Condensed Consolidated Income Statement for the year ended 31 December 2010

	RBS Holdings N.V. (1) €m	Proposed Transfers (2) €m	Pro Forma Total (3) €m
<b>Net interest income</b>	1,427	986	441
Fees and commissions receivable	1,152	1,019	133
Fees and commissions payable	214	113	101
Income from trading activities	1,131	1,074	57
Other operating (loss)/income	(52)	108	(160)
<b>Non-interest income</b>	2,445	2,314	131
<b>Total income</b>	3,872	3,300	572
Operating expenses	(3,380)	(3,035)	(345)
<b>Profit before impairment losses</b>	492	265	227
Impairment losses	(67)	93	(160)
<b>Operating profit before tax</b>	425	358	67
Tax (charge)/credit	(302)	(303)	1
<b>Profit for the year from continuing operations</b>	123	55	68
<i>Attributable to:</i>			
Non-controlling interests	(2)	-	(2)
Shareholders of parent company	125	55	70

For notes to this table refer to page 7.

### Unaudited pro forma Condensed Consolidated Income Statement for the year ended 31 December 2009

	RBS Holdings N.V. (1) €m	Proposed Transfers (2) €m	Pro Forma Total (3) €m
<b>Net interest income</b>	1,834	1,546	288
Fees and commissions receivable	1,506	1,297	209
Fees and commissions payable	(483)	(455)	(28)
(Loss)/income from trading activities	(303)	(634)	331
Other operating loss	(1,157)	(724)	(433)
<b>Non-interest (loss)/income</b>	(437)	(516)	79
<b>Total income</b>	1,397	1,030	367
Operating expenses	(4,621)	(3,914)	(707)
<b>Loss before impairment losses</b>	(3,224)	(2,884)	(340)
Impairment losses	(1,623)	(1,055)	(568)
<b>Operating loss before tax</b>	(4,847)	(3,939)	(908)
Tax credit/(charge)	465	586	(121)
<b>Loss for the year from continuing operations</b>	(4,382)	(3,353)	(1,029)
<i>Attributable to:</i>			
Non-controlling interests	(1)	-	(1)
Shareholders of parent company	(4,381)	(3,353)	(1,028)

For notes to this table refer to page 7.

## Appendix

Unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V.

### Unaudited pro forma Condensed Consolidated Income Statement for the year ended 31 December 2008

	RBS Holdings N.V. (1) €m	Proposed Transfers (2) €m	Pro Forma Total (3) €m
<b>Net interest income</b>	2,835	2,437	398
Fees and commissions receivable	1,681	1,457	224
Fees and commissions payable	(374)	(457)	83
Loss from trading activities	(7,716)	(5,494)	(2,222)
Other operating loss	(1,763)	(1,816)	53
<b>Non-interest (loss)/income</b>	<b>(8,172)</b>	<b>(6,310)</b>	<b>(1,862)</b>
<b>Total income/(loss)</b>	<b>(5,337)</b>	<b>(3,873)</b>	<b>(1,464)</b>
Operating expenses	(7,844)	(4,956)	(2,888)
<b>Loss before impairment losses</b>	<b>(13,181)</b>	<b>(8,829)</b>	<b>(4,352)</b>
Impairment losses	(2,920)	(1,973)	(947)
<b>Operating loss before tax</b>	<b>(16,101)</b>	<b>(10,802)</b>	<b>(5,299)</b>
Tax credit/(charge)	2,736	2,331	405
<b>Profit/(loss) for the year from continuing operations</b>	<b>(13,365)</b>	<b>(8,471)</b>	<b>(4,894)</b>
<i>Attributable to:</i>			
Non-controlling interests	15	-	15
Shareholders of parent company	(13,380)	(8,471)	(4,909)

#### Notes:

- (1) This financial information for RBS Holdings N.V. has been extracted from audited financial information contained within the Annual Report and Accounts of RBS Holdings N.V. published on 29 March 2011.
- (2) This represents the income and expenses relating to the Proposed Transfers for the years ended 31 December 2010, 2009 and 2008. See "Notes to the pro forma financial information relating to RBS Holdings N.V." for further information.
- (3) This represents the income and expenses for the years ended 31 December 2010, 2009 and 2008 assuming the Proposed Transfers had occurred on 1 January of the respective years.

## Appendix

### Notes to the pro forma financial information relating to RBS Holdings N.V.

#### 1 Basis of preparation

The pro forma financial information for RBS Holdings N.V. as at 31 December 2010, and for the years ended 31 December 2010, 31 December 2009 and 31 December 2008 respectively, has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB and adopted by the European Union. The financial information has been extracted from audited financial information for the year ended 31 December 2010 contained within the Annual Report and Accounts of RBS Holdings N.V. published on 29 March 2011 and does not reflect subsequent events.

The pro forma financial information has been prepared on the following basis:

- The pro forma financial information has been prepared on the basis of management's best estimate of the relevant third party assets and liabilities of RBS N.V. that will be transferred to RBS plc.
- The pro forma condensed consolidated statement of financial position of RBS Holdings N.V. as at 31 December 2010 is presented to show the effect of the Proposed Transfers as if the Proposed Transfers had occurred on 31 December 2010.
- The pro forma condensed consolidated income statements of RBS Holdings N.V. for the years ended 31 December 2010, 2009 and 2008 respectively, are presented to show the effect of the Proposed Transfers as if the Proposed Transfers had occurred on 1 January of the respective years.
- Assets and liabilities to be transferred are presented based on their carrying values determined under IFRS. The allocation of equity was assessed on a global basis to reflect the expected level of capital support required by the transferring and retained businesses. Pre-existing intra-group funding was treated as settled upon transfer with new funding allocated as needed to reflect the financing needs of the transferring and retained businesses. Certain modifications were applied where, in the opinion of management, material non-recurring profit and loss items could be allocated more reliably on an individual basis.
- The Proposed Transfers are subject, amongst other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures, any of which may significantly change the pro forma information from that presented.

The same accounting policies were followed in the pro forma financial information as were applied in the preparation of RBS Holdings N.V. financial statements for the year ended 31 December 2010.

## Appendix

### Notes to the pro forma financial information relating to RBS Holdings N.V.

#### **2 Businesses to be transferred as part of the Proposed Transfers**

RBS N.V.'s businesses include the following product areas: Equities & Structured Retail Products, Emerging Markets, Lending, Global Transaction Services (GTS), and Short Term Markets & Financing (STMF). The Proposed Transfers comprise a number of subsidiary companies and specific product portfolios together with associated hedging. RBS N.V. also currently holds directly and indirectly certain other assets which are owned by RBSG jointly with the Dutch State and Santander (the "Consortium Shared Assets"); these are part of the retained businesses.

It is expected that the Proposed Transfers will be implemented on a phased basis over a period ending 31 December 2013. A large part of the Proposed Transfers (including the transfers of certain securities issued by RBS N.V.) is expected to have taken place by the end of 2012. This will be subject, amongst other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures.

It is not certain whether such transfers (or any of them) will be effected at the value used for the pro forma financial information. No person should place any reliance on the pro forma financial information in connection with making an investment decision or for any other purpose and should be aware that changes to the current proposals (including, without limitation, to the assets and liabilities to be transferred or retained, the eventual manner in which such assets and liabilities are proposed to be transferred and to the timing pursuant to which they are proposed to be transferred) may be made if required, or if determined by RBS N.V. or RBS plc (in their absolute discretion) to be desirable for commercial or other reasons. Accordingly, nothing in this pro forma financial information should be taken as (or is) a representation that any of the assets and liabilities referred to will be transferred or retained, whether in a manner consistent with the figures contained in this pro forma financial information, in accordance with the timing set out above, or at all. For the avoidance of doubt, this pro forma financial information has been prepared and circulated solely for information purposes and does not constitute an offer to any person.

#### **3 Overview of RBS Holdings N.V. after the Proposed Transfers**

For legal, tax and other reasons, there are expected to be certain operations, assets and liabilities in RBS N.V. which will not be transferred to RBS plc. RBSG is committed to providing the necessary support to ensure that RBS N.V. continues to meet its commitments during and after the Proposed Transfers. Following completion of the Proposed Transfers, RBS N.V. will continue to be authorised and regulated by DNB.

London, 20 April 2011

**The Royal Bank of Scotland N.V.,  
London Branch**

By:

Signature

JÖRN PEGLOW  
Authorised Signatory

12 APRIL 2011

**The Royal Bank of Scotland N.V.**  
(incorporated in The Netherlands with its statutory seat in Amsterdam)

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FOURTH SUPPLEMENT  
IN ACCORDANCE WITH  
SECTION 16(1) OF THE GERMAN SECURITIES PROSPECTUS ACT  
(*WERTPAPIERPROSPEKTGESETZ*; "**WpPG**")  
TO THE  
BASE PROSPECTUS DATED 20 MAY 2010  
(THE "**BASE PROSPECTUS**")  
RELATING TO  
**EXCHANGE TRADED NOTES AND EXCHANGE TRADED COMMODITIES**  
**WITH A FIXED MATURITY**  
(THE "**SECURITIES**")

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If, before this Supplement is published, investors have already agreed to purchase or subscribe for Securities issued under the Final Terms to the Base Prospectus, such investors shall have the right to withdraw their declaration of purchase or subscription in accordance with Section 16(3) WpPG within a period of two working days from the date of publication of this Supplement, unless such purchase or subscription has already been completed.

The withdrawal (for which no reasons need to be given) must be declared by written notice to that entity to which the relevant investor addressed the declaration of purchase or subscription or to The Royal Bank of Scotland N.V., London Branch, GBM, Legal

**Department/German Equities, 250 Bishopsgate, London EC2M 4AA, United Kingdom. Timely dispatch of notice is sufficient to comply with the notice period.**

During the validity of the Base Prospectus and as long as any Securities issued in connection with the Base Prospectus are listed on any stock exchange or offered to the public, copies of this Supplement and of the Base Prospectus, as supplemented, will be available free of charge upon request from the Issuer (The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email [investor.relations@rbs.com](mailto:investor.relations@rbs.com)) and via the Issuer's website [www.rbs.de/markets](http://www.rbs.de/markets) for investors in Germany, [www.rbsbank.at/markets](http://www.rbsbank.at/markets) for investors in Austria and [www.rbs.com/markets](http://www.rbs.com/markets) for all other investors (or any successor website). If parts of the Base Prospectus amended by this Supplement appear in the Final Terms published by the date of this Supplement, these Final Terms shall also be deemed to be amended by this Supplement.



This supplement to the Base Prospectus is published because RBS Holdings N.V. and The Royal Bank of Scotland N.V. published the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 5 April 2011.

1. On the cover page of the Base Prospectus, the second paragraph shall be replaced by the following paragraph:

This Base Prospectus must be read in connection with the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 5 April 2011 (the "**Registration Document**") which was approved by the competent authority in the Netherlands (*Autoriteit Financiële Markten*) (the "**AFM**") and which is incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG, as well as in connection with any supplements to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG (the "**Supplements**").

2. On page 4 *et seq.* of the Base Prospectus, the section "**SUMMARY**" up to (and including) the paragraph with the heading "**Risk Factors relating to the Issuer and the Guarantor**" but excluding the paragraph with the heading "**Rating of the Issuer**", which shall not be amended, shall be replaced as follows:

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## SUMMARY

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*This summary should be read as an introduction to this Base Prospectus and any decision to invest in any Securities issued by The Royal Bank of Scotland N.V. should be based on consideration by the investor of this Base Prospectus as a whole, including the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 5 April 2011 (the "Registration Document") which was approved by the competent authority in the Netherlands (Autoriteit Financiële Markten) (the "AFM") and which is incorporated into this Base Prospectus by reference, any supplements to this Base Prospectus approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), and the so-called final terms (the "Final Terms"). Liability attaches to The Royal Bank of Scotland N.V. with respect to this summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the EEA (an "EEA State"), the plaintiff investor may, under the national legislation of the EEA States, have to bear the costs of translating this Base Prospectus before the legal proceedings are initiated.*

<b>Issuer:</b>	The Royal Bank of Scotland N.V. acting either through its principal office in The Netherlands or through its London branch or any other branch as specified in the Final Terms (as defined below) (the " <b>Issuer</b> " or " <b>RBS N.V.</b> ")
<b>Guarantor:</b>	RBS Holdings N.V. (previously named ABN AMRO Holding N.V.) (the " <b>Guarantor</b> " or " <b>RBS Holdings</b> ")
<b>Description of the Guarantee:</b>	On 15 June 1998, the Guarantor declared pursuant to 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 legal acts performed by the Issuer after 15 June 1998 (the " <b>Guarantee</b> ").
<b>History and Incorporation:</b>	<p>RBS N.V. is a public limited liability company incorporated under Dutch law on 7 February 1825. RBS N.V. is registered in the Trade Register of Amsterdam under number 33002587. RBS N.V.'s registered office is at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands.</p> <p>RBS N.V. is a wholly-owned subsidiary of RBS Holdings, which is a public limited liability company incorporated under Dutch law on 30 May 1990. The registered office of RBS Holdings is at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands.</p> <p>RBS Holdings has one subsidiary, RBS N.V. and RBS N.V. has various subsidiaries.</p> <p>As used herein, the "<b>Group</b>" refers to RBS Holdings and its consolidated subsidiaries. The term "<b>RBSG</b>" refers to The Royal Bank of Scotland Group plc and the "<b>RBSG Group</b>" refers to RBSG and its subsidiaries consolidated in accordance with International Financial Reporting Standards. The term "<b>RBS</b>" refers to The Royal Bank of Scotland plc.</p>
<b>Overview:</b>	<p>The Issuer is a bank licensed and regulated by the Dutch Central Bank (De Nederlandsche Bank).</p> <p>The Issuer operates across Europe, the Middle East and Africa (EMEA), the Americas and Asia. As at 31 December 2010, the Group had total consolidated</p>

assets of EUR 200 billion.

RBS Holdings and RBS N.V. form part of the RBSG Group. RBSG is the holding company of a 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, RBS's subsidiary Citizens Financial Group, Inc. is a 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.

**Group Organisational Structure:**

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 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 (as defined below), in which each of the Consortium Members has a joint and indirect interest.

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

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

**Separation from the ABN AMRO Group:**

On 17 October 2007, RFS Holdings B.V. ("**RFS Holdings**"), which at the time was owned by RBSG, Fortis N.V., Fortis S.A./N.V., Fortis Bank Nederland (Holding) N.V. and Banco Santander, S.A. ("**Santander**"), completed the acquisition of ABN AMRO Holding N.V., which was renamed RBS Holdings N.V. on 1 April 2010 when the shares in ABN AMRO Bank N.V. were transferred to ABN AMRO Group N.V., a holding company for the interests of the 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**").

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

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

**Summary Consolidated Financial Information relating to RBS Holdings:**

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 from the audited Annual Report 2010 of RBS Holdings, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

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, the ultimate parent company of RBS Holdings. 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)
	(in millions of euros)	
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)
	(in millions of euros)	
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
<b>Total assets</b>	<b>200,382</b>	<b>469,345</b>

	As at 31 December 2010 (audited)	As at 31 December 2009 (audited)
	(in millions of euros)	
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
<b>Total liabilities and equity</b>	<b>200,382</b>	<b>469,345</b>

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

**Results of operations of the Issuer in 2009:**

The Issuer recorded a loss for 2009 of EUR 4,514 million. Its total assets were EUR 525 billion at 31 December 2009.

**Unaudited interim results of the Issuer for the half year ended 30 June 2010:**

The Issuer reported a total income of EUR 1,087 million and a loss of EUR 563 million for the half year ended 30 June 2010. Its total assets were EUR 251 billion at 30 June 2010.

**Risk Factors:**

The purpose of the risk factors description is to protect potential purchasers of the Securities from making investments that are not suitable for their purposes as well as to set out economic and legal risks associated with an investment in the Securities. Potential purchasers of the Securities should be aware of the risks associated with an investment in the Securities before making an investment decision.

**Risk Factors relating to the Issuer and the Guarantor:**

The Issuer is a principal operating subsidiary of RBSG and accounts for a substantial proportion of the consolidated assets, liabilities and operating profits of RBSG. Accordingly, risk factors below which relate to RBSG and the RBSG Group will also be of relevance to the Issuer and 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.
- 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.
- 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.
- 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.

- 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 earnings and financial condition have been, and its future earnings and financial condition may continue to be, materially affected by depressed asset valuations resulting from poor market conditions.
- Changes in interest rates, foreign exchange rates, credit spreads, bond, equity and commodity prices, basis, volatility and correlation risks and other market factors have significantly affected and will continue to affect the Group's business and results of operations.
- The Group's borrowing costs, its access to the debt capital markets and its liquidity depend significantly on its credit ratings.
- The Group's business performance could be adversely affected if its capital is not managed effectively or as a result of changes to capital adequacy and liquidity requirements.
- The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgements and estimates that may change over time or may ultimately not turn out to be accurate.
- The Group operates in markets that are highly competitive and consolidating. If the Group is unable to perform effectively, its business and results of operations will be adversely affected.
- As a condition to the RBSG Group receiving HM Treasury support, the Group is prohibited from making discretionary coupon payments on, and exercising call options in relation to, certain of its existing hybrid capital instruments, which may impair the Group's ability to raise new capital through the issuance of Securities.
- The Group could fail to attract or retain senior



management, which may include members of the Group's Supervisory Board and Managing Board, or other key employees, and it may suffer if it does not maintain good employee relations.

- Each of the Group's businesses is subject to substantial regulation and oversight. Significant regulatory developments could have an adverse effect on how the Group conducts its business and on its results of operations and financial condition.
- The Group is and may be subject to litigation and regulatory investigations that may impact its business.
- The Group may be required to make further contributions to its pension schemes if the value of pension fund assets is not sufficient to cover potential obligations.
- The Group is subject to enforcement risks relating to the United States Department of Justice's criminal investigation of its dollar clearing activities.
- The legal demerger of ABN AMRO Bank N.V. (as it was then named) has resulted in a cross liability that changes the legal recourse available to investors.
- Operational risks are inherent in the Group's operations.
- 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 operations have inherent reputational risk.
- The Group's business and earnings may be adversely affected by geopolitical conditions.
- 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 addition to the risk factors described above, the Group is also subject to additional risks related to the entry by RBSG Group into the asset protection scheme and the two back to back contracts entered into by RBS in connection with certain assets and exposures of RBS N.V. and its wholly-owned subsidiaries.

3. On page 28 *et seq.* of the Base Prospectus, the section "**ZUSAMMENFASSUNG (GERMAN LANGUAGE VERSION OF THE SUMMARY)**" up to (and including) the paragraph with the heading "**Risikofaktoren in Bezug auf die Emittentin und die Garantin**", but excluding the paragraph with the heading "**Rating der Emittentin**" which shall not be amended, shall be replaced as follows:

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**ZUSAMMENFASSUNG  
(GERMAN LANGUAGE VERSION OF THE SUMMARY)**

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*Diese Zusammenfassung sollte als Einführung zum vorliegenden Basisprospekt verstanden werden. Eine Entscheidung zur Anlage in von der The Royal Bank of Scotland N.V. begebene Wertpapiere durch den Anleger sollte auf die Prüfung des gesamten Basisprospekts, einschließlich des Registrierungsformulars der RBS Holdings N.V. und der The Royal Bank of Scotland N.V. vom 5. April 2011 (das "Registrierungsformular"), das von der zuständigen niederländischen Finanzmarktbehörde (Autoriteit Financiële Markten) (die "AFM") gebilligt wurde und das per Verweis in diesen Basisprospekt einbezogen wird, etwaiger von der Bundesanstalt für Finanzdienstleistungsaufsicht gebilligter Nachträge zu diesem Basisprospekt und der so genannten endgültigen Bedingungen (die "Endgültigen Bedingungen") gestützt werden. Die The Royal Bank of Scotland N.V. kann in Bezug auf diese Zusammenfassung einschließlich Übersetzungen davon haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen dieses Basisprospekts gelesen wird. Für den Fall, dass vor einem Gericht in einem Mitgliedstaat des EWR (ein "EWR-Staat") Ansprüche aufgrund der in diesem Basisprospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der EWR-Staaten die Kosten für die Übersetzung des Basisprospekts vor Prozessbeginn zu tragen haben.*

**Emittentin:**

The Royal Bank of Scotland N.V., handelnd entweder

über ihre Hauptniederlassung in den Niederlanden, ihre Niederlassung in London oder eine andere Niederlassung, wie jeweils in den Endgültigen Bedingungen (wie nachstehend definiert) angegeben (die "**Emittentin**" oder "**RBS N.V.**")

**Garantin:**

RBS Holdings N.V. (bisheriger Name ABN AMRO Holding N.V.) (die "**Garantin**" oder "**RBS Holdings**")

**Beschreibung der Garantie:**

Die Garantin hat am 15. Juni 1998 gemäß Artikel 403 Abs. 1 lit. f Buch 2 des niederländischen Bürgerlichen Gesetzbuchs erklärt, dass sie gesamtschuldnerisch für sämtliche Verbindlichkeiten haftet, die aus nach dem 15. Juni 1998 von der Emittentin vorgenommenen Rechtshandlungen entstehen (die "**Garantie**").

**Geschichte und Gründung:**

Die RBS N.V. ist eine am 7. Februar 1825 nach niederländischem Recht gegründete Aktiengesellschaft. Die RBS N.V. ist im Handelsregister von Amsterdam unter der Nummer 33002587 eingetragen. Der eingetragene Sitz der RBS N.V. befindet sich in Gustav Mahlerlaan 10, 1082 PP Amsterdam, Niederlande.

Die RBS N.V. ist eine 100 %-ige Tochtergesellschaft der RBS Holdings, einer am 30. Mai 1990 nach niederländischem Recht gegründeten Aktiengesellschaft. Der eingetragene Sitz der RBS Holdings befindet sich in Gustav Mahlerlaan 10, 1082 PP Amsterdam, Niederlande.

Die RBS Holdings hat eine Tochtergesellschaft, die RBS N.V., die wiederum verschiedene Tochtergesellschaften hat.

Der Begriff "**Gruppe**" in diesem Prospekt bezieht sich auf RBS Holdings und ihre konsolidierten Tochtergesellschaften. Der Begriff "**RBSG**" bezieht sich auf The Royal Bank of Scotland Group plc, und "**RBSG-Gruppe**" bezieht sich auf die RBSG und ihre nach den *International Financial Reporting Standards* konsolidierten Tochtergesellschaften. Der Begriff "**RBS**" bezieht sich auf The Royal Bank of Scotland

plc.

## Überblick:

Die Emittentin ist eine durch die niederländische Zentralbank (De Nederlandsche Bank) zugelassene und beaufsichtigte Bank.

Die Emittentin ist in Europa, im Nahen Osten und Afrika (EMEA), in Amerika und Asien tätig. Zum 31. Dezember 2010 hatte die Gruppe ein konsolidiertes Vermögen in Höhe von EUR 200 Mrd.

Die RBS Holdings und die RBS N.V. sind Teil der RBSG-Gruppe. Die RBSG ist die Muttergesellschaft einer weltweit tätigen Bank- und Finanzdienstleistungsgruppe. Mit Hauptsitz in Edinburgh, ist die RBSG-Gruppe im Vereinigten Königreich, in den Vereinigten Staaten und international durch ihre drei Haupttochtergesellschaften, RBS, National Westminster Bank Public Limited Company ("**NatWest**") und RBS N.V. tätig. Sowohl die RBS als auch NatWest sind bedeutende Clearingbanken im Vereinigten Königreich. In den Vereinigten Staaten ist Citizens Financial Group, Inc., die Tochtergesellschaft der RBS, eine Handelsbankengruppe. Die Gruppe hat weltweit eine diversifizierte Kundenbasis und stellt Privat- und Geschäftskunden sowie Großunternehmen und institutionellen Kunden eine breite Palette von Produkten und Dienstleistungen zur Verfügung.

## Organisationsstruktur:

Die Gruppe umfasst die folgenden vier Unternehmensbereiche:

- *Global Banking & Markets* (Globales Bankgeschäft und Märkte, "**GBM**"): Der Unternehmensbereich GBM bietet im Bankgeschäft bedeutenden Unternehmen und Finanzinstituten weltweit eine breite Palette von Kredit- und Eigenkapitalfinanzierungen, Risikomanagement und Investmentdienstleistungen an. Der Unternehmensbereich GBM innerhalb von RBS Holdings ist in vier Hauptgeschäftsbereiche aufgeteilt: *Global Lending* (Globales Kreditgeschäft), *Equities*

(Aktiengeschäft), *Short Term Markets & Funding* (Kurzfristige Märkte und Finanzierung) und *Local Markets* (Lokale Märkte).

- *Global Transaction Services* (Globale Transaktionsdienstleistungen, "**GTS**"): GTS bietet als globale Transaktionsdienstleistungen *Global Trade Finance* (Globale Handelsfinanzierung), *Transaction Banking* (Transaktionsbankgeschäft) und *International Cash Management* (Internationales Liquiditätsmanagement) an.

- *Central Items* (Zentralbereiche): Der Unternehmensbereich *Central Items* umfasst Gruppen- und Zentralbereiche, wie z.B. *Treasury* (Finanzabteilung), *Capital Management* und *Finance* (Eigenmittelverwaltung und Finanzierung), das Risikomanagement, die Rechtsabteilung, die Unternehmenskommunikation und die Personalabteilung. *Central Items* verwaltet das Kapital der Gruppe, die gesetzlichen und aufsichtsrechtlichen Verpflichtungen und bietet Dienstleistungen für das Filialnetz.

- *Non-Core Segment* (Nicht-Kernabteilung): Die Nicht-Kernabteilung umfasst eine Reihe von Geschäftsbereichen und gesondert verwalteten Vermögensportfolien, die die Gruppe im Rahmen der Strategie der RBSG-Gruppe für das Nicht-Kernvermögen abzuwickeln bzw. zu veräußern beabsichtigt. Es umfasst auch bei der RBS N.V. verbleibendes Vermögen und Verbindlichkeiten, das/die noch nicht verkauft, abgewickelt oder alternativ durch die Mitglieder des Konsortiums (nachstehend definiert) übertragen werden, und an dem/den jedes Mitglied des Konsortiums eine gemeinsame und unmittelbare Beteiligung hat.

*Global Banking & Markets*, *Global Transaction Services* und *Central Items* stellen die Kernbereiche der Gruppe dar.

Diese Geschäftsbereiche der RBS N.V. sind Teil der

globalen Geschäftseinheiten der RBS-Gruppe, die durch verschiedene juristische Personen handeln. Die Strategie der RBS N.V. ist Teil der gesamten Unternehmensstrategie der RBSG-Gruppe. Die RBS Holdings ist in Kern- und Nicht-Kernbereiche restrukturiert worden. Die RBSG-Gruppe wird voraussichtlich die Geschäftsbereiche Vermögenswerte und Portfolien innerhalb des Nicht-Kernbereiches bis 2013 im Wesentlichen abgewickelt bzw. veräußert haben, und die RBSG-Gruppe hat die Veräußerung der Unternehmen in Lateinamerika, Asien, Europa und im Nahen Osten vollzogen.

**Abspaltung der ABN AMRO Gruppe:**

Am 17. Oktober 2007 hat die RFS Holdings B.V. ("**RFS Holdings**"), die zu der Zeit von der RBSG, Fortis N.V., Fortis S.A./N.V., Fortis Bank Nederland (Holding) N.V. und Banco Santander, S.A. ("**Santander**") gehalten wurde, den Erwerb der ABN AMRO Holding N.V. abgeschlossen. Am 1. April 2010 wurden die Aktien der ABN AMRO Bank N.V. auf die ABN AMRO Group N.V., eine Holding-Gesellschaft für die Beteiligung des niederländischen Staates, übertragen, und die ABN AMRO Holding N.V. wurde in RBS Holdings N.V. umfirmiert. Dies kennzeichnete im Wesentlichen den Abschluss der Restrukturierung der Tätigkeit der ABN AMRO Holding N.V. gemäß der Vereinbarung zwischen der RBSG, dem niederländischen Staat und Santander (die "**Mitglieder des Konsortiums**").

Am 31. Dezember 2010 wurde das Stammkapital der RFS Holdings in der Weise geändert, dass nunmehr ca. 98% des ausgegebenen Stammkapitals der RFS Holdings von der RBSG gehalten wird, und der Rest wird von Santander und dem niederländischen Staat gehalten. Letztendlich soll die RFS Holdings eine 100%-ige Tochtergesellschaft der RBSG werden.

**Zusammenfassung der konsolidierten Finanzinformationen der RBS Holdings:**

Die folgenden Tabellen fassen bestimmte Finanzinformationen der RBS Holdings für ihre zum 31. Dezember 2010 und zum 31. Dezember 2009 endenden Geschäftsjahre zusammen. Diese sind dem

geprüften Jahresabschluss der RBS Holdings für das Geschäftsjahr 2010 entnommen, der gemäß den von der Europäischen Union anerkannten internationalen Rechnungslegungsvorschriften (*International Financial Reporting Standards*) erstellt wurde.

Die rechtliche Abspaltung der ABN AMRO Bank N.V. wurde am 01. April 2010 vollzogen. Daher konsolidiert die Gruppe nicht länger die Beteiligung an der ABN AMRO Bank N.V., und deren Ergebnisse werden als eingestellte Geschäftsaktivitäten erfasst. Die Ergebnisse für das Jahr 2009 sind entsprechend angepasst neu dargestellt. Die Gruppe wird mehrheitlich von der RBSG-Gruppe gehalten; vor diesem Hintergrund wurde die Darstellung der Finanzausweise an jene der RBSG, der Konzernobergesellschaft der RBS Holdings, angepasst. Diese Änderungen haben keinen Einfluss auf die Bilanzierungs- und Bewertungsmethoden, Ergebnisse oder Gesamtaktiva bzw. - passiva der Gruppe. Die Darstellung der Vergleiche wurde ebenfalls entsprechend angepasst.

	Für das zum 31. Dezember 2010 endende Geschäftsjahr (geprüft)	Für das zum 31. Dezember 2009 endende Geschäftsjahr (geprüft und neu dargestellt)
	<i>(in Mio. EUR)</i>	
Operativer Gewinn/(Verlust) vor Steuern	425	(4.847)
Steuern (Erhebung)/Gutschrift	(302)	465
Gewinn/(Verlust) aus fortgeführten Geschäftsaktivitäten	123	(4.382)
Gewinn/(Verlust) aus eingestellten Geschäftsaktivitäten, ohne Steuern	985	(18)
Gewinn/(Verlust) für das Geschäftsjahr	1.108	(4.400)

	Für das zum 31. Dezember 2010 endende Geschäftsjahr (geprüft)	Für das zum 31. Dezember 2009 endende Geschäftsjahr (geprüft)
	<i>(in Mio. EUR)</i>	
Darlehen und Vorauszahlungen	71.201	257.677
Fremdkapitalwertpapiere und Aktien	74.894	102.036
Derivate und Saldenausgleiche	31.845	60.790
Sonstige Vermögenswerte	22.442	48.842
<b>Summe der Aktiva</b>	<b>200.382</b>	<b>469.345</b>

	Für das zum 31. Dezember 2010 endende Geschäftsjahr (geprüft)	Für das zum 31. Dezember 2009 endende Geschäftsjahr (geprüft)
	<i>(in Mio. EUR)</i>	
Nachrangige Verbindlichkeiten	6.894	14.666
Einlagen	86.890	246.046
Derivate, Saldenausgleiche und Short-Positionen	40.875	70.462
Sonstige Verbindlichkeiten	60.751	119.255
Auf die Gesellschafter der Konzernobergesellschaft entfallendes Eigenkapital	4.948	18.880
Minderheitsbeteiligungen	24	36
<b>Summe der Passiva</b>	<b>200.382</b>	<b>469.345</b>



	Für das zum 31. Dezember 2010 endende Geschäftsjahr (ungeprüft)	Für das zum 31. Dezember 2009 endende Geschäftsjahr (ungeprüft)
	(Prozent)	
Harte Kernkapitalquote ( <i>Core Tier 1 ratio</i> )	8,7	16,9
Kernkapitalquote ( <i>Tier 1 ratio</i> )	11,0	19,9
Gesamtkapitalquote	15,8	25,5

**Geschäftszahlen der Emittentin  
für das Jahr 2009:**

Die Emittentin verzeichnete für 2009 einen Verlust in Höhe von EUR 4.514 Mio. Ihre Gesamtvermögenswerte betragen EUR 525 Mrd. zum 31. Dezember 2009.

**Ungeprüfte Zwischenergebnisse  
der Emittentin für das Halbjahr  
endend am 30. Juni 2010:**

Die Emittentin verzeichnete für das Halbjahr, das am 30. Juni 2010 endete, einen Gesamtertrag (*total income*) in Höhe von EUR 1.087 Mio. und einen Verlust in Höhe von EUR 563 Mio. Ihre Gesamtvermögenswerte beliefen sich zum 30. Juni 2010 auf EUR 251 Mrd.

**Risikofaktoren:**

Ziel der Beschreibung der Risikofaktoren ist es, potenzielle Käufer der Wertpapiere vor der Tatigung von Anlagen zu schutzen, die nicht fur ihre Zwecke geeignet sind, sowie die wirtschaftlichen und rechtlichen Risiken, die mit einer Anlage in die Wertpapiere verbunden sind, aufzuzeigen. Potenzielle Kaufer der Wertpapiere sollten vor einer Anlageentscheidung die mit einer Anlage in die Wertpapiere verbundenen Risiken bedenken.

**Risikofaktoren in Bezug auf die Emittentin und die Garantin:**

Die Emittentin ist eine der wichtigsten operativen Tochtergesellschaften der RBSG, auf die ein wesentlicher Teil der konsolidierten Vermogenswerte, Verbindlichkeiten und Geschaftsgewinne der RBSG entfallt. Daher sind die nachfolgenden Risikofaktoren, die sich auf die RBSG und die RBSG-Gruppe beziehen, auch fur die Emittentin und die Gruppe von Bedeutung:

- Die Geschäfts-, Ertrags- und Finanzlage der Gruppe wurde durch die Weltwirtschaft und die Instabilitat der globalen Finanzmarkte beeintrachtigt und wird hierdurch weiter beeintrachtigt werden.
- Ein umfangreiches Programm der RBSG-Gruppe zur Restrukturierung und Verkurzung der Bilanz dauert an und kann den Geschaftsbetrieb der Gruppe, die Betriebsergebnisse, die Finanzlage, die Eigenkapitalquoten und die Liquiditat beeintrachtigen.
- Ein Risiko des Geschäfts der Gruppe liegt im Fehlen von Liquiditat, und der Zugang der Gruppe zu Liquiditat ist eingeschrankt und wird eingeschrankt bleiben.
- Die finanzielle Entwicklung der Gruppe wurde durch die Verschlechterung der Kreditqualitat von Schuldern erheblich beeintrachtigt und kann durch weitere Verschlechterungen noch weitergehend beeinflusst werden, u.a. durch die vorherrschenden Wirtschafts- und Marktverhaltnisse sowie rechtliche und regulatorische Entwicklungen.
- Die tatsachliche oder vermutete Verschlechterung

der Bonität der Geschäftspartner der Gruppe hat die Gruppe beeinträchtigt und wird sie weiter beeinträchtigen.

- Die Ertrags- und Finanzlage der Gruppe wurde durch die sich aus dem schwachen Marktumfeld ergebende niedrige Vermögensbewertung erheblich beeinträchtigt und kann dadurch weiter erheblich beeinträchtigt werden.
- Änderungen der Zinssätze, Wechselkurse, Credit Spreads, Anleihe-, Aktien- und Rohstoffpreise, Basis-, Volatilitäts- und Korrelationsrisiken sowie anderer Marktfaktoren haben das Geschäft sowie das Betriebsergebnis der Gruppe wesentlich beeinträchtigt und werden sie weiter beeinträchtigen.
- Die Fremdfinanzierungskosten der Gruppe, ihr Zugang zu den Anleihekapitalmärkten sowie ihre Liquidität hängen entscheidend von dem Kreditrating der Gruppe ab.
- Die Geschäftsentwicklung der Gruppe kann beeinträchtigt werden, wenn ihr Kapital nicht effizient verwaltet wird oder wenn Kapitaladäquanz- und Liquiditätsanforderungen geändert werden.
- Bestimmte Finanzinstrumente werden zum Marktwert angesetzt, der mithilfe von Finanzmodellen ermittelt wird, die Annahmen, Beurteilungen und Schätzungen beinhalten, die sich im Verlauf der Zeit ändern können oder die sich als nicht richtig herausstellen.
- Die Gruppe ist in sehr kompetitiven und sich verdichtenden Märkten tätig. Wenn die Gruppe sich nicht erfolgreich entwickelt, werden ihr Geschäft und ihr Betriebsergebnis beeinträchtigt.
- Um die Unterstützung des britischen Schatzamts (*HM Treasury*) für die RBSG-Gruppe zu erhalten, ist es der Gruppe untersagt, in ihrem Ermessen stehende Zahlungen auf Coupons zu leisten und Ankaufsoptionen in Bezug auf bestimmte bestehende hybride Kapitalinstrumente der Gruppe auszuüben.

Dies kann die Fähigkeit der Gruppe zur Gewinnung neuen Kapitals im Wege der Ausgabe von Wertpapieren beeinträchtigen.

- Es ist möglich, dass es der Gruppe nicht gelingt, Führungskräfte (einschließlich der Mitglieder des Aufsichtsrates und des Vorstandes der Gruppe und anderen Mitarbeitern in Schlüsselpositionen) zu gewinnen oder zu halten, und sie könnte Schaden erleiden, wenn sie kein gutes Verhältnis zu ihren Arbeitnehmern unterhält.
- Alle Geschäftsbereiche der Gruppe sind weitgehend reguliert und beaufsichtigt. Wesentliche aufsichtsrechtliche Veränderungen könnten sich nachteilig auf die Geschäftstätigkeit sowie das Betriebsergebnis und die Finanzlage der Gruppe auswirken.
- Die Gruppe ist Rechtsstreitigkeiten und aufsichtsrechtlichen Untersuchungen ausgesetzt und kann dies auch in Zukunft sein, was zu Geschäftsbeeinträchtigungen führen kann.
- Es kann sein, dass die Gruppe weitere Beiträge für ihr Pensionssystem aufbringen muss, wenn der Wert der Vermögenswerte in Pensionsfonds nicht ausreichend ist, um potenzielle Verbindlichkeiten zu decken.
- Die Gruppe unterliegt Risiken hinsichtlich der strafrechtlichen Ermittlungen durch das *United States Department of Justice* (Justizministerium der Vereinigten Staaten) im Hinblick auf Ihre Dollar-Clearing-Aktivitäten.
- Die rechtliche Abspaltung der ABN AMRO Bank N.V. (damaliger Firmenname) hat wechselseitige Haftungsverhältnisse zur Folge, die die rechtlichen Rückgriffsmöglichkeiten für Anleger verändern.
- Das Geschäft der Gruppe birgt betriebsbedingte Risiken.
- Die Gruppe ist dem Risiko ausgesetzt, dass sich

die Steuergesetzgebung und ihre Auslegung ändern und dass sich die Körperschaftsteuer- und andere Steuersätze in den Jurisdiktionen erhöhen, in denen sie tätig ist.

- Die Geschäftstätigkeit der Gruppe unterliegt damit verbundenen Reputationsrisiken.
- Das Geschäft der Gruppe sowie ihre Erträge können durch geopolitische Bedingungen beeinträchtigt werden.
- Die Werthaltigkeit und die aufsichtsrechtliche Eigenkapitalbehandlung bestimmter von der Gruppe berücksichtigter latenter Steueransprüche hängt von der Fähigkeit der Gruppe ab, ausreichende zukünftige steuerpflichtige Gewinne zu erzielen und davon, dass sich Steuergesetzgebung, aufsichtsrechtliche Anforderungen und Bilanzierungsgrundsätze nicht in nachteiliger Weise ändern.
- Zusätzlich zu den oben beschriebenen Risikofaktoren unterliegt die Gruppe Risiken, die sich aus der Beteiligung der RBSG-Gruppe an dem staatlichen Schutzprogramm für Risiken aus bestimmten Vermögenswerten (*asset protection scheme*) sowie aus zwei Absicherungsverträgen, die von der RBS in Verbindung mit bestimmten, der RBS N.V. und ihren hundertprozentigen Tochtergesellschaften zuzurechnenden Vermögenswerten und Risikopositionen abgeschlossen wurden, ergeben.

4. On page 57 of the Base Prospectus, the second paragraph of the section "**RISK FACTORS**" shall be replaced by the following paragraph:

***Potential purchasers of the Securities should be aware of the risks associated with an investment in the Securities before making an investment decision. Hence, potential purchasers of the Securities should also read the rest of the information set out in this Base Prospectus, the registration document of RBS Holdings N.V. (the "Guarantor") and The Royal Bank of Scotland N.V. (the "Issuer") dated 5 April 2011 (the "Registration Document") as well as in any supplements to this Base Prospectus approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungs-***

*aufsicht) and in the so-called final terms (the "Final Terms") prior to making any investment decision. To be able to make their own assessments prior to making any investment decision, potential purchasers of the Securities should consult their own stockbroker, banker, lawyer, accountant or other legal, tax or financial advisers and carefully review the risks entailed in an investment in the Securities and consider such an investment decision in the light of their personal circumstances.*

5. On page 77 et seq. of the Base Prospectus, in the section "**INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE GUARANTEE**" the paragraph with the heading "**Registration Document and documents incorporated by reference**" (including all paragraphs under such heading) and the paragraph with the heading "**Significant changes**" shall be replaced by the following headings and paragraphs respectively:

### **Registration Document**

The required information about The Royal Bank of Scotland N.V. acting either through its principal office in The Netherlands or through its London branch or any other branch, as specified in the Final Terms, as issuer of the Securities (the "**Issuer**") and RBS Holdings N.V. as guarantor (the "**Guarantor**") for all liabilities of the Issuer incurred in connection with legal acts performed by the Issuer after 15 June 1998 (the "**Guarantee**") as well as the Guarantee is contained in the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 5 April 2011 (the "**Registration Document**") which was approved by the competent authority in the Netherlands (*Autoriteit Financiële Markten*) (the "**AFM**") and which is incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see section "**Documents Incorporated by Reference**").

Unless provided otherwise in any supplement to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG, the information contained in the Registration Document is the most recent information available about the Issuer and the Guarantor.

Furthermore, the following documents are incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG (see "**Documents Incorporated by Reference**"):

- (a) the English language version of the Articles of Association of each of the Guarantor and the Issuer as in force and effect on the date of the Registration Document (the "**Articles of Association**");
- (b) the Annual Report and Accounts 2010 of RBS Holdings N.V. (the "**Annual Report 2010**") (excluding the section headed "Business Review - Risk Factors" on page 9 and the section headed "Additional Information - Risk Factors" on pages 221 to 231 of the Annual Report 2010) 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 International Financial Reporting Standards as adopted by the European Union). The audited consolidated

annual financial statements of RBS Holdings appear on pages 96 to 193 of the Annual Report 2010 and the auditor's report thereon appears on page 199 of the Annual Report 2010;

- (c) the Annual Report 2009 of ABN AMRO Holding N.V. (the "**Annual Report 2009**") which includes the publicly available consolidated audited annual financial statements of ABN AMRO Holding N.V. (as RBS Holdings N.V. was then named) for the financial year ended 31 December 2009 (prepared in accordance with International Financial Reporting Standards as adopted by the European Union). The consolidated audited annual financial statements of ABN AMRO Holding N.V. appear on pages 82 to 235 of the Annual Report 2009 and the auditor's report appears on pages 193 to 197 of the Annual Report 2009;
- (d) the Abbreviated Interim Financial Report of The Royal Bank of Scotland N.V. for the half year ended 30 June 2010 published on 31 August 2010 (the "**Interim Financial Report 2010 of the Issuer**") which includes the unaudited abbreviated interim results of the Issuer for the half year ended 30 June 2010;
- (e) the Abbreviated Financial Statements 2009 of The Royal Bank of Scotland N.V. (the "**Financial Statements 2009 of the Issuer**") which include the audited abbreviated annual financial statements of the Issuer for the financial year ended 31 December 2009; and
- (f) the Abbreviated Financial Statements 2008 of ABN AMRO Bank N.V. (the "**Financial Statements 2008 of the Issuer**") which include the audited abbreviated annual financial statements of ABN AMRO Bank N.V. (as the Issuer was then named) for the financial year ended 31 December 2008.

The documents under (a)-(c) are also referred to in the Registration Document.

The information about the Guarantor was obtained in the English language from the Guarantor. It has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by the Guarantor, no facts have been omitted which would render the reproduced information inaccurate or misleading.

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.

### **Significant changes**

There has been no significant change in the financial position of the group consisting of the Guarantor and its consolidated subsidiaries (including the Issuer) since 31 December 2010 and there has been no significant change in the financial position of the Issuer since 30 June 2010. There has been no material adverse change in the prospects of the Guarantor since 31 December 2010 and there has been no material adverse change in the prospects of the Issuer since 31 December 2009.

6. Before the section “**CONDITIONS: GENERAL CONDITIONS**” on page 105 of the Base Prospectus, the section “**DOCUMENTS INCORPORATED BY REFERENCE**” shall be inserted as follows:

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### **DOCUMENTS INCORPORATED BY REFERENCE**

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The following documents are incorporated by reference into this Base Prospectus pursuant to Section 11(1) WpPG:

- (a) the Registration Document;
- (b) the Articles of Association;
- (c) the Annual Report 2010 (excluding the section headed “Business Review - Risk Factors” on page 9 and the section headed “Additional Information - Risk Factors” on pages 221 to 231 of the Annual Report 2010);
- (d) the Annual Report 2009;
- (e) the Interim Financial Report 2010 of the Issuer;
- (f) the Financial Statements 2009 of the Issuer; and
- (g) the Financial Statements 2008 of the Issuer.

The documents referred to in (a)-(g) were filed with the AFM and are incorporated by reference in this Base Prospectus (please see section “**Information about the Issuer, the Guarantor and the Guarantee**”, heading “**Registration Document**”).

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of documents referred to in (a)-(g) will be available free of charge upon request from the Issuer (The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone: +44 207 672 1758, email: investor.relations@rbs.com).

To the extent that information is incorporated into this Base Prospectus by making reference only to certain parts of a document, the non-incorporated parts are not relevant for investors in the Securities.



London, 12 April 2011

**The Royal Bank of Scotland N.V.,  
London Branch**

By:

Signature

JÖRN PEGLOW  
Authorised Signatory

13 December 2010

**The Royal Bank of Scotland N.V.**  
(incorporated in The Netherlands with its statutory seat in Amsterdam)

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THIRD SUPPLEMENT  
IN ACCORDANCE WITH  
SECTION 16(1) OF THE GERMAN SECURITIES PROSPECTUS ACT  
(*WERTPAPIERPROSPEKTGESETZ*; "**WpPG**")  
TO THE  
BASE PROSPECTUS DATED 20 MAY 2010  
(THE "**BASE PROSPECTUS**")  
RELATING TO  
**EXCHANGE TRADED NOTES AND EXCHANGE TRADED COMMODITIES**  
**WITH A FIXED MATURITY**  
(THE "**SECURITIES**")

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If, before this Supplement is published, investors have already agreed to purchase or subscribe for Securities issued under the Final Terms to the Base Prospectus which have been published by the date of this Supplement, such investors shall have the right to withdraw their declaration of purchase or subscription in accordance with Section 16(3) WpPG within a period of two working days from the date of publication of this Supplement, unless such purchase or subscription has already been completed.

The withdrawal (for which no reasons need to be given) must be declared by written notice to that entity to which the relevant investor addressed the declaration of purchase or

**subscription or to The Royal Bank of Scotland N.V., London Branch, GBM, Legal Department/German Equities, 250 Bishopsgate, London EC2M 4AA, United Kingdom. Timely dispatch of notice is sufficient to comply with the notice period.**

During the validity of the Base Prospectus and as long as any Securities issued in connection with the Base Prospectus are listed on any stock exchange or offered to the public, copies of this Supplement and of the Base Prospectus, as supplemented, will be available free of charge upon request from the Issuer (The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email [investor.relations@rbs.com](mailto:investor.relations@rbs.com)) and via the Issuer's website [www.rbs.de/markets](http://www.rbs.de/markets) for investors in Germany, [www.rbsbank.at/markets](http://www.rbsbank.at/markets) for investors in Austria and [www.rbs.com/markets](http://www.rbs.com/markets) for all other investors (or any successor website). If parts of the Base Prospectus amended by this Supplement appear in the Final Terms published by the date of this Supplement, these Final Terms shall also be deemed to be amended by this Supplement.

This supplement to the Base Prospectus is published because RBS Holdings N.V. and The Royal Bank of Scotland N.V. published the second supplement dated 1 December 2010 to their registration document dated 1 July 2010.

1. On the cover page of the Base Prospectus, the second paragraph shall be replaced by the following paragraph:

This Base Prospectus must be read in connection with the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 1 July 2010 as well as the first supplement to this registration document dated 1 September 2010 and the second supplement to this registration document dated 1 December 2010 (together the "**Registration Document**") which was approved by the competent authority in the Netherlands (*Autoriteit Financiële Markten*) (the "**AFM**") and which is incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG, as well as in connection with any supplements to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG (the "**Supplements**").

2. On page 4 *et seq.* of the Base Prospectus, the section "**SUMMARY**" up to (and including) the paragraph with the heading "Risk Factors relating to the Issuer and the Guarantor" shall be replaced as follows:

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## SUMMARY

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*This summary should be read as an introduction to this Base Prospectus and any decision to invest in any Securities issued by The Royal Bank of Scotland N.V. should be based on consideration by the investor of this Base Prospectus as a whole, including the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 1 July 2010 as well as the first supplement to this registration document dated 1 September 2010 and the second supplement to this registration document dated 1 December 2010 (together the "Registration Document") which was approved by the competent authority in the Netherlands (Autoriteit Financiële Markten) (the "AFM") and which is incorporated into this Base Prospectus by reference, any supplements to this Base Prospectus approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), and the so-called final terms (the "Final Terms"). Liability attaches to The Royal Bank of Scotland N.V. with respect to this summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the EEA (an "EEA State"), the plaintiff investor may, under the national legislation of the*

***EEA States, have to bear the costs of translating this Base Prospectus before the legal proceedings are initiated.***

**Issuer:** The Royal Bank of Scotland N.V. acting either through its principal office in The Netherlands or through its London branch or any other branch as specified in the Final Terms (as defined below) (the "**Issuer**" or "**RBS N.V.**")

**Guarantor:** RBS Holdings N.V. (previously named ABN AMRO Holding N.V.) (the "**Guarantor**" or "**RBS Holdings**")

**Description of the Guarantee:** On 15 June 1998, the Guarantor declared pursuant to 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 legal acts performed by the Issuer after 15 June 1998 (the "**Guarantee**").

**General Information about the Issuer, RBS Holdings and the Group:** Both RBS Holdings and the Issuer 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. The Issuer is registered with the Trade Register in Amsterdam under no. 33002587. RBS Holdings and the Issuer have their registered offices in Amsterdam, The Netherlands and their office address is Gustav Mahlerlaan 10, 1082 PP Amsterdam. The mailing address of both in the Netherlands is Post Office Box 12925, 1100 AX Amsterdam.

The Issuer is the result of the merger of Algemeen 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. The Issuer traces its origin to the formation of the Nederlandsche Handel-Maatschappij, N.V. in 1825, pursuant to a Dutch Royal Decree of 1824.

The group consisting of RBS Holdings and its consolidated subsidiaries (including the Issuer) (the "**Group**") is an international banking group offering a wide range of banking products and financial services

on a global basis.

**Overview:**

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

The Issuer operates across Europe, Middle East and Africa (EMEA), the Americas and Asia. As at 31 December 2009, the businesses within RBS N.V. which were acquired by The Royal Bank of Scotland Group plc ("**RBSG**") reported total consolidated assets of EUR 275 billion and had more than 27,000 full time staff through a network of 264 offices and branches.

Headquartered in Edinburgh, RBSG operates in the United Kingdom, the United States and internationally through its two principal subsidiaries, The Royal Bank of Scotland plc ("**RBS**") and National Westminster Bank Plc ("**Natwest**"). Both RBS and Natwest are major United Kingdom clearing banks whose origins go back over 275 years. In the United States, RBS's subsidiary Citizens Financial Group, Inc. is a large commercial banking organization. RBSG has a large and diversified customer base and provides a wide range of products and services to personal, commercial and large corporate and institutional customers.

**Organisational Structure:**

RBS N.V. comprises the following core businesses:

- Global Banking & Markets: Global Lending, Equities, Short Term Markets & Funding, and Local Markets;
- Global Transaction Services: Global Trade Finance, Transaction Banking and International Cash Management;
- Risk & Restructuring: The Non-Core Division in Risk & Restructuring contains assets that are no longer core to RBSG's strategic objectives and include Trading, Wholesale Banking and Retail & Commercial Business Units, as well as selected network countries. The assets will reduce over time through wind-down, sale or transfer.

These RBS N.V. businesses are part of global business units in RBSG that operate across multiple legal entities. The strategy of RBS N.V. is part of the overall businesses' strategies of RBSG.

**Separation of the group:**

RBS Holdings owns 100% of the shares of the Issuer.

The shares in RBS Holdings are held by RFS Holdings B.V. ("**RFS Holdings**").

RFS Holdings is a company whose shares were held by a consortium consisting of RBSG, Fortis N.V. and Fortis SA/NV (which held its share in RFS Holdings indirectly through Fortis Bank Nederland (Holding) N.V.) and Banco Santander S.A. (the "**Consortium**") until 24 December 2008. On this date, the State of the Netherlands (the "**Dutch State**") acquired the share in RFS Holdings held by Fortis Bank Nederland (Holding) N.V. and thus became a direct shareholder in RFS Holdings. RFS Holdings is controlled by RBSG, which is incorporated in the United Kingdom and registered at 36 St Andrew Square, Edinburgh, Scotland. RBSG is the ultimate parent company of the Issuer.

On 30 September 2009, ABN AMRO Holding N.V. (renamed RBS Holdings N.V.) announced that a two-step approach would be taken to effect the legal separation of the assets and liabilities acquired by the Dutch State.

The first step of this two-step approach was completed as follows:

Step 1 – "Legal Demerger": The majority of the Dutch State acquired businesses was transferred from ABN AMRO Bank N.V. (the "**Demerging Company**") to a new legal entity, ABN AMRO II N.V. (the "**Acquiring Company**"). Furthermore, the Demerging Company was renamed The Royal Bank of Scotland N.V. and the Acquiring Company, comprising the Dutch State acquired businesses, was renamed ABN AMRO Bank N.V.

The Legal Demerger and the consequent name changes were completed on 6 February 2010.

The second step of the two-step approach was completed as follows:

Step 2 – "Legal Separation": Transfer of the shares of the Acquiring Company (renamed ABN AMRO Bank N.V.) from ABN AMRO Holding N.V. to a new holding company fully owned by the Dutch State and independent of ABN AMRO Holding N.V. Following the transfer of the shares in ABN AMRO Bank N.V. to a new holding company, ABN AMRO Holding N.V. was renamed RBS Holdings N.V.

The Legal Separation and the consequent name change were completed on 1 April 2010.

Following Legal Separation, the Issuer's activities will continue to be subject to the Dutch Central Bank's (*De Nederlandsche Bank*) and the Dutch Authority for the Financial Markets' (*Autoriteit Financiële Markten*) supervision and on a consolidated basis as part of RBSG and its consolidated subsidiaries be subject to UK Financial Services Authority supervision. Due to the change in the operating model of RBS N.V. compared to pre-acquisition ABN AMRO Bank N.V. a licence renewal was granted by the Dutch Central Bank on 3 February 2010.

**Results of operations in 2009:**

ABN AMRO Holding N.V. (renamed RBS Holdings N.V.) and its consolidated subsidiaries ("**ABN AMRO**") recorded a loss for 2009 of EUR 4,400 million comprising a loss after tax of EUR 4,499 million from continuing operations, partly offset by a gain after tax from discontinued operations of EUR 99 million. The loss for 2009 comprises a loss of EUR 4,168 million attributable to the RBSG acquired businesses, a loss of EUR 117 million attributable to the Dutch State acquired businesses and a loss of EUR 214 million attributable to Central Items. "**Central Items**" includes head office functions and other items centrally managed which are not allocated to individual



members of the Consortium.

ABN AMRO's total assets were EUR 469 billion at 31 December 2009, a decrease of EUR 197 billion, or 30%, when compared with EUR 667 billion at 31 December 2008. This decrease was primarily related to the continued transfer and sale of businesses and portfolios to RBSG.

ABN AMRO exceeded the minimum tier 1 and total capital ratios of 9% and 12.5% respectively (under Basel I as set by the Dutch Central Bank during the transition period of ABN AMRO). The tier 1 ratio at the end of 2009 was 19.9% and the total capital ratio amounted to 25.5%. In 2009, ABN AMRO and its shareholder, RFS Holdings, through which the members of the Consortium participate in ABN AMRO Holding N.V. (renamed RBS Holdings N.V.), took several capital actions, which were part of an agreed plan for the separation of the businesses, to ensure that at legal separation each individual bank was adequately capitalised.

**Unaudited interim results for the  
half year ended 30 June 2010:**

RBS Holdings reported a total income of EUR 1,598 million for the half year ended 30 June 2010 compared to a loss of EUR 153 million for the same period in 2009. The continuing operations recorded a loss of EUR 541 million while the discontinued operations recorded a EUR 950 million profit after tax compared with a EUR 2,823 million loss from continuing operations and a EUR 176 million profit after tax from discontinued operations respectively for the prior year period. The results from discontinued operations are mainly attributable to the gain on the sale by RBS Holdings on 1 April 2010, of Dutch State acquired businesses included in the new ABN AMRO Bank N.V.

RBS Holdings total assets amounted to EUR 241.4 billion as at 30 June 2010, a decrease of EUR 227.9 billion since December 2009.

**Rating of the Issuer:**

As of 13 December 2010, the credit ratings of the Issuer are as follows:

	Long term	Short term	Outlook
Moody's Investors Service	A2	P-1	Stable
Standard & Poor's	A+	A-1	Stable
Fitch Ratings	AA-	F1+	Stable

- ***Moody's Investors Service definitions***

Obligations rated "A" are considered upper-medium grade and are subject to low credit risk.

The rating system used by Moody's Investors Service for long-term obligations has various subcategories ranging from "Aaa" (describing obligations judged to be of the highest quality, with minimal credit risk), "Aa", "A", "Baa", "Ba", "B", "Caa" and "Ca" to "C", the lowest category representing long-term obligations that are typically in default, with little prospect for recovery of principal or interest. In addition, Moody's Investors Service appends numerical modifiers ("1", "2", and "3") to each generic rating classification from "Aa" through "Caa". The modifier "1" indicates that the respective long-term obligation ranks in the higher end of its generic rating category; the modifier "2" indicates a mid-range ranking, and the modifier "3" indicates a ranking in the lower end of that generic rating category.

Issuers rated "P-1" have a superior ability to repay short-term debt obligations.

The rating system used by Moody's Investors Service for short-term obligations has various subcategories ranging from "P-1", "P-2" and "P-3" to "NP", the lowest category representing issuers that do not fall within any of the "Prime" rating categories.

A rating outlook is an opinion regarding the likely direction of a rating over the medium term. Where assigned, rating outlooks fall into the following four categories: "Positive", "Negative", "Stable", and "Developing" (contingent upon an event).

- ***Standard and Poor's definitions***

An obligor rated "A" by Standard & Poor's has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

The rating system used by Standard & Poor's for the capacity of an obligor to pay its financial obligations over a long-term horizon has various subcategories ranging from "AAA" (which is the highest quality rating), "AA", "A", "BBB"; "BB"; "B", "CCC", "CC", "R" and "SD" to "D", the lowest category indicating that Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. Plus ("+") or minus ("-") signs following ratings from the "AA" to "CCC" categories show the relative standing within the major rating categories.

An obligor rated "A-1" by Standard & Poor's has strong capacity to meet its financial commitments over a short-term time horizon. It is rated in the highest category by Standard & Poor's.

The rating system used by Standard & Poor's for short-term issuer credit ratings has various subcategories ranging from "A-1" (which is the highest quality rating), "A-2", "A-3", "B" "C", "R" and "SD" to "D", the lowest category indicating that Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due.

"Stable" means that a rating is not likely to change.

- ***Fitch Ratings definitions***

"AA" ratings of an issuer denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

The rating system used by Fitch Ratings for long-term financial commitments has various subcategories ranging from "AAA" (which is the highest quality rating), "AA", "A", "BBB", "BB", "B", "CCC", "CC", "C", "RD" to "D", the lowest category indicating that the issuer in Fitch Ratings' opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business. The modifiers "+" or "-" may be appended to a rating to denote relative status within a major rating category. Such suffixes are not added to the "AAA" rating category or to the categories below "B".

An "F1" rating indicates the strongest intrinsic capacity for timely payment of short-term financial commitments. It may have an added "+" to denote any exceptionally strong credit feature.

The rating system used by Fitch Ratings for short-term liabilities has various subcategories ranging from "F1" (which is the highest quality rating), "F2", "F3", "B", "C" and "RD" to "D", the lowest category indicating a broad-based default event for an entity.

The rating definitions set out above were obtained in the English language from Moody's Investors Service ([www.moody.com](http://www.moody.com)), Standard & Poor's ([www.standardandpoors.com](http://www.standardandpoors.com)) and Fitch Ratings ([www.fitchratings.com](http://www.fitchratings.com)), respectively.

**Risk Factors:**

The purpose of the risk factors description is to protect potential purchasers of the Securities from making investments that are not suitable for their purposes as well as to set out economic and legal risks associated with an investment in the Securities. Potential purchasers of the Securities should be aware of the

risks associated with an investment in the Securities before making an investment decision.

**Risk Factors relating to the Issuer and the Guarantor:**

In the context of its business activities, the Issuer is subject to various risks that are typical of the banking industry. Should certain risks materialise, this may adversely affect the business situation, financial condition and profits and losses of the Issuer and its subsidiaries and, consequently, the business situation, financial condition and profits and losses of the Guarantor and, hence, the capacity (i) of the Issuer to meet its liabilities under the Securities towards the Securityholders (as defined below under "General Conditions/ Securityholder"), and/or (ii) of the Guarantor to meet its obligations under the Guarantee. Factors which can adversely affect the business situation, financial condition and profits and losses of the Issuer are inter alia (i) general economic conditions and other business conditions, (ii) competition, (iii) regulatory change, (iv) standard banking risks including changes in interest and foreign exchange rates and operational, credit, market, liquidity and legal risks, and (v) the legal demerger and legal separation process and the implementation of the extensive restructuring of the businesses, operations and assets within the Group.

3. On page 28 *et seq.* of the Base Prospectus, the section "**ZUSAMMENFASSUNG (GERMAN LANGUAGE VERSION OF THE SUMMARY)**" up to (and including) the paragraph with the heading "Risikofaktoren in Bezug auf die Emittentin und die Garantin" shall be replaced as follows:

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**ZUSAMMENFASSUNG  
(GERMAN LANGUAGE VERSION OF THE SUMMARY)**

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*Diese Zusammenfassung sollte als Einführung zum vorliegenden Basisprospekt verstanden werden. Eine Entscheidung zur Anlage in von der The Royal Bank of Scotland N.V. begebene Wertpapiere durch den Anleger sollte auf die Prüfung des gesamten Basisprospekts, einschließlich des Registrierungsformulars der RBS Holdings N.V. und der The Royal Bank of Scotland N.V. vom 1. Juli 2010 sowie des ersten Nachtrags zu*

*diesem Registrierungsformular vom 1. September 2010 und des zweiten Nachtrags zu diesem Registrierungsformular vom 1. Dezember 2010 (zusammen das „Registrierungsformular“), das von der zuständigen niederländischen Finanzmarktbehörde (Autoriteit Financiële Markten) (die „AFM“) gebilligt wurde und das per Verweis in diesen Basisprospekt einbezogen wird, etwaiger von der Bundesanstalt für Finanzdienstleistungsaufsicht gebilligter Nachträge zu diesem Basisprospekt und der so genannten endgültigen Bedingungen (die „Endgültigen Bedingungen“) gestützt werden. Die The Royal Bank of Scotland N.V. kann in Bezug auf diese Zusammenfassung einschließlich Übersetzungen davon haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen dieses Basisprospekts gelesen wird. Für den Fall, dass vor einem Gericht in einem Mitgliedstaat des EWR (ein „EWR-Staat“) Ansprüche aufgrund der in diesem Basisprospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der EWR-Staaten die Kosten für die Übersetzung des Basisprospekts vor Prozessbeginn zu tragen haben.*

**Emittentin:** The Royal Bank of Scotland N.V., handelnd entweder über ihre Hauptniederlassung in den Niederlanden, ihre Niederlassung in London oder eine andere Niederlassung, wie jeweils in den Endgültigen Bedingungen (wie nachstehend definiert) angegeben (die „**Emittentin**“ oder „**RBS N.V.**“)

**Garantin:** RBS Holdings N.V. (bisheriger Name ABN AMRO Holding N.V.) (die „**Garantin**“ oder „**RBS Holdings**“)

**Beschreibung der Garantie:** Die Garantin hat am 15. Juni 1998 gemäß Artikel 403 Abs. 1 lit. f Buch 2 des niederländischen Bürgerlichen Gesetzbuchs erklärt, dass sie gesamtschuldnerisch für sämtliche Verbindlichkeiten haftet, die aus nach dem 15. Juni 1998 von der Emittentin vorgenommenen Rechtshandlungen entstehen (die „**Garantie**“).

**Allgemeine Informationen über die Emittentin, die RBS Holdings und die Gruppe:** Die RBS Holdings und die Emittentin sind am 30. Mai 1990 bzw. am 7. Februar 1825 nach niederländischem Recht gegründete Aktiengesellschaften. Die RBS Holdings ist im Handelsregister von Amsterdam unter der Nummer 33220369 eingetragen. Die Emittentin ist im Handelsregister von Amsterdam unter der Nummer 33002587 eingetragen. Die RBS Holdings und die Emittentin haben ihren Geschäftssitz in Amsterdam, Niederlande, und ihre Geschäftsadresse ist Gustav Mahlerlaan 10, 1082 PP

Amsterdam. Ihre Postanschrift in den Niederlanden lautet: Postfach 12925, 1100 AX Amsterdam.

Die Emittentin ist 1990 aus dem Zusammenschluss der Algemeen Bank Nederland N.V. und der Amsterdam-Rotterdam Bank N.V. entstanden. Bis zu dem Zusammenschluss waren diese Banken die größte und die zweitgrößte Bank in den Niederlanden. Die Ursprünge der Emittentin können zurückverfolgt werden bis zur Gründung der Nederlandsche Handel-Maatschappij, N.V. im Jahr 1825 auf der Grundlage eines Königlichen Niederländischen Erlasses von 1824.

Die aus der RBS Holdings und ihren konsolidierten Tochtergesellschaften (einschließlich der Emittentin) bestehende Gruppe (die „**Gruppe**“) ist eine internationale Bankengruppe, die weltweit eine breite Palette von Bankprodukten und Finanzdienstleistungen anbietet.

#### **Überblick:**

Die Emittentin ist eine durch die Niederländische Zentralbank (*De Nederlandsche Bank*) zugelassene Bank.

Die Emittentin betreibt ihr Geschäft in Europa, im Mittleren Osten und Afrika (EMEA), in Gesamtamerika sowie in Asien. Zum 31. Dezember 2009 berichteten die Geschäftsbereiche innerhalb der RBS N.V., die durch die The Royal Bank of Scotland Group plc („**RBSG**“) erworben wurden, konsolidierte Gesamtvermögenswerte in Höhe von EUR 275 Mrd. und hatten über 27.000 Vollzeitangestellte in einem Netzwerk von 264 Geschäftsstellen und Niederlassungen.

Die RBSG mit Hauptsitz in Edinburgh ist im Vereinigten Königreich, den Vereinigten Staaten und international durch ihre beiden Haupttochterunternehmen The Royal Bank of Scotland plc („**RBS**“) und National Westminster Bank Plc („**Natwest**“) tätig. Die RBS und die Natwest sind bedeutende Clearingbanken im Vereinigten Königreich, deren Ursprünge über 275 Jahre zurückreichen. Die Citizens Financial Group, Inc., eine Tochtergesellschaft der RBS, ist eine große Geschäftsbankengruppe in den Vereinigten Staaten. Die RBSG hat eine große und diversifizierte Kundenbasis und stellt Privat- und

Geschäftskunden sowie Großunternehmen und institutionellen Kunden eine breite Palette von Produkten und Dienstleistungen zur Verfügung.

**Organisationsstruktur:**

Die RBS N.V. umfasst im Wesentlichen die folgenden Unternehmensbereiche:

- Unternehmensbereich Global Banking & Markets (Globales Bankgeschäft & Märkte): Abteilungen Global Lending (Globales Kreditgeschäft), Equities (Aktiengeschäft), Short Term Markets & Funding (Kurzfristige Märkte & Finanzierung) und Local Markets (Lokale Märkte);
- Unternehmensbereich Global Transaction Services (Globale Transaktionsdienstleistungen): Abteilungen Global Trade Finance (Globale Handelsfinanzierung), Transaction Banking (Transaktionsbankgeschäft) und International Cash Management (Internationales Liquiditätsmanagement);
- Unternehmensbereich Risk & Restructuring (Risiko & Restrukturierung): Die Abteilung Non-Core Division (Nicht-Kernabteilung) im Unternehmensbereich Risk & Restructuring (Risiko & Restrukturierung) umfasst Vermögenswerte, die nicht mehr Kern der Strategieziele der RBSG sind, und schließt die Geschäftsbereiche Trading (Handel), Wholesale Banking (Bankgeschäfte mit Großkunden) und Retail & Commercial (Privat- und Geschäftskunden) als auch bestimmte Netzwerkländer ein. Die Vermögenswerte werden mit der Zeit durch Auflösung, Verkauf und Übertragung reduziert.

Diese Unternehmensbereiche der RBS N.V. sind Bestandteil der weltweiten Geschäftseinheiten, die die RBSG übergreifend durch mehrere Gesellschaften betreibt. Die Strategie der RBS N.V. ist Teil der globalen Geschäftsstrategie der RBSG.

**Aufteilung der Gruppe:**

Die RBS Holdings hält 100% der Anteile an der Emittentin.

Die Anteile an der RBS Holdings werden von der RFS Holdings B.V. („**RFS Holdings**“) gehalten.



RFS Holdings ist eine Gesellschaft, deren Anteile bis zum 24. Dezember 2008 von einem Konsortium bestehend aus RBSG, Fortis N.V. und Fortis SA/NV (die ihren Anteil an RFS Holdings wiederum indirekt durch die Fortis Bank Nederland (Holding) N.V. hielten) und Banco Santander S.A. (das „**Konsortium**“) gehalten wurden. Am 24. Dezember 2008 erwarb der niederländische Staat (der „**Niederländische Staat**“) den von der Fortis Bank Nederland (Holding) N.V. gehaltenen Anteil an RFS Holdings und wurde dadurch unmittelbarer Anteilsinhaber von RFS Holdings. RFS Holdings wird durch RBSG beherrscht, die im Vereinigten Königreich errichtet und mit Geschäftssitz in 36 St Andrew Square, Edinburgh, Schottland, eingetragen ist. RBSG ist die oberste Muttergesellschaft der Emittentin.

Am 30. September 2009 teilte die ABN AMRO Holding N.V. (in RBS Holdings N.V. umbenannt) mit, dass sie in einem zweistufigen Verfahren vorgehen würde, um die rechtliche Aufteilung der vom Niederländischen Staat erworbenen Vermögenswerte und Verbindlichkeiten zu vollziehen.

Die erste Stufe dieses zweistufigen Verfahrens wurde wie folgt vollzogen:

Stufe 1 – „Rechtliche Abspaltung“: Die Mehrheit der vom Niederländischen Staat erworbenen Geschäftsbereiche wurde von der ABN AMRO Bank N.V. (die „**Abspaltende Gesellschaft**“) auf einen neuen Rechtsträger, die ABN AMRO II N.V. (die „**Erwerbende Gesellschaft**“), übertragen. Des Weiteren wurden die Abspaltende Gesellschaft in The Royal Bank of Scotland N.V. und die Erwerbende Gesellschaft, die die vom Niederländischen Staat erworbenen Geschäftsbereiche umfasst, in ABN AMRO Bank N.V. umbenannt.

Die Rechtliche Abspaltung und die folgenden Namensänderungen wurden am 6. Februar 2010 vollzogen.

Die zweite Stufe des zweistufigen Verfahrens wurde wie folgt vollzogen:

Stufe 2 – „Rechtliche Aufteilung“: Übertragung der Aktien an der Erwerbenden Gesellschaft (der umbenannten ABN

AMRO Bank N.V.) von der ABN AMRO Holding N.V. auf eine neue Holdinggesellschaft, die vollständig im Eigentum des Niederländischen Staates steht und von ABN AMRO Holding N.V. unabhängig ist. Nach der Übertragung der Aktien an der ABN AMRO Bank N.V. auf eine neue Holdinggesellschaft wurde ABN AMRO Holding N.V. in RBS Holdings N.V. umbenannt.

Die Rechtliche Aufteilung und die folgende Namensänderung wurden am 1. April 2010 vollzogen.

Nach der Rechtlichen Aufteilung werden die Aktivitäten der Emittentin weiterhin Gegenstand der Aufsicht durch die Niederländische Zentralbank (*De Nederlandsche Bank*) und die Niederländische Finanzmarktbehörde (*Autoriteit Financiële Markten*) sein und auf konsolidierter Grundlage als Bestandteil der RBSG sowie ihrer konsolidierten Tochtergesellschaften unter der Aufsicht der britischen Finanzaufsichtsbehörde (Financial Services Authority) stehen. Wegen der Änderung des Geschäftsmodells der RBS N.V. im Vergleich zur ABN AMRO Bank N.V. vor der Übernahme wurde von der Niederländischen Zentralbank am 3. Februar 2010 eine Lizenzerneuerung erteilt.

**Geschäftszahlen für das  
Jahr 2009:**

Die ABN AMRO Holding N.V. (in RBS Holdings N.V. umbenannt) und ihre konsolidierten Tochtergesellschaften („**ABN AMRO**“) verzeichneten für 2009 einen Verlust in Höhe von EUR 4.400 Mio. Darin enthalten ist ein Verlust nach Steuern in Höhe von EUR 4.499 Mio. aus fortgeführten Geschäftsaktivitäten, dem teilweise ein Ertrag nach Steuern aus eingestellten Geschäftsaktivitäten in Höhe von EUR 99 Mio. gegenübersteht. Der Verlust für 2009 besteht aus einem auf die von der RBSG erworbenen Geschäftsbereiche entfallenden Verlust in Höhe von EUR 4.168 Mio., einem auf die von dem Niederländischen Staat erworbenen Geschäftsbereiche entfallenden Verlust in Höhe von EUR 117 Mio. und einem auf das Segment *Central Items* (Zentrale Funktionen) entfallenden Verlust in Höhe von EUR 214 Mio. Das Segment „**Central Items**“ (Zentrale Funktionen) umfasst Hauptverwaltungsaufgaben und weitere zentral verwaltete Aufgaben, die nicht einzelnen Mitgliedern des Konsortiums zugewiesen sind.

Die Gesamtvermögenswerte der ABN AMRO betragen EUR 469 Mrd. zum 31. Dezember 2009, was eine Reduzierung in Höhe von EUR 197 Mrd. oder 30% verglichen mit EUR 667 Mrd. zum 31. Dezember 2008 darstellt. Diese Reduzierung folgte hauptsächlich aus der fortlaufenden Übertragung und dem fortlaufenden Verkauf der Geschäftsbereiche und Portfolien an die RBSG.

Die ABN AMRO überschritt die Mindestkernkapitalquote (Tier 1) und die Gesamtkapitalquote von 9% bzw. 12,5% (unter Basel I, wie von der Niederländischen Zentralbank während des Übergangszeitraums der ABN AMRO festgelegt). Die Kernkapitalquote (Tier 1) zum Ende des Jahres 2009 betrug 19,9% und die Gesamtkapitalquote belief sich auf 25,5%. ABN AMRO und ihre Aktionärin, RFS Holdings, über die die Mitglieder des Konsortiums an der ABN AMRO Holding N.V. (in RBS Holdings N.V. umbenannt) beteiligt sind, führten 2009 im Rahmen eines vereinbarten Plans zur Aufteilung der Geschäftsbereiche verschiedene Kapitalmaßnahmen durch, um sicherzustellen, dass bei der rechtlichen Aufteilung jede einzelne Bank angemessen kapitalisiert war.

**Ungeprüfte  
Zwischenergebnisse für das  
Halbjahr endend am 30. Juni  
2010:**

Die RBS Holdings verzeichnete für das Halbjahr, das am 30. Juni 2010 endete, einen Gesamtertrag (*total income*) in Höhe von EUR 1.598 Mio., verglichen mit einem Verlust in Höhe von EUR 153 Mio. für den gleichen Zeitraum im Jahr 2009. Die fortgeführten Geschäftsaktivitäten verzeichneten einen Verlust in Höhe von EUR 541 Mio., während die eingestellten Geschäftsaktivitäten einen Gewinn nach Steuern in Höhe von EUR 950 Mio. verzeichneten, verglichen mit einem Verlust aus fortgeführten Geschäftsaktivitäten in Höhe von EUR 2.823 Mio. bzw. einem Gewinn nach Steuern aus eingestellten Geschäftsaktivitäten in Höhe von EUR 176 Mio. für den Vorjahreszeitraum. Die Ergebnisse aus eingestellten Geschäftsaktivitäten sind hauptsächlich auf den Gewinn zurückzuführen, der bei der am 1. April 2010 vollzogenen Veräußerung der von dem Niederländischen Staat erworbenen und in die neue ABN AMRO Bank N.V. einbezogenen Geschäftsbereiche entstanden ist.

Die Gesamtvermögenswerte der RBS Holdings beliefen sich zum 30. Juni 2010 auf EUR 241,4 Mrd., eine Reduzierung um EUR 227,9 Mrd. seit Dezember 2009.

**Rating der Emittentin:**

Zum 13. Dezember 2010 lauten die Kreditratings der Emittentin wie folgt:

	Langfristig	Kurzfristig	Ausblick
Moody's Investors Service	A2	P-1	Stabil
Standard & Poor's	A+	A-1	Stabil
Fitch Ratings	AA-	F1+	Stabil

- **Moody's Investors Service Definitionen**

Verbindlichkeiten, die mit „A“ eingestuft sind, werden als Verbindlichkeiten der „oberen Mittelklasse“ zugerechnet und bergen ein geringes Kreditrisiko.

Die von Moody's Investors Service verwendete Rating-Skala für langfristige Verbindlichkeiten hat verschiedene Kategorien und reicht von „Aaa“, die die Kategorie höchster Qualität mit einem minimalen Kreditrisiko bezeichnet, über die Kategorien „Aa“, „A“, „Baa“, „Ba“, „B“, „Caa“, „Ca“, bis zur niedrigsten Kategorie „C“, die langfristige Verbindlichkeiten bezeichnet, bei denen ein Zahlungsausfall in der Regel bereits eingetreten ist und eine geringe Aussicht auf Rückzahlung von Kapital und Zinsen besteht. Moody's Investors Service verwendet innerhalb der Kategorien „Aa“ bis „Caa“ zusätzlich numerische Unterteilungen („1“, „2“ oder „3“). Der Zusatz „1“ weist darauf hin, dass die jeweilige langfristige Verbindlichkeit zum oberen Drittel der jeweiligen Rating-Kategorie gehört, während der Zusatz „2“ auf eine Klassifizierung im mittleren Drittel und der Zusatz „3“ auf eine solche im unteren Drittel hinweist.

Emittenten mit der Einstufung „P-1“ verfügen in herausragender Weise über die Fähigkeit, ihre kurzfristigen

Schuldverschreibungen zurückzuzahlen.

Die von Moody's Investors Service verwendete Rating-Skala für die Fähigkeit eines Emittenten zur Erfüllung seiner kurzfristigen Finanzverbindlichkeiten hat verschiedene Kategorien und reicht von „P-1“ über die Kategorien „P-2“ und „P-3“ bis zur niedrigsten Kategorie „NP“, die verdeutlicht, dass ein Emittent zu keiner der „Prime“-Rating-Kategorien gehört.

Ein Rating-Ausblick ist eine Meinung über die Richtung, in die sich ein Rating mittelfristig voraussichtlich entwickeln wird. Die Ausblicke werden in die folgenden vier Kategorien unterteilt: „positiv“, „negativ“, „stabil“ und „noch unbestimmt“ (d. h. ereignisabhängig).

- **Standard and Poor's Definitionen**

Die Fähigkeit eines Schuldners mit einem Standard & Poor's-Rating von „A“, seine finanziellen Verpflichtungen zu erfüllen, ist stark, aber etwas anfälliger gegenüber nachteiligen Auswirkungen von Veränderungen äußerer Umstände und wirtschaftlicher Bedingungen als bei Schuldnern, die in einer höheren Rating-Kategorie eingestuft sind.

Die von Standard & Poor's verwendete Rating-Skala für die langfristige Fähigkeit eines Schuldners zur Erfüllung seiner Verbindlichkeiten hat verschiedene Rating-Kategorien und reicht von „AAA“, die die Kategorie höchster Bonität bezeichnet, über die Kategorien „AA“, „A“, „BBB“, „BB“, „B“, „CCC“, „CC“, „R“ und „SD“ bis zur niedrigsten Kategorie „D“, die kennzeichnet, dass Standard & Poor's davon ausgeht, dass der Zahlungsausfall einen allgemeinen Ausfall darstellen wird und Zahlungsausfälle bei allen oder nahezu allen fälligen Verpflichtungen des Schuldners eintreten werden. Den Kategorien „AA“ bis „CCC“ kann jeweils ein Pluszeichen („+“) oder Minuszeichen („-“) hinzugefügt werden, um die relative Stellung innerhalb der Haupt-Rating-Kategorien zu verdeutlichen.

Die kurzfristige Fähigkeit eines Schuldners zur Erfüllung seiner finanziellen Verpflichtungen mit einem „A-1“-Rating ist stark. Er ist mit der höchsten Rating-Kategorie von

Standard & Poor's bewertet.

Die von Standard & Poor's verwendete Rating-Skala für die kurzfristige Fähigkeit eines Schuldners zur Erfüllung seiner Verbindlichkeiten hat verschiedene Rating-Kategorien und reicht von „A-1“, welche die Kategorie höchsten Bonität bezeichnet, über die Kategorien „A-2“, „A-3“, „B“, „C“, „R“ und „SD“ bis zur niedrigsten Kategorie „D“, die kennzeichnet, dass Standard & Poor's davon ausgeht, dass der Zahlungsausfall einen allgemeinen Ausfall darstellen wird und Zahlungsausfälle bei allen oder nahezu allen fälligen Verpflichtungen des Schuldners eintreten werden.

„Stabil“ bedeutet, dass sich die Bonitätseinstufung voraussichtlich nicht ändern wird.

- ***Fitch Ratings Definitionen***

Ein „AA“-Rating eines Emittenten steht für ein sehr gering eingeschätztes Kreditrisiko. Es bezeichnet eine sehr gute Fähigkeit zur fristgerechten Zahlung der Verbindlichkeiten. Diese Fähigkeit ist durch vorhersehbare Ereignisse nicht wesentlich gefährdet.

Die von Fitch Ratings verwendete Rating-Skala für langfristige Verbindlichkeiten hat verschiedene Kategorien und reicht von „AAA“, die für die höchste Kreditqualität steht, über die Kategorien „AA“, „A“, „BBB“, „BB“, „B“, „CCC“, „CC“, „C“, „RD“ bis zur niedrigsten Kategorie „D“, die nach Fitch Ratings' Einschätzung kennzeichnet, dass ein Emittent sich in einem Insolvenzverfahren, unter Zwangsverwaltung, in einem Vergleichsverfahren, in Auflösung oder einem anderen formellen Verfahren zur Abwicklung befindet oder in sonstiger Weise seine Geschäftstätigkeit eingestellt hat. Den Kategorien kann jeweils ein Plus- („+“) oder Minuszeichen („-“) beigefügt werden, um eine relative Einordnung innerhalb der Haupt-Rating-Kategorien auszudrücken. Solche Zusätze werden nicht der Rating-Kategorie „AAA“ oder den Rating-Kategorien unter „B“ beigefügt.

Ein „F1“-Rating bezeichnet die beste Fähigkeit für eine fristgerechte Zahlung der kurzfristigen Verbindlichkeiten. Soweit ein Pluszeichen („+“) hinzugefügt wird, hebt dies die

außergewöhnlich gute Bonität hervor.

Die von Fitch Ratings verwendete Rating-Skala für kurzfristige Verbindlichkeiten hat verschiedene Kategorien und reicht von „F1“, die für die höchste Kreditqualität steht, über die Kategorien „F2“, „F3“, „B“, „C“ und „RD“ bis zur niedrigsten Kategorie „D“, die einen weitgehenden Zahlungsausfall eines Schuldners kennzeichnet.

Die oben aufgeführten Rating-Definitionen stammen in englischer Sprache von der jeweiligen Internetseite von Moody's Investors Service ([www.moodys.com](http://www.moodys.com)), Standard & Poor's ([www.standardandpoors.com](http://www.standardandpoors.com)) bzw. Fitch Ratings ([www.fitchratings.com](http://www.fitchratings.com)).

**Risikofaktoren:**

Ziel der Beschreibung der Risikofaktoren ist es, potenzielle Käufer der Wertpapiere vor der Tötigung von Anlagen zu schützen, die nicht für ihre Zwecke geeignet sind, sowie die wirtschaftlichen und rechtlichen Risiken, die mit einer Anlage in die Wertpapiere verbunden sind, aufzuzeigen. Potenzielle Käufer der Wertpapiere sollten vor einer Anlageentscheidung die mit einer Anlage in die Wertpapiere verbundenen Risiken bedenken.

**Risikofaktoren in Bezug auf die Emittentin und die Garantin:**

Die Emittentin ist im Zusammenhang mit ihrer Geschäftstätigkeit einer Reihe von Risiken ausgesetzt, die für den Bankensektor typisch sind. Die Verwirklichung bestimmter Risiken kann sich nachteilig auf die Geschäfts-, Finanz- und Ertragslage der Emittentin und ihrer Tochtergesellschaften und damit auch auf die Geschäfts-, Finanz- und Ertragslage der Garantin auswirken, was wiederum die Fähigkeit (i) der Emittentin zur Erfüllung ihrer Verbindlichkeiten aus den Wertpapieren gegenüber den Wertpapierinhabern (wie nachstehend definiert unter „Allgemeine Bedingungen/ Wertpapierinhaber“) und/oder (ii) der Garantin zur Erfüllung ihrer Verpflichtungen aus der Garantie beeinträchtigen kann. Zu den Faktoren, die die Geschäfts-, Finanz- und Ertragslage der Emittentin negativ beeinflussen können, gehören unter anderem (i) die allgemeine wirtschaftliche Lage und sonstige Geschäftsbedingungen, (ii) das Wettbewerbsumfeld, (iii) aufsichtsrechtliche Veränderungen, (iv) normale Bankrisiken, etwa veränderte Zinsen und Devisenkurse sowie operative, rechtliche, Kredit-, Markt-

und Liquiditätsrisiken und (v) der rechtliche Abspaltungs- und Aufteilungsprozess sowie die Umsetzung der umfassenden Restrukturierung der Geschäftsbereiche, der Geschäftsaktivitäten und der Vermögenswerte innerhalb der Gruppe.

4. On page 57 of the Base Prospectus, the second paragraph of the section "**RISK FACTORS**" shall be replaced by the following paragraph:

***Potential purchasers of the Securities should be aware of the risks associated with an investment in the Securities before making an investment decision. Hence, potential purchasers of the Securities should also read the rest of the information set out in this Base Prospectus, the registration document of RBS Holdings N.V. (the "Guarantor") and The Royal Bank of Scotland N.V. (the "Issuer") dated 1 July 2010, the first supplement to this registration document dated 1 September 2010 and the second supplement to this registration document dated 1 December 2010 (together the "Registration Document") as well as in any supplements to this Base Prospectus approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) and in the so-called final terms (the "Final Terms") prior to making any investment decision. To be able to make their own assessments prior to making any investment decision, potential purchasers of the Securities should consult their own stockbroker, banker, lawyer, accountant or other legal, tax or financial advisers and carefully review the risks entailed in an investment in the Securities and consider such an investment decision in the light of their personal circumstances.***

5. On page 77 of the Base Prospectus, the first paragraph of the section "**INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE GUARANTEE**" shall be replaced by the following paragraph:

The required information about The Royal Bank of Scotland N.V. acting either through its principal office in The Netherlands or through its London branch or any other branch, as specified in the Final Terms, as issuer of the Securities (the "**Issuer**") and RBS Holdings N.V. as guarantor (the "**Guarantor**") for all liabilities of the Issuer incurred in connection with legal acts performed by the Issuer after 15 June 1998 (the "**Guarantee**") as well as the Guarantee is contained in the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 1 July 2010, the first supplement to this registration document dated 1 September 2010 and the second supplement to this registration document dated 1 December 2010 (together the "**Registration Document**") which was approved by the competent authority in the Netherlands (*Autoriteit Financiële Markten*) (the "**AFM**") and which is incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG.



London, 13 December 2010

**The Royal Bank of Scotland N.V.,  
London Branch**

By:

Signature

BENJAMIN A. WEIL  
Authorised Signatory

9 NOVEMBER 2010

**The Royal Bank of Scotland N.V.**  
(incorporated in The Netherlands with its statutory seat in Amsterdam)

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SECOND SUPPLEMENT  
IN ACCORDANCE WITH  
SECTION 16(1) OF THE GERMAN SECURITIES PROSPECTUS ACT  
(*WERTPAPIERPROSPEKTGESETZ*; “**WpPG**”)  
TO THE  
BASE PROSPECTUS DATED 20 MAY 2010  
(THE “**BASE PROSPECTUS**”)  
RELATING TO  
**EXCHANGE TRADED NOTES AND EXCHANGE TRADED COMMODITIES**  
**WITH A FIXED MATURITY**  
(THE “**SECURITIES**”)

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If, before this Supplement is published, investors have already agreed to purchase or subscribe for Securities issued under the Final Terms to the Base Prospectus which have been published by the date of this Supplement, such investors shall have the right to withdraw their declaration of purchase or subscription in accordance with Section 16(3) WpPG within a period of two working days from the date of publication of this Supplement, unless such purchase or subscription has already been completed.

The withdrawal (for which no reasons need to be given) must be declared by written notice to that entity to which the relevant investor addressed the declaration of purchase or subscription or to The Royal Bank of Scotland N.V., London Branch, GBM, Legal

**Department/German Equities, 250 Bishopsgate, London EC2M 4AA, United Kingdom. Timely dispatch of notice is sufficient to comply with the notice period.**

During the validity of the Base Prospectus and as long as any Securities issued in connection with the Base Prospectus are listed on any stock exchange or offered to the public, copies of this Supplement and of the Base Prospectus, as supplemented, will be available free of charge upon request from the Issuer (The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email [investor.relations@rbs.com](mailto:investor.relations@rbs.com)) and via the Issuer's website [www.rbs.de/markets](http://www.rbs.de/markets) for investors in Germany, [www.rbsbank.at/markets](http://www.rbsbank.at/markets) for investors in Austria and [www.markets.rbs.com](http://www.markets.rbs.com) for all other investors (or any successor website). If parts of the Base Prospectus amended by this Supplement appear in the Final Terms published by the date of this Supplement, these Final Terms shall also be deemed to be amended by this Supplement.

1. On the cover page of the Base Prospectus, the second paragraph shall be replaced by the following paragraph:

This Base Prospectus must be read in connection with the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 1 July 2010 as well as the first supplement to this registration document dated 1 September 2010 (together the “**Registration Document**”) which was approved by the competent authority in the Netherlands (*Autoriteit Financiële Markten*) (the “**AFM**”) and which is incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG, as well as in connection with any supplements to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG (the “**Supplements**”).

2. On page 4 of the Base Prospectus, the first paragraph shall be replaced as follows:

***This summary should be read as an introduction to this Base Prospectus and any decision to invest in any Securities issued by The Royal Bank of Scotland N.V. should be based on consideration by the investor of this Base Prospectus as a whole, including the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 1 July 2010 as well as the first supplement to this registration document dated 1 September 2010 (together the “Registration Document”) which was approved by the competent authority in the Netherlands (Autoriteit Financiële Markten) (the “AFM”) and which is incorporated into this Base Prospectus by reference, any Supplements to this Base Prospectus, and the Final Terms. Liability attaches to The Royal Bank of Scotland N.V. with respect to this summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the EEA (an “EEA State”), the plaintiff investor may, under the national legislation of the EEA States, have to bear the costs of translating this Base Prospectus before the legal proceedings are initiated.***

3. In the section “**SUMMARY**” of the Base Prospectus, the paragraph with the heading “**Unaudited financial results for the first quarter 2010**” (which was included with the first supplement to the Base Prospectus dated 25 August 2010) shall be replaced as follows:

<b>Unaudited interim results for the half year ended 30 June 2010:</b>	RBS Holdings reported a total income of EUR 1,598 million for the half year ended 30 June 2010 compared to a loss of EUR 153 million for the same period in 2009. The continuing operations recorded a loss of EUR 541 million while the discontinued operations recorded a EUR 950 million profit after tax compared with a EUR 2,823 million loss from continuing operations and a EUR 176 million profit after tax from discontinued operations respectively for the prior year period. The results from
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discontinued operations are mainly attributable to the gain on the sale by RBS Holdings on 1 April 2010, of Dutch State acquired businesses included in the new ABN AMRO Bank N.V.

RBS Holdings total assets amounted to EUR 241.4 billion as at 30 June 2010, a decrease of EUR 227.9 billion since December 2009.

4. On page 28 of the Base Prospectus, the first paragraph shall be replaced as follows:

***Diese Zusammenfassung sollte als Einführung zum vorliegenden Basisprospekt verstanden werden. Eine Entscheidung zur Anlage in von der The Royal Bank of Scotland N.V. begebene Wertpapiere durch den Anleger sollte auf die Prüfung des gesamten Basisprospekts, einschließlich des Registrierungsformulars der RBS Holdings N.V. und der The Royal Bank of Scotland N.V. vom 1. Juli 2010 sowie des ersten Nachtrags zu diesem Registrierungsformular vom 1. September 2010 (zusammen das „Registrierungsformular“), das von der zuständigen niederländischen Finanzmarktbehörde (Autoriteit Financiële Markten) (die „AFM“) gebilligt wurde und das per Verweis in diesen Basisprospekt einbezogen wird, etwaiger Nachträge zu diesem Basisprospekt und der Endgültigen Bedingungen gestützt werden. Die The Royal Bank of Scotland N.V. kann in Bezug auf diese Zusammenfassung einschließlich Übersetzungen davon haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen dieses Basisprospekts gelesen wird. Für den Fall, dass vor einem Gericht in einem Mitgliedstaat des EWR (ein „EWR-Staat“) Ansprüche aufgrund der in diesem Basisprospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der EWR-Staaten die Kosten für die Übersetzung des Basisprospekts vor Prozessbeginn zu tragen haben.***

5. In the section “ZUSAMMENFASSUNG (GERMAN LANGUAGE VERSION OF THE SUMMARY)” of the Base Prospectus, the paragraph with the heading “**Ungeprüfte Finanzergebnisse für das erste Quartal 2010**” (which was included with the first supplement to the Base Prospectus dated 25 August 2010) shall be replaced as follows:

**Ungeprüfte Zwischen-  
ergebnisse für das  
Halbjahr endend am  
30. Juni 2010:**

Die RBS Holdings verzeichnete für das Halbjahr, das am 30. Juni 2010 endete, einen Gesamtertrag (*total income*) in Höhe von EUR 1.598 Mio., verglichen mit einem Verlust in Höhe von EUR 153 Mio. für den gleichen Zeitraum im Jahr 2009. Die fortgeführten Geschäftsaktivitäten verzeichneten einen Verlust in Höhe von EUR 541 Mio., während die eingestellten Geschäftsaktivitäten einen Gewinn nach Steuern in Höhe von EUR 950 Mio. verzeichneten, verglichen mit einem Verlust aus fortgeführten Geschäftsaktivitäten in Höhe von EUR 2.823 Mio.

bzw. einem Gewinn nach Steuern aus eingestellten Geschäftsaktivitäten in Höhe von EUR 176 Mio. für den Vorjahreszeitraum. Die Ergebnisse aus eingestellten Geschäftsaktivitäten sind hauptsächlich auf den Gewinn zurückzuführen, der bei der am 1. April 2010 vollzogenen Veräußerung der von dem Niederländischen Staat erworbenen und in die neue ABN AMRO Bank N.V. einbezogenen Geschäftsbereiche entstanden ist.

Die Gesamtvermögenswerte der RBS Holdings beliefen sich zum 30. Juni 2010 auf EUR 241,4 Mrd., eine Reduzierung um EUR 227,9 Mrd. seit Dezember 2009.

6. On page 77 of the Base Prospectus, the section **“INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE GUARANTEE”** up to (and including) the paragraph with the heading **“Significant changes”** shall be replaced as follows:

### **Registration Document and documents incorporated by reference**

The required information about The Royal Bank of Scotland N.V. acting either through its principal office in The Netherlands or through its London branch or any other branch, as specified in the Final Terms, as issuer of the Securities (the **“Issuer”**) and RBS Holdings N.V. as guarantor (the **“Guarantor”**) for all liabilities of the Issuer incurred in connection with legal acts performed by the Issuer after 15 June 1998 (the **“Guarantee”**) as well as the Guarantee is contained in the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 1 July 2010 and the first supplement to this registration document dated 1 September 2010 (together the **“Registration Document”**) which was approved by the competent authority in the Netherlands (*Autoriteit Financiële Markten*) (the **“AFM”**) and which is incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG.

Unless provided otherwise in any supplement to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG, the information contained in the Registration Document is the most recent information available about the Issuer and the Guarantor.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of the Registration Document will be available (i) free of charge upon request from the Issuer (The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com) and from the office of each Paying Agent as specified in the Final Terms, and (ii) via the Issuer’s website as specified in the Final Terms.

Furthermore, the following documents (referred to in the Registration Document) are incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG:

- (a) the Articles of Association (*statuten*) of each of the Guarantor and the Issuer as in force and effect on the date of the Registration Document (the “**Articles of Association**”);
- (b) the ABN AMRO Holding N.V. Annual Report 2008 (the “**Annual Report 2008**”) which includes the publicly available consolidated audited annual financial statements of ABN AMRO Holding N.V. (as the Guarantor was then named) for the financial year ended 31 December 2008 (prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as adopted by the European Union). The consolidated audited annual financial statements of ABN AMRO Holding N.V. appear on pages 98 to 225 of the Annual Report 2008 and the auditor’s report appears on pages 230 to 234 of the Annual Report 2008;
- (c) the ABN AMRO Holding N.V. Annual Report 2009 (the “**Annual Report 2009**”) which includes the publicly available consolidated audited annual financial statements of ABN AMRO Holding N.V. (as the Guarantor was then named) for the financial year ended 31 December 2009 (prepared in accordance with IFRS as adopted by the European Union). The consolidated audited annual financial statements of ABN AMRO Holding N.V. appear on pages 82 to 235 of the Annual Report 2009 and the auditor’s report appears on pages 193 to 197 of the Annual Report 2009;
- (d) the unaudited pro forma condensed consolidated financial information<sup>1</sup> relating to the Guarantor for the year ended 31 December 2009 as included in the press release announcing completion of the legal separation dated 1 April 2010; and
- (e) the Interim Financial Report for the half year ended 30 June 2010 of the Guarantor published on 31 August 2010 (the “**Interim Financial Report 2010**”), which includes the unaudited interim results for the half year ended 30 June 2010.

The information about the Guarantor was obtained in the English language from the Guarantor. It has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by the Guarantor, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The documents referred to in (a)-(e) have been filed with AFM. During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of these documents will be available free of charge upon request from the Issuer (The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com).

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<sup>1</sup> A report of Deloitte Accountants B.V. in accordance with Commission Regulation (EC) No. 809/2004 relating to the unaudited pro forma financial information is set forth on page 36 et seq. of the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 1 July 2010.

## Significant changes

There has been no significant change in the financial position of the Issuer or the group consisting of the Guarantor and its consolidated subsidiaries (including the Issuer) since 30 June 2010 and there has been no material adverse change in the prospects of the Issuer or the Guarantor since 31 December 2009 other than resulting from the legal separation of ABN AMRO Bank N.V. (previously named ABN AMRO II N.V.) and its consolidated subsidiaries and the transition of entities resulting therefrom which are set forth on page 17 *et seq.* of the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 1 July 2010 and page 6 *et seq.* of the Interim Financial Report 2010.

7. On page 87 of the Base Prospectus, the section "**PERSONS RESPONSIBLE**" shall be replaced by the following section:

The Royal Bank of Scotland N.V., the registered office and principal administrative office of which is situated in Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands, is responsible for the information given in this Base Prospectus and further declares that, to the best of its knowledge, the information contained in this Base Prospectus is correct and omits no significant factors.

8. In each "**PRODUCT CONDITIONS**" of the Base Prospectus, on page 113, 130, 148, 168 and 192, respectively, the definition of "**Security Trust Deed**" in Product Condition 1 shall be replaced as follows:

"**Security Trust Deed**" means the debenture and security trust deed dated 18 February 2010 entered into, among others, the Issuer, the Security Trustee, the Default Paying Agent and the Custodian, as amended, supplemented or novated from time to time before the Issue Date. The Security Trust Deed is incorporated by reference into the Product Conditions and forms an integral part of the Product Conditions. The Security Trust Deed sets out the arrangements in relation to the creation and maintenance of security for the Issuer's obligations under or in respect of the Securities. A copy of the Security Trust Deed is set forth in the base prospectus dated 20 May 2010 relating to the issuance of exchange traded notes and exchange traded commodities with a fixed maturity, as supplemented pursuant to Section 16(1) of the German Securities Prospectus Act (*Wertpapierprospektgesetz*);



London, 9 November 2010

**The Royal Bank of Scotland N.V.,  
London Branch**

By:

Signature

Signature

DANIEL KRAUSS

BENJAMIN A. WEIL

Authorised Signatory

Authorised Signatory

25 AUGUST 2010

**The Royal Bank of Scotland N.V.**  
(incorporated in The Netherlands with its statutory seat in Amsterdam)

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FIRST SUPPLEMENT  
IN ACCORDANCE WITH  
SECTION 16(1) OF THE GERMAN SECURITIES PROSPECTUS ACT  
(*WERTPAPIERPROSPEKTGESETZ*; “**WpPG**”)  
TO THE  
BASE PROSPECTUS DATED 20 MAY 2010  
(THE “**BASE PROSPECTUS**”)  
RELATING TO  
**EXCHANGE TRADES NOTES AND EXCHANGE TRADED COMMODITIES**  
**WITH A FIXED MATURITY**

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If, before this Supplement is published, investors have already agreed to purchase or subscribe for Securities issued under the Final Terms to the Base Prospectus which have been published by the date of this Supplement, such investors shall have the right to withdraw their declaration of purchase or subscription in accordance with Section 16(3) WpPG within a period of two working days from the date of publication of this Supplement, unless such purchase or subscription has already been completed.

The withdrawal (for which no reasons need to be given) must be declared by written notice to that entity to which the relevant investor addressed the declaration of purchase or subscription or to The Royal Bank of Scotland N.V., London Branch, GBM, Legal Department/German Equities, 250 Bishopsgate, London EC2M 4AA, United Kingdom. Timely dispatch of notice is sufficient to comply with the notice period.

During the validity of the Base Prospectus and as long as any Securities issued in connection with the Base Prospectus are listed on any stock exchange or offered to the public, copies of this Supplement and of the Base Prospectus, as supplemented, will be available free of charge upon request from the Issuer (The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email [investor.relations@rbs.com](mailto:investor.relations@rbs.com)) and via the Issuer's website [www.rbs.de/markets](http://www.rbs.de/markets) for investors in Germany, [www.rbsbank.at/markets](http://www.rbsbank.at/markets) for investors in Austria and [www.markets.rbs.com](http://www.markets.rbs.com) for all other investors (or any successor website). If parts of the Base Prospectus amended by this Supplement appear in the Final Terms published by the date of this Supplement, these Final Terms shall also be deemed to be amended by this Supplement.

1. On the cover page of the Base Prospectus the second paragraph shall be replaced by the following paragraph:

This Base Prospectus must be read in connection with the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 1 July 2010 (the “**Registration Document**”) which was approved by the competent authority in the Netherlands (*Autoriteit Financiële Markten*) (the “**AFM**”) and which is incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG, as well as in connection with any supplements to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG (the “**Supplements**”).

2. On page 4 *et seq.* of the Base Prospectus, the section “**SUMMARY**” up to (and including) the paragraph with the heading “Risk Factors relating to the Issuer and the Guarantor” shall be replaced as follows:

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## SUMMARY

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*This summary should be read as an introduction to this Base Prospectus and any decision to invest in any Securities issued by The Royal Bank of Scotland N.V. should be based on consideration by the investor of this Base Prospectus as a whole, including the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 1 July 2010 (the “Registration Document”) which was approved by the competent authority in the Netherlands (Autoriteit Financiële Markten) (the “AFM”) and which is incorporated into this Base Prospectus by reference, any Supplements to this Base Prospectus, and the Final Terms. Liability attaches to The Royal Bank of Scotland N.V. with respect to this summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the EEA (an “EEA State”), the plaintiff investor may, under the national legislation of the EEA States, have to bear the costs of translating this Base Prospectus before the legal proceedings are initiated.*

**Issuer:** The Royal Bank of Scotland N.V. acting either through its principal office in The Netherlands or through its London branch or any other branch as specified in the Final Terms (as defined below) (the “**Issuer**” or “**RBS N.V.**”)

**Guarantor:** RBS Holdings N.V. (previously named ABN AMRO Holding N.V.) (the “**Guarantor**” or “**RBS Holdings**”)

**Description of the Guarantee:**

On 15 June 1998, the Guarantor declared pursuant to 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 legal acts performed by the Issuer after 15 June 1998 (the “**Guarantee**”).

**General Information about the Issuer, RBS Holdings and the Group:**

Both RBS Holdings and the Issuer 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. The Issuer is registered with the Trade Register in Amsterdam under no. 33002587. RBS Holdings and the Issuer have their registered offices in Amsterdam, The Netherlands and their office address is Gustav Mahlerlaan 10, 1082 PP Amsterdam. The mailing address of both in the Netherlands is Post Office Box 12925, 1100 AX Amsterdam.

The Issuer is the result of the merger of Algemeen 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. The Issuer traces its origin to the formation of the Nederlandsche Handel-Maatschappij, N.V. in 1825, pursuant to a Dutch Royal Decree of 1824.

The group consisting of RBS Holdings and its consolidated subsidiaries (including the Issuer) (the “**Group**”) is an international banking group offering a wide range of banking products and financial services on a global basis.

**Overview:**

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

The Issuer operates across Europe, Middle East and Africa (EMEA), the Americas and Asia. As at 31 December 2009, the businesses within RBS N.V. which were acquired by The Royal Bank of Scotland Group plc (“**RBSG**”) reported total consolidated assets of EUR 275 billion and had more than 27,000 full time staff through a network of 264 offices and branches.

Headquartered in Edinburgh, RBSG operates in the United Kingdom, the United States and internationally through its two principal subsidiaries, The Royal Bank of Scotland plc (“**RBS**”) and National Westminster Bank Plc (“**Natwest**”). Both RBS and Natwest are major United Kingdom clearing banks whose origins go back over 275 years. In the United States, RBS's subsidiary Citizens Financial Group, Inc. is a large commercial banking organization. RBSG has a large and diversified customer base and provides a wide range of products and services to personal, commercial and large corporate and institutional customers.

**Organisational Structure:**

RBS N.V. comprises the following core businesses:

- Global Banking & Markets: Global Lending, Equities, Short Term Markets & Funding, and Local Markets;
- Global Transaction Services: Global Trade Finance, Transaction Banking and International Cash Management;
- Risk & Restructuring: The Non-Core Division in Risk & Restructuring contains assets that are no longer core to RBSG's strategic objectives and include Trading, Wholesale Banking and Retail & Commercial Business Units, as well as selected network countries. The assets will reduce over time through wind-down, sale or transfer.

These RBS N.V. businesses are part of global business units in RBSG that operate across multiple legal entities. The strategy of RBS N.V. is part of the overall businesses' strategies of RBSG.

**Separation of the group:**

RBS Holdings owns 100% of the shares of the Issuer.

The shares in RBS Holdings are held by RFS Holdings B.V. (“**RFS Holdings**”).

RFS Holdings is a company whose shares were held by a consortium consisting of RBSG, Fortis N.V. and Fortis SA/NV (which held its share in RFS Holdings indirectly through Fortis Bank Nederland (Holding) N.V.) and Banco

Santander S.A. (the “**Consortium**”) until 24 December 2008. On this date, the State of the Netherlands (the “**Dutch State**”) acquired the share in RFS Holdings held by Fortis Bank Nederland (Holding) N.V. and thus became a direct shareholder in RFS Holdings. RFS Holdings is controlled by RBSG, which is incorporated in the United Kingdom and registered at 36 St Andrew Square, Edinburgh, Scotland. RBSG is the ultimate parent company of the Issuer.

On 30 September 2009, ABN AMRO Holding N.V. (renamed RBS Holdings N.V.) announced that a two-step approach would be taken to effect the legal separation of the assets and liabilities acquired by the Dutch State.

The first step of this two-step approach was completed as follows:

Step 1 – “Legal Demerger”: The majority of the Dutch State acquired businesses was transferred from ABN AMRO Bank N.V. (the “**Demerging Company**”) to a new legal entity, ABN AMRO II N.V. (the “**Acquiring Company**”). Furthermore, the Demerging Company was renamed The Royal Bank of Scotland N.V. and the Acquiring Company, comprising the Dutch State acquired businesses, was renamed ABN AMRO Bank N.V.

The Legal Demerger and the consequent name changes were completed on 6 February 2010.

The second step of the two-step approach was completed as follows:

Step 2 – “Legal Separation”: Transfer of the shares of the Acquiring Company (renamed ABN AMRO Bank N.V.) from ABN AMRO Holding N.V. to a new holding company fully owned by the Dutch State and independent of ABN AMRO Holding N.V. Following the transfer of the shares in ABN AMRO Bank N.V. to a new holding company, ABN AMRO Holding N.V. was renamed RBS Holdings N.V.

The Legal Separation and the consequent name change were completed on 1 April 2010.

Following Legal Separation, the Issuer's activities will continue to be subject to the Dutch Central Bank's (*De Nederlandsche Bank*) and the Dutch Authority for the Financial Markets' (*Autoriteit Financiële Markten*) supervision and on a consolidated basis as part of RBSG and its consolidated subsidiaries be subject to UK Financial Services Authority supervision. Due to the change in the operating model of RBS N.V. compared to pre-acquisition ABN AMRO Bank N.V. a licence renewal was granted by the Dutch Central Bank on 3 February 2010.

**Results of operations in 2009:**

ABN AMRO Holding N.V. (renamed RBS Holdings N.V.) and its consolidated subsidiaries ("**ABN AMRO**") recorded a loss for 2009 of EUR 4,400 million comprising a loss after tax of EUR 4,499 million from continuing operations, partly offset by a gain after tax from discontinued operations of EUR 99 million. The loss for 2009 comprises a loss of EUR 4,168 million attributable to the RBSG acquired businesses, a loss of EUR 117 million attributable to the Dutch State acquired businesses and a loss of EUR 214 million attributable to Central Items. "**Central Items**" includes head office functions and other items centrally managed which are not allocated to individual members of the Consortium.

ABN AMRO's total assets were EUR 469 billion at 31 December 2009, a decrease of EUR 197 billion, or 30%, when compared with EUR 667 billion at 31 December 2008. This decrease was primarily related to the continued transfer and sale of businesses and portfolios to RBSG.

ABN AMRO exceeded the minimum tier 1 and total capital ratios of 9% and 12.5% respectively (under Basel I as set by the Dutch Central Bank during the transition period of ABN AMRO). The tier 1 ratio at the end of 2009 was 19.9% and the total capital ratio amounted to 25.5%. In 2009, ABN AMRO and its shareholder, RFS Holdings, through which the members of the Consortium participate in ABN AMRO Holding N.V. (renamed RBS Holdings N.V.), took several capital actions, which were part of an



agreed plan for the separation of the businesses, to ensure that at legal separation each individual bank was adequately capitalised.

**Unaudited financial results for the first quarter 2010:**

RBS Holdings reported a gain of EUR 178 million for the three months ended 31 March 2010 compared to a loss of EUR 886 million for the same period in 2009. The continuing operations broke even while the discontinued operations recorded a EUR 178 million gain compared with a EUR 976 million loss and a EUR 90 million gain respectively for the prior year period. The results from discontinued operations are mainly attributable to the Dutch State acquired businesses included in the new ABN AMRO Bank N.V. which was legally separated from RBS Holdings on 1 April 2010.

RBS Holdings' total assets amounted to EUR 467 billion as at 31 March 2010, a decrease of EUR 2 billion as compared to 31 December 2009.

The Tier 1 capital ratio and total capital ratio for RBS Holdings at 31 March 2010 was 12.79% and 17.84% respectively. The Tier 1 capital ratio and total capital ratio for RBSG acquired businesses at 31 March 2010 was 11.92% and 18.46% respectively.

**Rating of the Issuer:**

As of 25 August 2010, the credit ratings of the Issuer are as follows:

	Long term	Short term	Outlook
Moody's Investors Service	A2	P-1	Stable
Standard & Poor's	A+	A-1	Stable
Fitch Ratings	AA-	F1+	Stable

• **Moody's Investors Service definitions**

Obligations rated "A" are considered upper-medium grade and are subject to low credit risk.

The rating system used by Moody's Investors Service for

long-term obligations has various subcategories ranging from “Aaa” (describing obligations judged to be of the highest quality, with minimal credit risk), “Aa”, “A”, “Baa”, “Ba”, “B”, “Caa” and “Ca” to “C”, the lowest category representing long-term obligations that are typically in default, with little prospect for recovery of principal or interest. In addition, Moody’s Investors Service appends numerical modifiers (“1”, “2”, and “3”) to each generic rating classification from “Aa” through “Caa”. The modifier “1” indicates that the respective long-term obligation ranks in the higher end of its generic rating category; the modifier “2” indicates a mid-range ranking, and the modifier “3” indicates a ranking in the lower end of that generic rating category.

Issuers rated “P-1” have a superior ability to repay short-term debt obligations.

The rating system used by Moody’s Investors Service for short-term obligations has various subcategories ranging from “P-1”, “P-2” and “P-3” to “NP”, the lowest category representing issuers that do not fall within any of the “Prime” rating categories.

A rating outlook is an opinion regarding the likely direction of a rating over the medium term. Where assigned, rating outlooks fall into the following four categories: “Positive”, “Negative”, “Stable”, and “Developing” (contingent upon an event).

- **Standard and Poor’s definitions**

An obligor rated “A” by Standard & Poor’s has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

The rating system used by Standard & Poor’s for the capacity of an obligor to pay its financial obligations over a long-term horizon has various subcategories ranging from “AAA” (which is the highest quality rating), “AA”, “A”, “BBB”, “BB”, “B”, “CCC”, “CC”, “R” and “SD” to “D”, the lowest category indicating that Standard & Poor’s

believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. Plus (“+”) or minus (“-”) signs following ratings from the “AA” to “CCC” categories show the relative standing within the major rating categories.

An obligor rated “A-1” by Standard & Poor’s has strong capacity to meet its financial commitments over a short-term time horizon. It is rated in the highest category by Standard & Poor’s.

The rating system used by Standard & Poor’s for short-term issuer credit ratings has various subcategories ranging from “A-1” (which is the highest quality rating), “A-2”, “A-3”, “B”, “C”, “R” and “SD” to “D”, the lowest category indicating that Standard & Poor’s believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due.

“Stable” means that a rating is not likely to change.

- **Fitch Ratings definitions**

“AA” ratings of an issuer denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

The rating system used by Fitch Ratings for long-term financial commitments has various subcategories ranging from “AAA” (which is the highest quality rating), “AA”, “A”, “BBB”, “BB”, “B”, “CCC”, “CC”, “C”, “RD” to “D”, the lowest category indicating that the issuer in Fitch Ratings’ opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business. The modifiers “+” or “-” may be appended to a rating to denote relative status within a major rating category. Such suffixes are not added to the “AAA” rating category or to the categories below “B”.

An “F1” rating indicates the strongest intrinsic capacity for timely payment of short-term financial commitments. It

may have an added “+” to denote any exceptionally strong credit feature.

The rating system used by Fitch Ratings for short-term liabilities has various subcategories ranging from “F1” (which is the highest quality rating), “F2”, “F3”, “B” “C” and “RD” to “D”, the lowest category indicating a broad-based default event for an entity.

The rating definitions set out above were obtained in the English language from Moody’s Investors Service ([www.moody.com](http://www.moody.com)), Standard & Poor’s ([www.standardandpoors.com](http://www.standardandpoors.com)) and Fitch Ratings ([www.fitchratings.com](http://www.fitchratings.com)), respectively.

**Risk Factors:**

The purpose of the risk factors description is to protect potential purchasers of the Securities from making investments that are not suitable for their purposes as well as to set out economic and legal risks associated with an investment in the Securities. Potential purchasers of the Securities should be aware of the risks associated with an investment in the Securities before making an investment decision.

**Risk Factors relating to the Issuer and the Guarantor:**

In the context of its business activities, the Issuer is subject to various risks that are typical of the banking industry. Should certain risks materialise, this may adversely affect the business situation, financial condition and profits and losses of the Issuer and its subsidiaries and, consequently, the business situation, financial condition and profits and losses of the Guarantor and, hence, the capacity (i) of the Issuer to meet its liabilities under the Securities towards the Securityholders (as defined below under “General Conditions/ Securityholder”), and/or (ii) of the Guarantor to meet its obligations under the Guarantee. Factors which can adversely affect the business situation, financial condition and profits and losses of the Issuer are inter alia (i) general economic conditions and other business conditions, (ii) competition, (iii) regulatory change and (iv) standard banking risks including changes in interest and foreign exchange rates and operational, credit,

market, liquidity and legal risks.

3. On page 28 et seq. of the Base Prospectus, the section “**ZUSAMMENFASSUNG (GERMAN LANGUAGE VERSION OF THE SUMMARY)**” up to (and including) the paragraph with the heading “Risikofaktoren in Bezug auf die Emittentin und die Garantin” shall be replaced as follows:

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## **ZUSAMMENFASSUNG**

### **(GERMAN LANGUAGE VERSION OF THE SUMMARY)**

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*Diese Zusammenfassung sollte als Einführung zum vorliegenden Basisprospekt verstanden werden. Eine Entscheidung zur Anlage in von der The Royal Bank of Scotland N.V. begebene Wertpapiere durch den Anleger sollte auf die Prüfung des gesamten Basisprospekts, einschließlich des Registrierungsformulars der RBS Holdings N.V. und der The Royal Bank of Scotland N.V. vom 1. Juli 2010 (das „Registrierungsformular“), das von der zuständigen niederländischen Finanzmarktbehörde (Autoriteit Financiële Markten) (die „AFM“) gebilligt wurde und das durch Verweis in diesen Basisprospekt einbezogen wird, etwaiger Nachträge zu diesem Basisprospekt und der Endgültigen Bedingungen gestützt werden. Die The Royal Bank of Scotland N.V. kann in Bezug auf diese Zusammenfassung einschließlich Übersetzungen davon haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen dieses Basisprospekts gelesen wird. Für den Fall, dass vor einem Gericht in einem Mitgliedstaat des EWR (ein „EWR-Staat“) Ansprüche aufgrund der in diesem Basisprospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der EWR-Staaten die Kosten für die Übersetzung des Basisprospekts vor Prozessbeginn zu tragen haben.*

**Emittentin:** The Royal Bank of Scotland N.V., handelnd entweder über ihre Hauptniederlassung in den Niederlanden, ihre Niederlassung in London oder eine andere Niederlassung, wie jeweils in den Endgültigen Bedingungen (wie nachstehend definiert) angegeben (die „**Emittentin**“ oder „**RBS N.V.**“)

**Garantin:** RBS Holdings N.V. (bisheriger Name ABN AMRO Holding N.V.) (die „**Garantin**“ oder „**RBS Holdings**“)

**Beschreibung der Garantie:** Die Garantin hat am 15. Juni 1998 gemäß Artikel 403 Abs. 1 lit. f Buch 2 des niederländischen Bürgerlichen

**Allgemeine Informationen über die Emittentin, die RBS Holdings und die Gruppe:**

Gesetzbuchs erklärt, dass sie gesamtschuldnerisch für sämtliche Verbindlichkeiten haftet, die aus nach dem 15. Juni 1998 von der Emittentin vorgenommenen Rechtshandlungen entstehen (die „**Garantie**“).

Die RBS Holdings und die Emittentin sind am 30. Mai 1990 bzw. am 7. Februar 1825 nach niederländischem Recht gegründete Aktiengesellschaften. Die RBS Holdings ist im Handelsregister von Amsterdam unter der Nummer 33220369 eingetragen. Die Emittentin ist im Handelsregister von Amsterdam unter der Nummer 33002587 eingetragen. Die RBS Holdings und die Emittentin haben ihren Geschäftssitz in Amsterdam, Niederlande, und ihre Geschäftsadresse ist Gustav Mahlerlaan 10, 1082 PP Amsterdam. Ihre Postanschrift in den Niederlanden lautet: Postfach 12925, 1100 AX Amsterdam.

Die Emittentin ist 1990 aus dem Zusammenschluss der Algemeen Bank Nederland N.V. und der Amsterdam-Rotterdam Bank N.V. entstanden. Bis zu dem Zusammenschluss waren diese Banken die größte und die zweitgrößte Bank in den Niederlanden. Die Ursprünge der Emittentin können zurückverfolgt werden bis zur Gründung der Nederlandsche Handel-Maatschappij, N.V. im Jahr 1825 auf der Grundlage eines Königlichen Niederländischen Erlasses von 1824.

Die aus der RBS Holdings und ihren konsolidierten Tochtergesellschaften (einschließlich der Emittentin) bestehende Gruppe (die „**Gruppe**“) ist eine internationale Bankengruppe, die weltweit eine breite Palette von Bankprodukten und Finanzdienstleistungen anbietet.

**Überblick:**

Die Emittentin ist eine durch die Niederländische Zentralbank (*De Nederlandsche Bank*) zugelassene Bank.

Die Emittentin betreibt ihr Geschäft in Europa, im Mittleren Osten und Afrika (EMEA), in Gesamtamerika sowie in Asien.

Zum 31. Dezember 2009 berichteten die Geschäftsbereiche innerhalb der RBS N.V., die durch die

The Royal Bank of Scotland Group plc („**RBSG**“) erworben wurden, konsolidierte Gesamtvermögenswerte in Höhe von EUR 275 Mrd. und hatten über 27.000 Vollzeitangestellte in einem Netzwerk von 264 Geschäftsstellen und Niederlassungen.

Die RBSG mit Hauptsitz in Edinburgh ist im Vereinigten Königreich, den Vereinigten Staaten und international durch ihre beiden Haupttochterunternehmen The Royal Bank of Scotland plc („**RBS**“) und National Westminster Bank Plc („**Natwest**“) tätig. Die RBS und die Natwest sind bedeutende Clearingbanken im Vereinigten Königreich, deren Ursprünge über 275 Jahre zurückreichen. Die Citizens Financial Group, Inc., eine Tochtergesellschaft der RBS, ist eine große Geschäftsbankengruppe in den Vereinigten Staaten. Die RBSG hat eine große und diversifizierte Kundenbasis und stellt Privat- und Geschäftskunden sowie Großunternehmen und institutionellen Kunden eine breite Palette von Produkten und Dienstleistungen zur Verfügung.

#### **Organisationsstruktur:**

Die RBS N.V. umfasst im Wesentlichen die folgenden Unternehmensbereiche:

- Unternehmensbereich *Global Banking & Markets* (Globales Bankgeschäft & Märkte): Abteilungen *Global Lending* (Globales Kreditgeschäft), *Equities* (Aktiengeschäft), *Short Term Markets & Funding* (Kurzfristige Märkte & Finanzierung) und *Local Markets* (Lokale Märkte);
- Unternehmensbereich *Global Transaction Services* (Globale Transaktionsdienstleistungen): Abteilungen *Global Trade Finance* (Globale Handelsfinanzierung), *Transaction Banking* (Transaktionsbankgeschäft) und *International Cash Management* (Internationales Liquiditätsmanagement);
- Unternehmensbereich *Risk & Restructuring* (Risiko & Restrukturierung): Die Abteilung *Non-Core Division* (Nicht-Kernabteilung) im Unternehmensbereich *Risk & Restructuring*

(Risiko & Restrukturierung) umfasst Vermögenswerte, die nicht mehr Kern der Strategieziele der RBSG sind, und schließt die Geschäftsbereiche *Trading* (Handel), *Wholesale Banking* (Bankgeschäfte mit Großkunden) und *Retail & Commercial* (Privat- und Geschäftskunden) als auch bestimmte Netzwerkländer ein. Die Vermögenswerte werden mit der Zeit durch Auflösung, Verkauf und Übertragung reduziert.

Diese Unternehmensbereiche der RBS N.V. sind Bestandteil der weltweiten Geschäftseinheiten, die die RBSG übergreifend durch mehrere Gesellschaften betreibt. Die Strategie der RBS N.V. ist Teil der globalen Geschäftsstrategie der RBSG.

#### **Aufteilung der Gruppe:**

Die RBS Holdings hält 100% der Anteile an der Emittentin.

Die Anteile an der RBS Holdings werden von der RFS Holdings B.V. („**RFS Holdings**“) gehalten.

RFS Holdings ist eine Gesellschaft, deren Anteile bis zum 24. Dezember 2008 von einem Konsortium bestehend aus RBSG, Fortis N.V. und Fortis SA/NV (die ihren Anteil an RFS Holdings wiederum indirekt durch die Fortis Bank Nederland (Holding) N.V. hielten) und Banco Santander S.A. (das „**Konsortium**“) gehalten wurden. Am 24. Dezember 2008 erwarb der niederländische Staat (der „**Niederländische Staat**“) den von der Fortis Bank Nederland (Holding) N.V. gehaltenen Anteil an RFS Holdings und wurde dadurch unmittelbarer Anteilsinhaber von RFS Holdings. RFS Holdings wird durch RBSG beherrscht, die im Vereinigten Königreich errichtet und mit Geschäftssitz in 36 St Andrew Square, Edinburgh, Schottland, eingetragen ist. RBSG ist die oberste Muttergesellschaft der Emittentin.

Am 30. September 2009 teilte die ABN AMRO Holding N.V. (in RBS Holdings N.V. umbenannt) mit, dass sie in einem zweistufigen Verfahren vorgehen würde, um die rechtliche Aufteilung der vom Niederländischen Staat



erworbenen Vermögenswerte und Verbindlichkeiten zu vollziehen.

Die erste Stufe dieses zweistufigen Verfahrens wurde wie folgt vollzogen:

Stufe 1 – „Rechtliche Abspaltung“: Die Mehrheit der vom Niederländischen Staat erworbenen Geschäftsbereiche wurde von der ABN AMRO Bank N.V. (die „**Abspaltende Gesellschaft**“) auf einen neuen Rechtsträger, die ABN AMRO II N.V. (die „**Erwerbende Gesellschaft**“), übertragen. Des Weiteren wurden die Abspaltende Gesellschaft in The Royal Bank of Scotland N.V. und die Erwerbende Gesellschaft, die die vom Niederländischen Staat erworbenen Geschäftsbereiche umfasst, in ABN AMRO Bank N.V. umbenannt.

Die Rechtliche Abspaltung und die folgenden Namensänderungen wurden am 6. Februar 2010 vollzogen.

Die zweite Stufe des zweistufigen Verfahrens wurde wie folgt vollzogen:

Stufe 2 – „Rechtliche Aufteilung“: Übertragung der Aktien an der Erwerbenden Gesellschaft (der umbenannten ABN AMRO Bank N.V.) von der ABN AMRO Holding N.V. auf eine neue Holdinggesellschaft, die vollständig im Eigentum des Niederländischen Staates steht und von ABN AMRO Holding N.V. unabhängig ist. Nach der Übertragung der Aktien an der ABN AMRO Bank N.V. auf eine neue Holdinggesellschaft wurde ABN AMRO Holding N.V. in RBS Holdings N.V. umbenannt.

Die Rechtliche Aufteilung und die folgende Namensänderung wurden am 1. April 2010 vollzogen.

Nach der Rechtlichen Aufteilung werden die Aktivitäten der Emittentin weiterhin Gegenstand der Aufsicht durch die Niederländische Zentralbank (*De Nederlandsche Bank*) und die Niederländische Finanzmarktbehörde (*Autoriteit Financiële Markten*) sein und auf konsolidierter Grundlage als Bestandteil der RBSG sowie ihrer konsolidierten Tochtergesellschaften unter der Aufsicht der britischen Finanzaufsichtsbehörde (*Financial*

*Services Authority*) stehen. Wegen der Änderung des Geschäftsmodells der RBS N.V. im Vergleich zur ABN AMRO Bank N.V. vor der Übernahme wurde von der Niederländischen Zentralbank am 3. Februar 2010 eine Lizenzerneuerung erteilt.

**Geschäftszahlen für das Jahr  
2009:**

Die ABN AMRO Holding N.V. (in RBS Holdings N.V. umbenannt) und ihre konsolidierten Tochtergesellschaften („**ABN AMRO**“) verzeichneten für 2009 einen Verlust in Höhe von EUR 4.400 Mio. Darin enthalten ist ein Verlust nach Steuern in Höhe von EUR 4.499 Mio. aus fortgeführten Geschäftsaktivitäten, dem teilweise ein Ertrag nach Steuern aus eingestellten Geschäftsaktivitäten in Höhe von EUR 99 Mio. gegenübersteht. Der Verlust für 2009 besteht aus einem auf die von der RBSG erworbenen Geschäftsbereiche entfallenden Verlust in Höhe von EUR 4.168 Mio., einem auf die von dem Niederländischen Staat erworbenen Geschäftsbereiche entfallenden Verlust in Höhe von EUR 117 Mio. und einem auf das Segment Central Items (Zentrale Funktionen) entfallenden Verlust in Höhe von EUR 214 Mio. Das Segment „**Central Items**“ (Zentrale Funktionen) umfasst Hauptverwaltungsaufgaben und weitere zentral verwaltete Aufgaben, die nicht einzelnen Mitgliedern des Konsortiums zugewiesen sind.

Die Gesamtvermögenswerte der ABN AMRO betragen EUR 469 Mrd. zum 31. Dezember 2009, was eine Reduzierung in Höhe von EUR 197 Mrd. oder 30% verglichen mit EUR 667 Mrd. zum 31. Dezember 2008 darstellt. Diese Reduzierung folgte hauptsächlich aus der fortlaufenden Übertragung und dem fortlaufenden Verkauf der Geschäftsbereiche und Portfolien an die RBSG.

Die ABN AMRO überschritt die Mindestkernkapitalquote (Tier 1) und die Gesamtkapitalquote von 9% bzw. 12,5% (unter Basel I, wie von der Niederländischen Zentralbank während des Übergangszeitraums der ABN AMRO festgelegt). Die Kernkapitalquote (Tier 1) zum Ende des Jahres 2009 betrug 19,9% und die Gesamtkapitalquote belief sich auf 25,5%. ABN AMRO und ihre Aktionärin,

RFS Holdings, über die die Mitglieder des Konsortiums an der ABN AMRO Holding N.V. (in RBS Holdings N.V. umbenannt) beteiligt sind, führten 2009 im Rahmen eines vereinbarten Plans zur Aufteilung der Geschäftsbereiche verschiedene Kapitalmaßnahmen durch, um sicherzustellen, dass bei der rechtlichen Aufteilung jede einzelne Bank angemessen kapitalisiert war.

**Ungeprüfte Finanzergebnisse für das erste Quartal 2010:**

Die RBS Holdings verzeichnete einen Gewinn in Höhe von EUR 178 Mio. für den Dreimonatszeitraum bis zum 31. März 2010, verglichen mit einem Verlust in Höhe von EUR 886 Mio. für den gleichen Zeitraum im Jahr 2009. Die fortgeführten Geschäftsaktivitäten erreichten ein ausgeglichenes Ergebnis, während die eingestellten Geschäftsaktivitäten einen Gewinn in Höhe von EUR 178 Mio. verzeichneten, verglichen mit einem Verlust in Höhe von EUR 976 Mio. bzw. einem Gewinn in Höhe von EUR 90 Mio. für den Vorjahreszeitraum. Die Ergebnisse aus eingestellten Geschäftsaktivitäten entfallen hauptsächlich auf die von dem Niederländischen Staat erworbenen Geschäftsbereiche, die in die neue ABN AMRO Bank N.V. einbezogen sind, die von der RBS Holdings am 1. April 2010 rechtlich geteilt wurde.

Die Gesamtvermögenswerte der RBS Holdings beliefen sich zum 31. März 2010 auf EUR 467 Mrd., eine Reduzierung von EUR 2 Mrd. verglichen mit dem 31. Dezember 2009.

Die Kernkapitalquote (Tier 1) und die Gesamtkapitalquote für die RBS Holdings betragen 12,79% bzw. 17,84% zum 31. März 2010. Die Kernkapitalquote (Tier 1) und die Gesamtkapitalquote für die von RBSG erworbenen Geschäftsbereiche betragen 11,92% bzw. 18,46% zum 31. März 2010.

**Rating der Emittentin:**

Zum 25. August 2010 lauten die Kreditratings der Emittentin wie folgt:

	Langfristig	Kurzfristig	Ausblick
Moody's Investors Service	A2	P-1	Stabil

Standard & Poor's	A+	A-1	Stabil
Fitch Ratings	AA-	F1+	Stabil

- **Moody's Investors Service Definitionen**

Verbindlichkeiten, die mit „A“ eingestuft sind, werden als Verbindlichkeiten der „oberen Mittelklasse“ zugerechnet und bergen ein geringes Kreditrisiko.

Die von Moody's Investors Service verwendete Rating-Skala für langfristige Verbindlichkeiten hat verschiedene Kategorien und reicht von „Aaa“, die die Kategorie höchster Qualität mit einem minimalen Kreditrisiko bezeichnet, über die Kategorien „Aa“, „A“, „Baa“, „Ba“, „B“, „Caa“, „Ca“, bis zur niedrigsten Kategorie „C“, die langfristige Verbindlichkeiten bezeichnet, bei denen ein Zahlungsausfall in der Regel bereits eingetreten ist und eine geringe Aussicht auf Rückzahlung von Kapital und Zinsen besteht. Moody's Investors Service verwendet innerhalb der Kategorien „Aa“ bis „Caa“ zusätzlich numerische Unterteilungen („1“, „2“ oder „3“). Der Zusatz „1“ weist darauf hin, dass die jeweilige langfristige Verbindlichkeit zum oberen Drittel der jeweiligen Rating-Kategorie gehört, während der Zusatz „2“ auf eine Klassifizierung im mittleren Drittel und der Zusatz „3“ auf eine solche im unteren Drittel hinweist.

Emittenten mit der Einstufung „P-1“ verfügen in herausragender Weise über die Fähigkeit, ihre kurzfristigen Schuldverschreibungen zurückzuzahlen.

Die von Moody's Investors Service verwendete Rating-Skala für die Fähigkeit eines Emittenten zur Erfüllung seiner kurzfristigen Finanzverbindlichkeiten hat verschiedene Kategorien und reicht von „P-1“ über die Kategorien „P-2“ und „P-3“ bis zur niedrigsten Kategorie „NP“, die verdeutlicht, dass ein Emittent zu keiner der „Prime“-Rating-Kategorien gehört.

Ein Rating-Ausblick ist eine Meinung über die Richtung, in die sich ein Rating mittelfristig voraussichtlich entwickeln wird. Die Ausblicke werden in die folgenden

vier Kategorien unterteilt: „positiv“, „negativ“, „stabil“ und „noch unbestimmt“ (d. h. ereignisabhängig).

- **Standard and Poor's Definitionen**

Die Fähigkeit eines Schuldners mit einem Standard & Poor's-Rating von „A“, seine finanziellen Verpflichtungen zu erfüllen, ist stark, aber etwas anfälliger gegenüber nachteiligen Auswirkungen von Veränderungen äußerer Umstände und wirtschaftlicher Bedingungen als bei Schuldnern, die in einer höheren Rating-Kategorie eingestuft sind.

Die von Standard & Poor's verwendete Rating-Skala für die langfristige Fähigkeit eines Schuldners zur Erfüllung seiner Verbindlichkeiten hat verschiedene Rating-Kategorien und reicht von „AAA“, die die Kategorie höchster Bonität bezeichnet, über die Kategorien „AA“, „A“, „BBB“, „BB“, „B“, „CCC“, „CC“, „R“ und „SD“ bis zur niedrigsten Kategorie „D“, die kennzeichnet, dass Standard & Poor's davon ausgeht, dass der Zahlungsausfall einen allgemeinen Ausfall darstellen wird und Zahlungsausfälle bei allen oder nahezu allen fälligen Verpflichtungen des Schuldners eintreten werden. Den Kategorien „AA“ bis „CCC“ kann jeweils ein Pluszeichen („+“) oder Minuszeichen („-“) hinzugefügt werden, um die relative Stellung innerhalb der Haupt-Rating-Kategorien zu verdeutlichen.

Die kurzfristige Fähigkeit eines Schuldners zur Erfüllung seiner finanziellen Verpflichtungen mit einem „A-1“-Rating ist stark. Er ist mit der höchsten Rating-Kategorie von Standard & Poor's bewertet.

Die von Standard & Poor's verwendete Rating-Skala für die kurzfristige Fähigkeit eines Schuldners zur Erfüllung seiner Verbindlichkeiten hat verschiedene Rating-Kategorien und reicht von „A-1“, welche die Kategorie höchsten Bonität bezeichnet, über die Kategorien „A-2“, „A-3“, „B“, „C“, „R“ und „SD“ bis zur niedrigsten Kategorie „D“, die kennzeichnet, dass Standard & Poor's davon ausgeht, dass der Zahlungsausfall einen allgemeinen Ausfall darstellen wird und Zahlungsausfälle bei allen oder nahezu allen fälligen Verpflichtungen des

Schuldners eintreten werden.

„Stabil“ bedeutet, dass sich die Bonitätseinstufung voraussichtlich nicht ändern wird.

- **Fitch Ratings Definitionen**

Ein „AA“-Rating eines Emittenten steht für ein sehr gering eingeschätztes Kreditrisiko. Es bezeichnet eine sehr gute Fähigkeit zur fristgerechten Zahlung der Verbindlichkeiten. Diese Fähigkeit ist durch vorhersehbare Ereignisse nicht wesentlich gefährdet.

Die von Fitch Ratings verwendete Rating-Skala für langfristige Verbindlichkeiten hat verschiedene Kategorien und reicht von „AAA“, die für die höchste Kreditqualität steht, über die Kategorien „AA“, „A“, „BBB“, „BB“, „B“, „CCC“, „CC“, „C“, „RD“ bis zur niedrigsten Kategorie „D“, die nach Fitch Ratings' Einschätzung kennzeichnet, dass ein Emittent sich in einem Insolvenzverfahren, unter Zwangsverwaltung, in einem Vergleichsverfahren, in Auflösung oder einem anderen formellen Verfahren zur Abwicklung befindet oder in sonstiger Weise seine Geschäftstätigkeit eingestellt hat. Den Kategorien kann jeweils ein Plus- („+“) oder Minuszeichen („-“) beigefügt werden, um eine relative Einordnung innerhalb der Haupt-Rating-Kategorien auszudrücken. Solche Zusätze werden nicht der Rating-Kategorie „AAA“ oder den Rating-Kategorien unter „B“ beigefügt.

Ein „F1“-Rating bezeichnet die beste Fähigkeit für eine fristgerechte Zahlung der kurzfristigen Verbindlichkeiten. Soweit ein Pluszeichen („+“) hinzugefügt wird, hebt dies die außergewöhnlich gute Bonität hervor.

Die von Fitch Ratings verwendete Rating-Skala für kurzfristige Verbindlichkeiten hat verschiedene Kategorien und reicht von „F1“, die für die höchste Kreditqualität steht, über die Kategorien „F2“, „F3“, „B“, „C“ und „RD“ bis zur niedrigsten Kategorie „D“, die einen weitgehenden Zahlungsausfall eines Schuldners kennzeichnet.

Die oben aufgeführten Rating-Definitionen stammen in

englischer Sprache von der jeweiligen Internetseite von Moody's Investors Service ([www.moody.com](http://www.moody.com)), Standard & Poor's ([www.standardandpoors.com](http://www.standardandpoors.com)) bzw. Fitch Ratings ([www.fitchratings.com](http://www.fitchratings.com)).

**Risikofaktoren:**

Ziel der Beschreibung der Risikofaktoren ist es, potenzielle Käufer der Wertpapiere vor der Tatigung von Anlagen zu schutzen, die nicht fur ihre Zwecke geeignet sind, sowie die wirtschaftlichen und rechtlichen Risiken, die mit einer Anlage in die Wertpapiere verbunden sind, aufzuzeigen. Potenzielle Kaufer der Wertpapiere sollten vor einer Anlageentscheidung die mit einer Anlage in die Wertpapiere verbundenen Risiken bedenken.

**Risikofaktoren in Bezug auf die Emittentin und die Garantin:**

Die Emittentin ist im Zusammenhang mit ihrer Geschaftstatigkeit einer Reihe von Risiken ausgesetzt, die fur den Bankensektor typisch sind. Die Verwirklichung bestimmter Risiken kann sich nachteilig auf die Geschäfts-, Finanz- und Ertragslage der Emittentin und ihrer Tochtergesellschaften und damit auch auf die Geschäfts-, Finanz- und Ertragslage der Garantin auswirken, was wiederum die Fahigkeit (i) der Emittentin zur Erfullung ihrer Verbindlichkeiten aus den Wertpapieren gegenuber den Wertpapierinhabern (wie nachstehend definiert unter „Allgemeine Bedingungen/ Wertpapierinhaber“) und/oder (ii) der Garantin zur Erfullung ihrer Verpflichtungen aus der Garantie beeintrachtigen kann. Zu den Faktoren, die die Geschäfts-, Finanz- und Ertragslage der Emittentin negativ beeinflussen konnen, gehoren unter anderen (i) die allgemeine wirtschaftliche Lage und sonstige Geschäftsbedingungen, (ii) das Wettbewerbsumfeld, (iii) aufsichtsrechtliche Veranderungen und (iv) normale Bankrisiken, etwa veranderte Zinsen und Devisenkurse sowie operative, rechtliche, Kredit-, Markt- und Liquiditatsrisiken.

4. On page 61 of the Base Prospectus, in the section “**RISK FACTORS**” in the paragraph with the heading “*The value of the Securities may fluctuate*”, the sub-paragraph (f) with the heading “*Creditworthiness*” shall be replaced as follows:

(f) *Creditworthiness.* Any person who purchases the Securities is relying upon the creditworthiness of the Issuer and of the Guarantor and has no rights against any other person. The Securities constitute secured and unsubordinated obligations of the Issuer only. The Securities rank *pari passu* among themselves and with all other present and future secured and unsubordinated obligations of the Issuer save for those preferred by mandatory provisions of law.

5. On page 77 *et seq.* of the Base Prospectus, the section “**INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE GUARANTEE**” shall be replaced as follows:

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## **INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE GUARANTEE**

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### **Registration Document and documents incorporated by reference**

The required information about The Royal Bank of Scotland N.V. acting either through its principal office in The Netherlands or through its London branch or any other branch, as specified in the Final Terms, as issuer of the Securities (the “**Issuer**”) and RBS Holdings N.V. as guarantor (the “**Guarantor**” or “**RBS Holdings**”) for all liabilities of the Issuer incurred in connection with legal acts performed by the Issuer after 15 June 1998 (the “**Guarantee**”) as well as the Guarantee is contained in the registration document of RBS Holdings N.V. and The Royal Bank of Scotland N.V. dated 1 July 2010 (the “**Registration Document**”) which was approved by the competent authority in the Netherlands (*Autoriteit Financiële Markten*) (the “**AFM**”) and which is incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG.

Unless provided otherwise in any supplement to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG, the information contained in the Registration Document is the most recent information available about the Issuer and the Guarantor.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of the Registration Document will be available (i) free of charge upon request from the Issuer (The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com) and from the office of each Paying Agent as specified in the Final Terms, and (ii) via the Issuer’s website as specified in the Final Terms.

Furthermore, the following documents (referred to in the Registration Document) are incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG:



- (a) the Articles of Association (*statuten*) of each of the Guarantor and the Issuer as in force and effect on the date of the Registration Document;
- (b) the ABN AMRO Holding N.V. Annual Report 2009 (the “**2009 Annual Report**”) which includes the publicly available consolidated audited annual financial statements of ABN AMRO Holding N.V. (as RBS Holdings N.V. was then named) for the financial year ended 31 December 2009 (prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as adopted by the European Union). The consolidated audited 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 appears on pages 193 to 197 of the 2009 Annual Report;
- (c) the ABN AMRO Holding N.V. Annual Report 2008 (the “**2008 Annual Report**”) which includes the publicly available consolidated audited annual financial statements of ABN AMRO Holding N.V. (as RBS Holdings N.V. was then named) for the financial year ended 31 December 2008 (prepared in accordance with IFRS as adopted by the European Union). The consolidated audited annual financial statements of ABN AMRO Holding N.V. appear on pages 98 to 225 of the 2008 Annual Report and the auditor’s report appears on pages 230 to 234 of the 2008 Annual Report;
- (d) the unaudited pro forma condensed consolidated financial information<sup>1</sup> relating to RBS Holdings N.V. for the year ended 31 December 2009 as included in the press release announcing completion of the legal separation dated 1 April 2010; and
- (e) the publicly available press release in connection with the RBS Holdings N.V. first quarter 2010 financial results, dated 9 June 2010.

The documents referred to in (a)-(e) have been filed with AFM. During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of these documents will be available free of charge upon request from the Issuer (The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email [investor.relations@rbs.com](mailto:investor.relations@rbs.com)).

### **Significant changes**

There has been no significant change in the financial position of the Issuer or the group consisting of the Guarantor and its consolidated subsidiaries (including the Issuer) since 31 March 2010 and there has been no material adverse change in the prospects of the Issuer or the Guarantor since 31 December 2009 other than resulting from the legal separation of ABN AMRO Bank N.V. (previously named ABN AMRO II N.V.) and its consolidated subsidiaries and the transition of entities resulting therefrom which are set forth on page 17 *et seq.* of the Registration Document.

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<sup>1</sup> A report of Deloitte Accountants B.V. in accordance with Commission Regulation (EC) No. 809/2004 relating to the unaudited pro forma financial information is set forth on page 36 *et seq.* of the Registration Document.

## Rating of the Issuer

As of 25 August 2010, the credit ratings of the Issuer are as follows:

	Long term	Short term	Outlook
Moody's Investors Service	A2	P-1	Stable
Standard & Poor's	A+	A-1	Stable
Fitch Ratings	AA-	F1+	Stable

### ***Moody's Investors Service definitions***

Obligations rated "A" are considered upper-medium grade and are subject to low credit risk.

The rating system used by Moody's Investors Service for long-term obligations has various subcategories ranging from "Aaa" (describing obligations judged to be of the highest quality, with minimal credit risk), "Aa", "A", "Baa", "Ba", "B", "Caa" and "Ca" to "C", the lowest category representing long-term obligations that are typically in default, with little prospect for recovery of principal or interest. In addition, Moody's Investors Service appends numerical modifiers ("1", "2", and "3") to each generic rating classification from "Aa" through "Caa". The modifier "1" indicates that the respective long-term obligation ranks in the higher end of its generic rating category; the modifier "2" indicates a mid-range ranking, and the modifier "3" indicates a ranking in the lower end of that generic rating category.

Issuers rated "P-1" have a superior ability to repay short-term debt obligations.

The rating system used by Moody's Investors Service for short-term obligations has various subcategories ranging from "P-1", "P-2" and "P-3" to "NP", the lowest category representing issuers that do not fall within any of the "Prime" rating categories.

A rating outlook is an opinion regarding the likely direction of a rating over the medium term. Where assigned, rating outlooks fall into the following four categories: "Positive", "Negative", "Stable", and "Developing" (contingent upon an event).

### ***Standard and Poor's definitions***

An obligor rated "A" by Standard & Poor's has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

The rating system used by Standard & Poor's for the capacity of an obligor to pay its financial obligations over a long-term horizon has various subcategories ranging from "AAA" (which is the highest quality rating), "AA", "A", "BBB"; "BB"; "B", "CCC", "CC", "R" and "SD" to "D", the lowest category indicating that Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. Plus ("+") or minus ("-") signs following ratings from the "AA" to "CCC" categories show the relative standing within the major rating categories.

An obligor rated "A-1" by Standard & Poor's has strong capacity to meet its financial commitments over a short-term time horizon. It is rated in the highest category by Standard & Poor's.

The rating system used by Standard & Poor's for short-term issuer credit ratings has various subcategories ranging from "A-1" (which is the highest quality rating), "A-2", "A-3", "B" "C", "R" and "SD" to "D", the lowest category indicating that Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due.

"Stable" means that a rating is not likely to change.

### ***Fitch Ratings definitions***

"AA" ratings of an issuer denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

The rating system used by Fitch Ratings for long-term financial commitments has various subcategories ranging from "AAA" (which is the highest quality rating), "AA", "A", "BBB", "BB", "B", "CCC", "CC", "C", "RD" to "D", the lowest category indicating that the issuer in Fitch Ratings' opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business. The modifiers "+" or "-" may be appended to a rating to denote relative status within a major rating category. Such suffixes are not added to the "AAA" rating category or to the categories below "B".

An "F1" rating indicates the strongest intrinsic capacity for timely payment of short-term financial commitments. It may have an added "+" to denote any exceptionally strong credit feature.

The rating system used by Fitch Ratings for short-term liabilities has various subcategories ranging from "F1" (which is the highest quality rating), "F2", "F3", "B" "C" and "RD" to "D", the lowest category indicating a broad-based default event for an entity.

*The rating definitions set out above were obtained in the English language from Moody's Investors Service ([www.moody.com](http://www.moody.com)), Standard & Poor's ([www.standardandpoors.com](http://www.standardandpoors.com)) and Fitch Ratings ([www.fitchratings.com](http://www.fitchratings.com)), respectively. They have been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by Moody's Investors Service, Standard & Poor's, and Fitch Ratings, respectively, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

## **Publication of information subsequent to the issue of Securities**

The Issuer does not intend to make available any further information subsequent to any issue of Securities other than information which needs to be published in the form of a supplement in accordance with Section 16 WpPG.

London, 25 August 2010

**The Royal Bank of Scotland N.V.,  
London Branch**

By:

Signature

Signature

DANIEL KRAUSS  
Authorised Signatory

BENJAMIN A. WEIL  
Authorised Signatory

20 MAY 2010

**The Royal Bank of Scotland N.V.**  
(incorporated in The Netherlands with its statutory seat in Amsterdam)

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BASE PROSPECTUS  
IN ACCORDANCE WITH  
SECTION 6 OF THE GERMAN SECURITIES PROSPECTUS ACT  
RELATING TO  
**EXCHANGE TRADED NOTES AND EXCHANGE TRADED COMMODITIES**  
**WITH A FIXED MATURITY**

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This Base Prospectus relating to exchange traded notes and exchange traded commodities with a fixed maturity (the “**Securities**”) issued by The Royal Bank of Scotland N.V. acting either through its principal office in The Netherlands or through its London branch or any other branch as specified in the Final Terms (as defined below) (the “**Issuer**”) was approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*; the “**BaFin**”) in accordance with Section 13(1) of the German Securities Prospectus Act (*Wertpapierprospektgesetz*; “**WpPG**”). BaFin did not review this Base Prospectus with respect to the accuracy of its contents but approved the Base Prospectus on the basis of a mere review as to the completeness of the Base Prospectus, including a review of the coherence and comprehensibility of the presented information.

This Base Prospectus must be read in connection with the registration document of ABN AMRO Holding N.V. (renamed RBS Holdings N.V.) and ABN AMRO Bank N.V. (renamed The Royal Bank of Scotland N.V.) dated 30 June 2009 as well as the first supplement to this registration document dated 8 July 2009, the second supplement to this registration document dated 11 August 2009, the third supplement to this registration document dated 28 August 2009, the fourth supplement to this registration document dated 19 October 2009, the fifth supplement to this registration document dated 27 November 2009, the sixth supplement to this registration document dated 9 February 2010, and

the seventh supplement to this registration document dated 2 April 2010 (together the “**Registration Document**”) which was approved by the competent authority in the Netherlands (*Autoriteit Financiële Markten*) (the “**AFM**”) and which is, in relation to the information about RBS Holdings N.V. (previously named ABN AMRO Holding N.V.) and The Royal Bank of Scotland N.V. (previously named ABN AMRO Bank N.V.) which shall include information about ABN AMRO Bank N.V. for the period which ended on 6 February 2010, incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG, as well as in connection with any supplements to this Base Prospectus approved by the BaFin pursuant to Section 16(1) WpPG (the “**Supplements**”).

For each tranche of Securities issued on the basis of this Base Prospectus so-called final terms (the “**Final Terms**”) will be published in a separate document which, in addition to stating the terms and conditions applying to the Securities, may but do not need to restate some information already contained in this Base Prospectus. In the Final Terms, information not currently contained in this Base Prospectus may be added in the placeholders contained in this Base Prospectus, or information currently contained in this Base Prospectus may be deleted if contained in square brackets, or information currently contained in this Base Prospectus may be amended as set forth in this Base Prospectus.

**For a detailed description of the risks associated with an investment in the Securities, see “Risk Factors”, which are included in this Base Prospectus as well as in the Registration Document or any Supplements and possibly in the Final Terms.**

Complete information on the Issuer and a specific issue can only be derived from this Base Prospectus, the Registration Document, any Supplements as well as the respective Final Terms.

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## SUMMARY

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*This summary should be read as an introduction to this Base Prospectus and any decision to invest in any Securities issued by The Royal Bank of Scotland N.V. should be based on consideration by the investor of this Base Prospectus as a whole, including the registration document of ABN AMRO Holding N.V. (renamed RBS Holdings N.V.) and ABN AMRO Bank N.V. (renamed The Royal Bank of Scotland N.V.) dated 30 June 2009 as well as the first supplement to this registration document dated 8 July 2009, the second supplement to this registration document dated 11 August 2009, the third supplement to this registration document dated 28 August 2009, the fourth supplement to this registration document dated 19 October 2009, the fifth supplement to this registration document dated 27 November 2009, the sixth supplement to this registration document dated 9 February 2010, and the seventh supplement to this registration document dated 2 April 2010 (together the “Registration Document”) which was approved by the competent authority in the Netherlands (Autoriteit Financiële Markten) (the “AFM”) and which is, in relation to the information about RBS Holdings N.V. (previously named ABN AMRO Holding N.V.) and The Royal Bank of Scotland N.V. (previously named ABN AMRO Bank N.V.) which shall include information about ABN AMRO Bank N.V. for the period which ended on 6 February 2010, incorporated into this Base Prospectus by reference, any Supplements to this Base Prospectus, and the Final Terms. Following the implementation of the relevant provisions of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (the “Prospectus Directive”) in each Member State of the European Economic Area (the “EEA”), civil liability attaches to The Royal Bank of Scotland N.V. in any such Member State with respect to this summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the EEA (an “EEA State”), the plaintiff investor may, under the national legislation of the EEA States, have to bear the costs of translating this Base Prospectus before the legal proceedings are initiated.*

<b>Issuer:</b>	The Royal Bank of Scotland N.V. acting either through its principal office in The Netherlands or through its London branch or any other branch as specified in the Final Terms (as defined below) (the “ <b>Issuer</b> ” or “ <b>RBS N.V.</b> ”)
<b>Guarantor:</b>	RBS Holdings N.V. (previously named ABN AMRO Holding N.V.) (the “ <b>Guarantor</b> ” or “ <b>RBS Holdings</b> ”)
<b>Description of the Guarantee:</b>	On 15 June 1998, the Guarantor declared pursuant to 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 legal acts performed by the Issuer after 15 June 1998 (the “**Guarantee**”).

**General Information about the Issuer, RBS Holdings and the Group:**

Both RBS Holdings and the Issuer 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. The Issuer is registered with the Trade Register in Amsterdam under no. 33002587. RBS Holdings and the Issuer have their registered offices in Amsterdam, The Netherlands and their office address is Gustav Mahlerlaan 10, 1082 PP Amsterdam. The mailing address of both in the Netherlands is Post Office Box 283, 1000 EA Amsterdam.

The Issuer is the result of the merger of Algemeen 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. The Issuer traces its origin to the formation of the Nederlandsche Handel-Maatschappij, N.V. in 1825, pursuant to a Dutch Royal Decree of 1824.

The Issuer and RBS Holdings are regulated by the Dutch Central Bank and the Netherlands Authority for the Financial Markets.

The group consisting of RBS Holdings and its consolidated subsidiaries (including the Issuer) (the “**Group**”) is an international banking group offering a wide range of banking products and financial services on a global basis.

ABN AMRO Holding N.V. (renamed RBS Holdings N.V.) reported total consolidated assets of EUR 469 billion as at 31 December 2009.

**Overview:**

The Issuer is a bank licensed by the Dutch Central Bank (*De Nederlandsche Bank*) and constitutes a wholesale banking enterprise.

The Issuer operates across Europe, Middle East and Africa (EMEA), the Americas and Asia. As at 31 December 2009, the businesses within RBS N.V. which were acquired by The Royal Bank of Scotland Group plc (“**RBSG**”) reported

total consolidated assets of EUR 275 billion and had more than 27,000 full time staff through a network of 264 offices and branches.

Headquartered in Edinburgh, RBSG operates in the United Kingdom, the United States and internationally through its two principal subsidiaries, The Royal Bank of Scotland plc (“**RBS**”) and National Westminster Bank Plc (“**Natwest**”). Both RBS and Natwest are major United Kingdom clearing banks whose origins go back over 275 years. In the United States, RBS's subsidiary Citizens Financial Group, Inc. is a large commercial banking organization. RBSG has a large and diversified customer base and provides a wide range of products and services to personal, commercial and large corporate and institutional customers.

**Organisational Structure:**

RBS N.V. comprises the following core businesses:

- Global Banking & Markets: Global Lending, Equities, Short Term Markets & Funding, and Local Markets;
- Global Transaction Services: Global Trade Finance, Transaction Banking and International Cash Management;
- Risk & Restructuring: The Non-Core Division in Risk & Restructuring contains assets that are no longer core to RBSG’s strategic objectives and include Trading, Wholesale Banking and Retail & Commercial Business Units, as well as selected network countries. The assets will reduce over time through wind-down, sale or transfer.

These RBS N.V. businesses are part of global business units in RBSG that operate across multiple legal entities. The strategy of RBS N.V. is part of the overall businesses’ strategies of RBSG.

**Separation from the ABN AMRO group:**

RBS Holdings owns 100% of the shares of the Issuer.

The shares in RBS Holdings are held by RFS Holdings B.V. (“**RFS Holdings**”).

RFS Holdings is a company whose shares were held by a consortium consisting of RBSG, Fortis N.V. and Fortis

SA/NV (which held its share in RFS Holdings indirectly through Fortis Bank Nederland (Holding) N.V.) and Banco Santander S.A. (the “**Consortium**”) until 24 December 2008. On this date, the State of the Netherlands (the “**Dutch State**”) acquired the share in RFS Holdings held by Fortis Bank Nederland (Holding) N.V. and thus became a direct shareholder in RFS Holdings. RFS Holdings is controlled by RBSG, which is incorporated in the United Kingdom and registered at 36 St Andrew Square, Edinburgh, Scotland. RBSG is the ultimate parent company of RBS Holdings and the Issuer. The consolidated financial statements of the Group are included in the consolidated financial statements of RBSG.

On 30 September 2009, ABN AMRO Holding N.V. (renamed RBS Holdings N.V.) announced that a two-step approach would be taken to effect the legal separation of the assets and liabilities acquired by the Dutch State.

The first step of this two-step approach was completed as follows:

Step 1 – “Legal Demerger”: The majority of the Dutch State acquired businesses was transferred from ABN AMRO Bank N.V. (the “**Demerging Company**”) to a new legal entity, ABN AMRO II N.V. (the “**Acquiring Company**”). Furthermore, the Demerging Company was renamed The Royal Bank of Scotland N.V. and the Acquiring Company, comprising the Dutch State acquired businesses, was renamed ABN AMRO Bank N.V.

The Legal Demerger and the consequent name changes were completed on 6 February 2010.

The second step of the two-step approach was completed as follows:

Step 2 – “Legal Separation”: Transfer of the shares of the Acquiring Company (renamed ABN AMRO Bank N.V.) from ABN AMRO Holding N.V. to a new holding company fully owned by the Dutch State and independent of ABN AMRO Holding N.V. Following the transfer of the shares in ABN AMRO Bank N.V. to a new holding company, ABN AMRO Holding N.V. was renamed RBS Holdings N.V.

The Legal Separation and the consequent name change were completed on 1 April 2010.

Following Legal Separation, the Issuer's activities will continue to be subject to the Dutch Central Bank's (*De Nederlandsche Bank*) and the Dutch Authority for the Financial Markets' (*Autoriteit Financiële Markten*) supervision and on a consolidated basis as part of RBSG and its consolidated subsidiaries be subject to UK Financial Services Authority supervision. Due to the change in the operating model of RBS N.V. compared to pre-acquisition ABN AMRO Bank N.V. a licence renewal was granted by the Dutch Central Bank on 3 February 2010.

**Rating of the Issuer:**

As of the date of this Base Prospectus, the credit ratings of the Issuer are as follows:

	Long term	Short term	Outlook
Moody's Investors Service	A2	P-1	stable
Standard & Poor's	A+	A-1	stable
Fitch Ratings	AA-	F1+	stable

• **Moody's Investors Service definitions**

Obligations rated "A" are considered upper-medium grade and are subject to low credit risk.

The rating system used by Moody's Investors Service for long-term obligations has various subcategories ranging from "Aaa" (describing obligations judged to be of the highest quality, with minimal credit risk), "Aa", "A", "Baa", "Ba", "B", "Caa" and "Ca" to "C", the lowest category representing long-term obligations that are typically in default, with little prospect for recovery of principal or interest. In addition, Moody's Investors Service appends numerical modifiers ("1", "2", and "3") to each generic rating classification from "Aa" through "Caa". The modifier "1" indicates that the respective long-term obligation ranks in

the higher end of its generic rating category; the modifier “2” indicates a mid-range ranking, and the modifier “3” indicates a ranking in the lower end of that generic rating category.

Issuers rated “P-1” have a superior ability to repay short-term debt obligations.

The rating system used by Moody’s Investors Service for short-term obligations has various subcategories ranging from “P-1”, “P-2” and “P-3” to “NP”, the lowest category representing issuers that do not fall within any of the “Prime” rating categories.

A rating outlook is an opinion regarding the likely direction of a rating over the medium term. Where assigned, rating outlooks fall into the following four categories: “Positive”, “Negative”, “Stable”, and “Developing” (contingent upon an event).

- ***Standard and Poor’s definitions***

An obligor rated “A” by Standard & Poor’s has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

The rating system used by Standard & Poor’s for the capacity of an obligor to pay its financial obligations over a long-term horizon has various subcategories ranging from “AAA” (which is the highest quality rating), “AA”, “A”, “BBB”; “BB”; “B”, “CCC”, “CC”, “R” and “SD” to “D”, the lowest category indicating that Standard & Poor’s believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. Plus (“+”) or minus (“-”) signs following ratings from the “AA” to “CCC” categories show the relative standing within the major rating categories.

An obligor rated “A-1” by Standard & Poor’s has strong capacity to meet its financial commitments over a short-term time horizon. It is rated in the highest category by Standard & Poor’s.

The rating system used by Standard & Poor’s for short-term

issuer credit ratings has various subcategories ranging from “A-1” (which is the highest quality rating), “A-2”, “A-3”, “B” “C”, “R” and “SD” to “D”, the lowest category indicating that Standard & Poor’s believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due.

“Stable” means that a rating is not likely to change.

- ***Fitch Ratings definitions***

“AA” ratings of an issuer denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

The rating system used by Fitch Ratings for long-term financial commitments has various subcategories ranging from “AAA” (which is the highest quality rating), “AA”, “A”, “BBB”, “BB”, “B”, “CCC”, “CC”, “C”, “RD” to “D”, the lowest category indicating that the issuer in Fitch Ratings’ opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business. The modifiers “+” or “-” may be appended to a rating to denote relative status within a major rating category. Such suffixes are not added to the “AAA” rating category or to the categories below “B”.

An “F1” rating indicates the strongest intrinsic capacity for timely payment of short-term financial commitments. It may have an added “+” to denote any exceptionally strong credit feature.

The rating system used by Fitch Ratings for short-term liabilities has various subcategories ranging from “F1” (which is the highest quality rating), “F2”, “F3”, “B” “C” and “RD” to “D”, the lowest category indicating a broad-based default event for an entity.

The rating definitions set out above were obtained in the English language from Moody’s Investors Service ([www.moody.com](http://www.moody.com)), Standard & Poor’s ([www.standardandpoors.com](http://www.standardandpoors.com)) and Fitch Ratings

([www.fitchratings.com](http://www.fitchratings.com)), respectively.

**Risk Factors:**

The purpose of the risk factors description is to protect potential purchasers of the Securities from making investments that are not suitable for their purposes as well as to set out economic and legal risks associated with an investment in the Securities. Potential purchasers of the Securities should be aware of the risks associated with an investment in the Securities before making an investment decision.

**Risk Factors relating to the Issuer and the Guarantor:**

In the context of its business activities, the Issuer is subject to various risks that are typical of the banking industry. Should certain risks materialise, this may adversely affect the business situation, financial condition and profits and losses of the Issuer and its subsidiaries and, consequently, the business situation, financial condition and profits and losses of the Guarantor and, hence, the capacity (i) of the Issuer to meet its liabilities under the Securities towards the Securityholders (as defined below under "General Conditions/Securityholder"), and/or (ii) of the Guarantor to meet its obligations under the Guarantee. Factors which can adversely affect the business situation, financial condition and profits and losses of the Issuer are *inter alia* (i) general economic conditions and other business conditions, (ii) competition, (iii) regulatory change and (iv) standard banking risks including changes in interest and foreign exchange rates and operational, credit, market, liquidity and legal risks.

**Risk Factors relating to the Securities:**

Certain factors are material for the purpose of assessing the market risks associated with the Securities. These include, but are not limited to the fact that (i) the Securities have a complex structure which may lead to a total loss of the investment, (ii) the Securities may not be a suitable investment for all investors, (iii) the value of the Securities may fluctuate, (iv) the issue price of the Securities may include an agio, commissions and/or other fees, (v) there may not be a secondary market in the Securities, (vi) purchasing the Securities as a hedge may not be effective, (vii) actions taken by the Issuer may affect the value of the Securities, (viii) Securityholders have no ownership interest



in the Underlying (as defined below under “Description of the Securities”), (ix) the Issuer and/or the Calculation Agent may make adjustments to the Conditions as a consequence of events affecting the Underlying, (x) there may be delays in effecting settlement of the Securities, (xi) taxes may be payable by the Securityholders and (xii) the Securities may under certain circumstances be terminated by the Issuer prior to their stated date.

Other risks associated with the Securities may include (i) risks associated with Securities represented by a Global Security (as defined below under “General Conditions/Form of Securities”) or issued in dematerialised form, (ii) risks associated with nominee arrangements concluded by the Securityholders with investment services providers, (iii) the risk that the return on an investment in the Securities will be affected by charges incurred by the Securityholders, (iv) the risk that changes of law may affect the value of the Securities, (v) the risk that ratings assigned to the Issuer or, if applicable, the Securities may not reflect all risks, (vi) the risk that legal investment constraints may restrict certain investments in the Securities, (vii) in case that the Securityholder uses a loan to finance the purchase of the Securities, the risk that he will not be able to repay the loan principal plus interest, (viii) special risks associated with the specific structure of the different types of Securities and (ix) special risks associated with certain Underlyings of the Securities (e. g. commodities, currencies, indices, shares, or strategies).

Furthermore, certain factors are material for the purpose of assessing the risks associated with the collateralisation structure of the Securities. These include, but are not limited to:

(i) the insolvency and the resignation of the Custodian (as defined below under “Security Trust Deed”);

(ii) the insufficiencies of the enforcement proceeds to satisfy all claims under the Securities

(aa) because the amounts owed to the Security Trustee, any Delegate, the Valuation Agent, the Custodian, the

Notification Agent and the Default Paying Agent (all as defined below under “Security Trust Deed”) will be satisfied before the claims of the Securityholders;

(bb) because the value of the Securities will be calculated on a basis which may be below the actual value of the Securities and thus the value of the Securities which is relevant for the calculation of the Collateral (as defined below under “Security Trust Deed”) may be below the value of the obligations of the Issuer under the Securities;

(cc) because the value of the Collateral will be calculated on a basis which may be above the actual value of the Collateral which could mean that the Custodian does not make a collateral call even though there is a Shortfall (as defined below under “Securities and Collateral Valuation and Deposit of Collateral”);

(dd) because the Security (as defined below under “Security Trust Deed”) will only be enforced if all requirements (among others, the requirement of a notice from a Securityholder and the lapse of grace periods) of at least one of the three possible Events of Default (as defined below under “Security Trust Deed”) are satisfied; such requirements may cause a delay during which the value of the Collateral may fall below the value of the Securities;

(ee) because the Security Trustee will most likely appoint a liquidation agent in relation to the enforcement of the Collateral only after an Event of Default has occurred and the appointment of the liquidation agent may delay the enforcement procedure and will most likely increase the fees to be deducted from the amount payable to the Securityholders; and

(ff) because the Issuer may without the consent of the Securityholders substitute itself as principal obligor under the Securities by any entity fulfilling certain requirements and if the substitute of the Issuer is incorporated in a jurisdiction other than The Netherlands or the United Kingdom, the structure created and the documentation prepared to protect the Securityholders might be inadequate.

The Final Terms may complete, amend or replace the risk factors set forth in this Base Prospectus in order to make them more specific to the structure applicable to a specific tranche of Securities.

**Final Terms:**

So-called “Final Terms” will be prepared for each tranche of Securities issued under this Base Prospectus which, in addition to stating the terms and conditions applying to the Securities may but do not need to restate some information already contained in this Base Prospectus. In the Final Terms, information not currently contained in this Base Prospectus may be added in the placeholders contained in this Base Prospectus, or information currently contained in this Base Prospectus may be deleted if contained in square brackets, or information currently contained in this Base Prospectus may be amended as set forth in this Base Prospectus.

**Terms and Conditions of the Securities:**

The applicable terms and conditions of the Securities will be as set out in the general conditions set forth under “General Conditions” (the “**General Conditions**”) and in the securities-specific product conditions set forth under “Product Conditions” (the “**Product Conditions**”). The Final Terms applicable to each tranche of Securities may complete, amend or replace the General Conditions and/or the securities-specific Product Conditions as they apply to that tranche. If the Securities are represented by a Global Security, the General Conditions and the securities-specific Product Conditions will be attached to the Global Security representing the relevant tranche of Securities. The General Conditions and the Product Conditions applying to a specific tranche of Securities are referred to as “**Conditions**”.

**Description of the Securities:**

The Securities are investment instruments which, following exercise or termination in accordance with the Final Terms, either pay a cash amount determined by reference to the value of an underlying on a day specified in the Final Terms (“**cash settled Securities**”) or deliver the underlying (“**physically settled Securities**”), subject to the multiplier, if applicable, as specified in the Final Terms. The Securities track the Underlying in a linear manner. Possible

underlyings of these Securities may be commodities (including commodity forward contracts and commodity future contracts), currencies, indices, shares (except those of the Issuer or of any other company of the Group), or strategies (each an “**Underlying**”). In case of physically settled Securities it is possible that a cash amount is paid in respect of a fractional entitlement instead of delivery of this fractional entitlement.

Whether or not the Securities will bear interest will be set forth in the Final Terms.

If the Securities bear interest, the Final Terms will also set forth whether the interest is a fixed rate, a floating rate, or a structured rate (e.g. depending on the performance of the Underlying) and may contain further details as to the interest. Unless otherwise specified in the Final Terms, the Securities do not grant any claim to dividends either.

The types of Securities that may be issued under this Base Prospectus have a fixed term and are described below.

**Exchange Traded Notes and Exchange Traded Securities with a fixed maturity:**

Exchange Traded Notes and Exchange Traded Securities with a fixed maturity are automatically exercised on the exercise date specified in the Final Terms. Furthermore, the Securities can be exercised by the Securityholders and terminated by the Issuer before their exercise date, provided that these exercise and termination rights are specified in the Final Terms.

**Security Trust Deed:**

The Securities are collateralised in accordance with a debenture and security trust deed (the “**Security Trust Deed**”) dated 18 February 2010 entered into between the Issuer, BNP Paribas Trust Corporation (UK) Limited as security trustee (the “**Security Trustee**”), BNP Paribas Securities Services, London Branch as valuation agent (the “**Valuation Agent**”), BNP Securities Services, Frankfurt Branch as default paying agent (the “**Default Paying Agent**”) and as notification agent (the “**Notification Agent**”), as well as JPMorgan Chase Bank, N.A., London Branch as custodian (the “**Custodian**”). A copy of the Security Trust Deed is set forth in this Base Prospectus. The Security Trust Deed will be incorporated by reference

into the Product Conditions and form an integral part of the Product Conditions. The Security Trust Deed sets out the arrangements in relation to the creation and maintenance of security for the Issuer's obligations under or in respect of the Securities. The Security Trust Deed is governed by English law.

**Collateral:**

Pursuant to the Security Trust Deed, the Issuer will deposit certain equity and debt securities and other instruments (as described in Schedule 2 of the Security Trust Deed) (the "**Eligible Securities**") in one or more securities accounts maintained by the Custodian in the name of the Issuer as collateral for the Issuer's liabilities to the Securityholders under the Collateralised Securities (the "**Collateral**"). "**Collateralised Securities**" are all securities issued by the Issuer and collateralised under the Security Trust Deed which have not been redeemed and which are not held by the Issuer or any of its subsidiaries.

The Eligible Securities may consist of the following equity and debt securities and other instruments (other than securities issued by The Royal Bank of Scotland Group plc or any of its affiliates):

1) shares (including preference shares), warrants, rights, ADRs and GDRs included in any of the following indices: S&P/ASX 200 and/or S&P/ASX All Ordinaries (both Australia), ATX Prime and/or ATX (both Austria), BEL 20 (Belgium), S&P/TSX 60 and/or S&P/TSX Composite Index (both Canada), OMX Copenhagen 20 and/or OMXC All Share Index (both Denmark), HEX25 and/or OMXH All Share Index (both Finland), CAC40 and/or SBF250 (both France), DAX30 and/or CDAX Performance Index (both Germany), Hang Seng and/or Hang Seng Composite (both Hong Kong), FTSE MIB and/or FTSE Italia All Share (both Italy), Nikkei 225 and/or JASDAQ Index (both Japan), AEX and/or Amsterdam Midkap-index (both Netherlands), NZX 50 Index (Gross) (New Zealand), OBX and/or Oslo Exchange All Share Index (both Norway), PSI 20 (Portugal), FTSE ST ALL-SE and/or STI (both Singapore), IBEX 35 and/or Madrid General (both Spain), OMX Stockholm 30 (Sweden), SMI (Switzerland), FTSE 100 and/or FTSE 250

(both UK), S&P 500 and/or NASDAQ Composite and/or NYSE Composite and/or Russell 1000 and/or Russell 3000 (all USA);

2) exchange traded funds related to any of the following indices: S&P/ASX200 and/or S&P/ASX All Ordinaries (both Australia), ATX Prime and/or ATX (both Austria), BEL 20 (Belgium), S&P/TSX 60 and/or S&P/TSX Composite Index (both Canada), OMX Copenhagen 20 and/or OMXC All Share Index (both Denmark), HEX25 and/or OMXH All Share Index (both Finland), CAC40 and/or SBF250 (both France), DAX30 and/or CDAX Performance Index (both Germany), Hang Seng and/or Hang Seng Composite (both Hong Kong), FTSE MIB and/or FTSE Italia All Share (both Italy), Nikkei 225 and/or JASDAQ Index (both Japan), AEX and/or Amsterdam Midkap-index (both Netherlands), NZX 50 Index (Gross) (New Zealand), OBX and/or Oslo Exchange All Share Index (both Norway), IBEX 35 and/or Madrid General (both Spain), SMI and/or SPI (both Switzerland), FTSE 100 and/or FTSE 250 (both UK), NASDAQ Composite and/or NYSE Composite and/or Russell 1000 and/or Russell 3000 and/or S&P 500 (all USA);

3) convertible bonds of issuers of any of the following countries and with a minimum issue rating of A3/A- and a minimum issuer rating of A3/A- by the rating agencies Moody's Investors Service and Standard & Poor's respectively: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Russia, Spain, Sweden, Switzerland, UK, USA;

4) convertible bonds of issuers included in any of the following indices: S&P/ASX 200 (Australia), ATX Prime (Austria), BEL 20 (Belgium), S&P/TSX 60 (Canada), OMX Copenhagen 20 (Denmark), HEX25 (Finland), CAC40 (France), DAX30 (Germany), Hang Seng (Hong Kong), FTSE MIB (Italy), Nikkei 225 (Japan), AEX (Netherlands), NZX 50 Index (Gross) (New Zealand), OBX (Norway), IBEX 35 (Spain), SMI (Switzerland), FTSE 100 (UK), S&P 500 (USA);

5) government and municipal bonds of any of the following countries and with a minimum issue rating of A3/A- and a minimum issuer rating of A3/A- by the rating agencies Moody's Investors Service and Standard & Poor's respectively: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, Netherlands, Norway, Portugal, South Africa, Spain, Sweden, Switzerland, UK, USA;

6) government and municipal commercial mortgage backed bonds of any of the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, Netherlands, Norway, Portugal, South Africa, Spain, Sweden, Switzerland, UK, USA; and/or

7) cash in any of the following currencies: Euros, Pound sterling, U.S. dollars.

**Security:**

A security in the form of a "first floating charge" under English law is created by the Issuer in favour of the Security Trustee over the Collateral. Upon the occurrence of certain events, the Collateral will be applied by the Security Trustee to discharge the Issuer's liabilities to the Securityholders under the Collateralised Securities (subject to prior satisfaction of claims of the Security Trustee, any delegate, agent, attorney or co-trustee appointed by the Security Trustee (including the liquidation agent) (the "**Delegate**"), the Valuation Agent, the Custodian, the Notification Agent and the Default Paying Agent) (see below under "Events of Default and Enforcement").

**Securities and Collateral Valuation and Deposit of Collateral:**

As long as any Securities remain outstanding, on each day on which banks are open for general business in London (a "**Business Day**") (i) the Issuer shall provide a report to the Valuation Agent of the numbers of Collateralised Securities (the "**Report**"), (ii) the Valuation Agent shall calculate the value of the Collateralised Securities and provide such value to the Issuer and the Custodian, and (iii) the Custodian shall calculate the value of the Collateral and compare such value to the value of the Collateralised Securities provided to it by the Valuation Agent and satisfy itself that the value of the Collateral is at least equal to or in

excess of 110% of the value of the Collateralised Securities (the “**Required Collateral Value**”).

If on any day, the Custodian notifies the Issuer and the Notification Agent that the value of the Collateral is below the Required Collateral Value (the “**Shortfall**”), the Issuer shall deposit further Collateral into the securities account without undue delay so that the value of the Collateral is no less than the Required Collateral Value.

The Issuer has the right to withdraw Collateral if the value of the Collateral at any time exceeds the Required Collateral Value. The Issuer is also entitled to substitute Collateral with other Eligible Securities, provided that the value of the Collateral does not fall below the Required Collateral Value following such substitution.

**Events of Default and Enforcement:** Each of the following events constitutes an event of default:

- (i) the Notification Agent notifies the Security Trustee that a Shortfall has existed for five continuous Business Days (the “**Notification Agent Notice**”), provided, however, that such a notice shall not be given if the Issuer informed the Notification Agent that it was unable to provide further Collateral due to exceptional circumstances (the “**Exceptional Circumstances**”) as specified in the Security Trust Deed (e.g. material disruptions to communication or other systems or to financial markets and which are beyond the control of the Issuer);
- (ii) the Valuation Agent notifies the Security Trustee (the “**Valuation Agent Notice**”) that the Issuer failed to deliver the Report for four continuous Business Days, provided, however, that such a notice shall not be given if the Issuer informed the Valuation Agent that it was unable to deliver the Report due to Exceptional Circumstances; or
- (iii) the Default Paying Agent notifies the Security Trustee that an Insolvency Event occurred (the “**Default Paying Agent Notice**”), provided, however, that the Default Paying Agent shall only make the Default Paying Agent Notice after (x) at



least one Securityholder notified the Default Paying Agent via its depositary bank that an Insolvency Event occurred, (y) the Default Paying Agent verified the existence of the Insolvency Event by contacting the Issuer following receipt of a notification from at least one Securityholder, and (z) the Issuer or the insolvency administrator, as the case may be, failed to respond to the Default Paying Agent's request within three Business Days of receipt of the first request and within five Business Days of receipt of a resent request or confirmed the occurrence of an Insolvency Event within the before-mentioned periods. An **"Insolvency Event"** means that (i) emergency regulations (including rationalisation measures or liquidation measures) under chapter 3.5.5 of the Dutch Act on financial supervision (*Wet op het financieel toezicht*) are imposed on the Issuer, (ii) a moratorium or a petition for bankruptcy of the Issuer is granted by the competent court or (iii) any analogous procedure or step is taken in any jurisdiction,

(each of the Notification Agent Notice, the Valuation Agent Notice and the Default Paying Agent Notice constitutes an **"Event of Default"**).

Following the occurrence of an Event of Default, the Security Trustee shall, *inter alia*, (i) appoint a liquidation agent to sell or otherwise dispose of the Collateral or any part of the Collateral, (ii) instruct the Custodian no longer to accept any instructions from the Issuer and to deliver the Collateral to a securities account specified by the Security Trustee (the **"Enforcement Notice"**), and (iii) inform the Securityholders via a notice to the relevant Clearing Agents that an Event of Default occurred. Following the receipt of the Enforcement Notice the Custodian shall, *inter alia*, deliver the Collateral to such account and to such person as specified by the Security Trustee.

No Securityholder is entitled to enforce the security or to proceed directly against the Issuer to enforce the

performance of any provision of the Security Trust Deed.

**Application of the Proceeds from the Enforcement:**

The Security Trustee shall, following the receipt of the proceeds from the enforcement described above (the “**Gross Proceeds**”),

- (a) deduct from the Gross Proceeds:
  - (i) firstly, any sums owing to the Security Trustee (in its capacity as security trustee for the Securityholders) or any Delegate (including the liquidation agent); and
  - (ii) secondly, after payment in full of all sums referred to in paragraph (i) above, any sums owing to the Valuation Agent, the Custodian, the Notification Agent and the Default Paying Agent on a *pari passu* basis,

(the remainder of the Gross Proceeds (if any), being the “**Net Proceeds**”); and

- (b) then, (i) transfer the Net Proceeds to the extent needed to satisfy the obligations under the Collateralised Securities to the Default Paying Agent and (ii) transfer the balance, if any, to the Issuer.

The Default Paying Agent shall transfer the funds received from the Security Trustee to the Clearing Agents and allocate them on a *pro rata* basis to the relevant Securityholders as specified in the Security Trust Deed.

**Issue Price:**

The Securities will be sold at a price determined by the Issuer who may, in making such determination, refer to, amongst other factors, the level or price of the Underlying (as the case may be), the relevant multiplier, if applicable, and any applicable foreign exchange rate(s). The issue price of the Securities is based on internal pricing models of the Issuer and may be higher than their market value due to commissions and/or other fees relating to the issue and sale of the Securities (including a margin paid to distributors or third parties or retained by the Issuer) as well as amounts relating to the hedging of the Issuer’s obligations under such Securities. Any distributor of the Securities receiving

any commission, fee, or non-monetary benefit may be obliged under applicable law to disclose the existence, nature and amount of such commission, fee or benefit to the investor. Investors should ensure that they have received such information prior to purchasing the Securities from such distributor.

**Listing:**

Whether or not a tranche of Securities will be listed on one or more stock exchange(s) will be set forth in the Final Terms.

Following notification of the approval of this Base Prospectus in accordance with Section 18(1) WpPG, the Securities may be admitted to trading in the regulated markets or included in the unofficial market segments of, and/or listed on, the stock exchanges of several EEA States and/or offered to the public within the EEA States which have been notified.

**General Conditions:**

Set out below is a summary of certain significant provisions of the General Conditions applicable to all Securities issued under this Base Prospectus.

*Form of Securities:*

The Securities, except in case of Securities issued in dematerialised form, are bearer securities which are represented by a global bearer security (the “**Global Security**”) deposited with the Clearing Agent, and will be transferable only in accordance with the applicable law and the rules and procedures of the Clearing Agent through whose systems the Securities are transferred.

If the Securities are issued in dematerialised form, they will be registered in the book-entry system of the Clearing Agent. In that case, title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Applicable Rules**”).

The Final Terms will specify whether the Securities will be represented by a Global Security or issued in dematerialised form.

In either case (whether in global or in dematerialised form),

no definitive securities will be issued.

*Securityholder:*

“**Securityholder**” means, in case of Securities represented by a Global Security, the holder of a unit in the Global Security and, in case of Securities issued in dematerialised form, a person in whose name a Security is registered in the book-entry system of the Clearing Agent, or any other person recognised as a holder of Securities pursuant to the Applicable Rules.

*Status of the Securities:*

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

*Notices:*

All notices under the Conditions shall either (i) be published on the Issuer’s website (or any successor website) and shall become effective upon such publication, or (ii) be delivered to the Clearing Agent and shall become effective upon such delivery, unless the relevant notice provides a different date for the effectiveness. The Final Terms will specify which manner of giving notice shall apply. Additional publication requirements under mandatory provisions of law or under the rules or regulations of any relevant stock exchange shall remain unaffected.

*Substitution of the Issuer:*

The Issuer may at any time, without the consent of the Securityholders, substitute for itself as issuer of the Securities with regard to any and all rights, obligations and liabilities under and in connection with the Securities any entity (the “**Substitute**”), provided that the conditions relating thereto as set forth in the Conditions (including a notice to the Securityholders) have been fulfilled.

*Taxation:*

The Securityholder (and not the Issuer) shall be liable for and/or pay any tax, duty or charge in connection with the ownership of and/or any transfer, payment or delivery in respect of the Securities held by such Securityholder. The Issuer shall have the right to withhold or deduct from any amount payable to any Securityholder such amount as shall be necessary to account for or to pay any such tax, duty, charge, withholding or other payment.

**Product Conditions:**

Different Product Conditions apply to the different types of Securities detailed in this Base Prospectus. Set out below is a summary of certain significant provisions of the Product Conditions applicable to all types of Securities.

*Exercise of the Securities:*

The Securities will be automatically exercised on the exercise date specified in the Final Terms. In case of an automatic exercise, payment and/or delivery are subject to delivery of a certification by the Securityholder.

Furthermore, the Securities may be exercised by the Securityholder by delivery of a notice to the Principal Paying Agent and may be terminated by the Issuer, provided that these exercise and termination rights are specified in the Final Terms.

Any such certification or notice has to contain the information set forth in the Product Conditions, among others, a statement that the Securityholder is neither a U.S. person nor a person within the United States.

*Early Termination by the Issuer:*

The Issuer has the right to terminate the Securities early (i) if it has determined in its reasonable discretion (*billiges Ermessen*) that its performance thereunder is or will become unlawful in whole or in part as a result of compliance in good faith by the Issuer with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power (the “**Applicable Law**”) and (ii) upon the occurrence of certain hedging disruption events as defined in the Final Terms. If the Issuer terminates early in such circumstances, it will, if and to the extent permitted by the Applicable Law, pay to each Securityholder with respect to each Security held by such Securityholder an amount determined by the Issuer in its reasonable discretion (*billiges Ermessen*) as the fair market value of the Security immediately prior to such termination (ignoring the illegality, if any) less the cost to the Issuer of unwinding any transaction entered into in order to hedge entirely or in part its obligations under the Securities. Only where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, any such amount to be paid

shall not be less than the present value of the minimum assured return of principal and/or interest, such present value being determined by the Calculation Agent in its reasonable discretion (*billiges Ermessen*).

*Early Termination by the Securityholder:*

If the Custodian resigns or if the appointment of the Custodian is terminated and a successor Custodian has not been appointed in accordance with the Security Trust Deed no later than the effective day of the resignation or termination of appointment of the previous Custodian, each Securityholder shall be entitled to terminate its Securities in whole or in part by delivery of a termination notice (the “**Termination Notice**”) to the Principal Paying Agent (as defined below under “Paying Agent, Principal Paying Agent and Calculation Agent”) (the “**Custodian Related Termination Right**”) within the period commencing on the effective day (including) of the resignation or termination of appointment of the Custodian and ending on the 30th day (including) following the day on which the Issuer has given notice to the Securityholders that no Custodian has been appointed in accordance with the Security Trust Deed. The Custodian Related Termination Right shall cease to exist if a successor Custodian has been appointed in accordance with the Security Trust Deed prior to the Termination Notice being delivered to the Principal Paying Agent by the Securityholder. In case of a valid exercise of the Custodian Related Termination Right, the Issuer shall pay the fair market value of the Security immediately prior to the effectiveness of the resignation or termination of appointment of the Custodian, as the case may be, for each Security with respect to which a Termination Notice has been delivered to the account specified in the relevant Termination Notice. Only where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, any such amount to be paid shall not be less than the present value of the minimum assured return of principal and/or interest, such present value being determined by the Calculation Agent in its reasonable discretion (*billiges Ermessen*).

<i>Event of Default Termination:</i>	Upon the occurrence of an Event of Default, the Securities will terminate automatically. In such a case, the Security Trustee shall make available the proceeds of the sale or other disposal of the Collateral in accordance with the Security Trust Deed to the Default Paying Agent for distribution to the Securityholders via the relevant Clearing Agents (as defined below under “Clearing Agents”) in accordance the Security Trust Deed. Each Securityholder's right to claim from the Issuer payment of any difference between such distribution and the fair market value of the Security as of the date of the Event of Default shall remain unaffected.
<i>Paying Agent, Principal Paying Agent and Calculation Agent:</i>	The Royal Bank of Scotland N.V. or such other entity as specified in the Final Terms.
<i>Settlement of Securities:</i>	Securities may be settled by payment of a cash amount or by delivery of the Underlying, as specified in the Final Terms.
<i>Clearing Agent:</i>	Clearstream Banking AG, Frankfurt (“ <b>CBF</b> ”), Clearstream Banking, société anonyme, Luxembourg (“ <b>CBL</b> ”) and Euroclear Bank S.A./N.V. as operator of the Euroclear system (“ <b>Euroclear</b> ”) and/or any other or further Clearing Agent(s) as specified in the Final Terms.
<i>Market Disruption Event:</i>	If a Market Disruption Event occurs, the Securityholders may experience a delay in the determination of the parameters relevant for settlement as well as in the settlement itself. Furthermore, the parameters relevant for settlement (e.g. the price or level of the Underlying) may be adversely affected. Market Disruption Events are defined in the Final Terms for each type of Security. They vary depending on the type of Security.
<i>Emerging Market Disruption Event:</i>	If an Emerging Market Disruption Event occurs, Securityholders may experience a delay in the determination of the parameters relevant for settlement as well as in the settlement itself. Furthermore, the parameters relevant for settlement (e.g. the price or level of the Underlying) may be adversely affected. Emerging Market Disruption Events apply only if specified in the Final Terms.
<i>Settlement Disruption Event:</i>	If a Settlement Disruption Event occurs with respect to

physically settled Securities, Securityholders may experience a delay in delivery of the Underlying. If delivery of the Underlying is not practicable by reason of a Settlement Disruption Event, the Issuer is entitled to pay to the Securityholder (in lieu of delivery of the Underlying) the fair market value of the Securities as determined by the Issuer in its reasonable discretion (*billiges Ermessen*), less the cost to the Issuer of unwinding any transaction entered into in order to hedge entirely or in part its obligations under the Securities (the “**Disruption Cash Settlement Price**”). The determination of the Disruption Cash Settlement Price may be adversely affected by the Settlement Disruption Event and the deduction of these costs. Settlement Disruption Events are defined in the Final Terms of the Securities which may be settled physically and the definition varies depending on the type of the Security.

*Hedging Disruption Event:*

If a Hedging Disruption Event (as defined in the Final Terms) occurs, the Issuer may (i) terminate the Securities (see above under “Early Termination”), or (ii) replace the Underlying by another underlying, or (iii) make any other adjustment to the Conditions in order to maintain the theoretical value of the Securities after adjusting for the relevant Hedging Disruption Event.

*Adjustments for European Monetary Union:*

The Issuer may, without the consent of any Securityholder of the Securities, on giving notice to the Securityholders elect that, with effect from the date specified in such notice, certain terms of the Securities shall be redenominated in Euro, as further set out in the respective Product Condition.

*Applicable Law:*

The Securities shall be governed by, and construed in accordance with, German law or any other law as specified in the Final Terms. The Security Trust Deed is governed by, and construed in accordance with, English law.

*Place of Performance and Jurisdiction:*

The place of performance and jurisdiction for the Securities shall be Frankfurt am Main, Germany or any other place of performance and jurisdiction as specified in the Final Terms.



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**ZUSAMMENFASSUNG**  
**(GERMAN LANGUAGE VERSION OF THE SUMMARY)**

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*Diese Zusammenfassung sollte als Einführung zum vorliegenden Basisprospekt verstanden werden. Eine Entscheidung zur Anlage in von der The Royal Bank of Scotland N.V. begebene Wertpapiere durch den Anleger sollte auf die Prüfung des gesamten Basisprospekts, einschließlich des Registrierungsformulars der ABN AMRO Holding N.V. (in RBS Holdings N.V. umbenannt) und der ABN AMRO Bank N.V. (in The Royal Bank of Scotland N.V. umbenannt) vom 30. Juni 2009 sowie des ersten Nachtrags zu diesem Registrierungsformular vom 8. Juli 2009, des zweiten Nachtrags zu diesem Registrierungsformular vom 11. August 2009, des dritten Nachtrags zu diesem Registrierungsformular vom 28. August 2009, des vierten Nachtrags zu diesem Registrierungsformular vom 19. Oktober 2009, des fünften Nachtrags zu diesem Registrierungsformular vom 27. November 2009, des sechsten Nachtrags zu diesem Registrierungsformular vom 9. Februar 2010 und des siebten Nachtrags zu diesem Registrierungsformular vom 2. April 2010 (zusammen das „Registrierungsformular“), das von der zuständigen niederländischen Finanzmarktbehörde (Autoriteit Financiële Markten) (die „AFM“) gebilligt wurde und das im Hinblick auf die Informationen über die RBS Holdings N.V. (bisheriger Name ABN AMRO Holding N.V.) und die The Royal Bank of Scotland N.V. (bisheriger Name ABN AMRO Bank N.V.), einschließlich der Informationen im Hinblick auf die ABN AMRO Bank N.V. für den Zeitraum bis zum 6. Februar 2010, durch Verweis in diesen Basisprospekt einbezogen wird, etwaiger Nachträge zu diesem Basisprospekt und der Endgültigen Bedingungen gestützt werden. Nach der Umsetzung der maßgeblichen Vorschriften der Richtlinie 2003/71/EG des Europäischen Parlaments und des Rates vom 4. November 2003 (die „Prospektrichtlinie“) in den einzelnen Mitgliedstaaten des Europäischen Wirtschaftsraums (der „EWR“) kann die The Royal Bank of Scotland N.V. in diesen Mitgliedstaaten in Bezug auf diese Zusammenfassung einschließlich Übersetzungen davon zivilrechtlich haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen dieses Basisprospekts gelesen wird. Für den Fall, dass vor einem Gericht in einem Mitgliedstaat des EWR (ein „EWR-Staat“) Ansprüche aufgrund der in diesem Basisprospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der EWR-Staaten die Kosten für die Übersetzung des Basisprospekts vor Prozessbeginn zu tragen haben.*

<b>Emittentin:</b>	The Royal Bank of Scotland N.V., handelnd entweder über ihre Hauptniederlassung in den Niederlanden, ihre Niederlassung in London oder eine andere Niederlassung, wie jeweils in den Endgültigen Bedingungen (wie nachstehend definiert) angegeben (die „ <b>Emittentin</b> “ oder „ <b>RBS N.V.</b> “)
<b>Garantin:</b>	RBS Holdings N.V. (bisheriger Name ABN AMRO Holding N.V.) (die „ <b>Garantin</b> “ oder „ <b>RBS Holdings</b> “)
<b>Beschreibung der Garantie:</b>	Die Garantin hat am 15. Juni 1998 gemäß Artikel 403 Abs. 1 lit. f Buch 2 des niederländischen Bürgerlichen Gesetzbuchs erklärt, dass sie gesamtschuldnerisch für sämtliche Verbindlichkeiten haftet, die aus nach dem 15. Juni 1998 von der Emittentin vorgenommenen Rechtshandlungen entstehen (die „ <b>Garantie</b> “).
<b>Allgemeine Informationen über die Emittentin, die RBS Holdings und die Gruppe:</b>	<p>Die RBS Holdings und die Emittentin sind am 30. Mai 1990 bzw. am 7. Februar 1825 nach niederländischem Recht gegründete Aktiengesellschaften. Die RBS Holdings ist im Handelsregister von Amsterdam unter der Nummer 33220369 eingetragen. Die Emittentin ist im Handelsregister von Amsterdam unter der Nummer 33002587 eingetragen. Die RBS Holdings und die Emittentin haben ihren Geschäftssitz in Amsterdam, Niederlande, und ihre Geschäftsadresse ist Gustav Mahlerlaan 10, 1082 PP Amsterdam. Ihre Postanschrift in den Niederlanden lautet: Postfach 283, 1000 EA Amsterdam.</p> <p>Die Emittentin ist 1990 aus dem Zusammenschluss der Algemeen Bank Nederland N.V. und der Amsterdam-Rotterdam Bank N.V. entstanden. Bis zu dem Zusammenschluss waren diese Banken die größte und die zweitgrößte Bank in den Niederlanden. Die Ursprünge der Emittentin können zurückverfolgt werden bis zur Gründung der Nederlandsche Handel-Maatschappij, N.V. im Jahr 1825 auf der Grundlage eines Königlichen Niederländischen Erlasses von 1824.</p> <p>Die Emittentin und die RBS Holdings werden durch die Niederländische Zentralbank und die Niederländische Finanzmarktaufsichtsbehörde beaufsichtigt.</p>

Die aus der RBS Holdings und ihren konsolidierten Tochtergesellschaften (einschließlich der Emittentin) bestehende Gruppe (die „**Gruppe**“) ist eine internationale Bankengruppe, die weltweit eine breite Palette von Bankprodukten und Finanzdienstleistungen anbietet.

Die ABN AMRO Holding N.V. (in RBS Holdings N.V. umbenannt) berichtete zum 31. Dezember 2009 konsolidierte Gesamtvermögenswerte in Höhe von EUR 469 Mrd.

#### **Überblick:**

Die Emittentin ist eine durch die Niederländische Zentralbank (*De Nederlandsche Bank*) zugelassene Bank und ist im Großkundengeschäft tätig.

Die Emittentin betreibt ihr Geschäft in Europa, im Mittleren Osten und Afrika (EMEA), in Gesamtamerika sowie in Asien.

Zum 31. Dezember 2009 berichteten die Geschäftsbereiche innerhalb der RBS N.V., die durch die The Royal Bank of Scotland Group plc („**RBSG**“) erworben wurden, konsolidierte Gesamtvermögenswerte in Höhe von EUR 275 Mrd. und hatten über 27.000 Vollzeitangestellte in einem Netzwerk von 264 Geschäftsstellen und Niederlassungen.

Die RBSG mit Hauptsitz in Edinburgh ist im Vereinigten Königreich, den Vereinigten Staaten und international durch ihre beiden Haupttochterunternehmen The Royal Bank of Scotland plc („**RBS**“) und National Westminster Bank Plc („**Natwest**“) tätig. Die RBS und die Natwest sind bedeutende Clearingbanken im Vereinigten Königreich, deren Ursprünge über 275 Jahre zurückreichen. Die Citizens Financial Group, Inc., eine Tochtergesellschaft der RBS, ist eine große Geschäftsbankengruppe in den Vereinigten Staaten. Die RBSG hat eine große und diversifizierte Kundenbasis und stellt Privat- und Geschäftskunden sowie Großunternehmen und institutionellen Kunden eine breite Palette von Produkten zur Verfügung.

#### **Organisationsstruktur:**

Die RBS N.V. umfasst im Wesentlichen die folgenden

Unternehmensbereiche:

- Unternehmensbereich *Global Banking & Markets*:  
Abteilungen *Global Lending, Equities, Short Term Markets & Funding* und *Local Markets*;
- Unternehmensbereich *Global Transaction Services*:  
Abteilungen *Global Trade Finance, Transaction Banking* und *International Cash Management*;
- Unternehmensbereich *Risk & Restructuring*: Die Abteilung *Non-Core Division* im Unternehmensbereich *Risk & Restructuring* umfasst Vermögenswerte, die nicht mehr Kern der Strategieziele der RBSG sind, und schließt die Geschäftsbereiche *Trading, Wholesale Banking* und *Retail & Commercial* als auch bestimmte Netzwerkländer ein. Die Vermögenswerte werden mit der Zeit durch Auflösung, Verkauf und Übertragung reduziert.

Diese Unternehmensbereiche der RBS N.V. sind Bestandteil der weltweiten Geschäftseinheiten, die die RBSG übergreifend durch mehrere Gesellschaften betreibt. Die Strategie der RBS N.V. ist Teil der globalen Geschäftsstrategie der RBSG.

**Aufteilung der ABN AMRO Gruppe:** Die RBS Holdings hält 100% der Anteile an der Emittentin.

Die Anteile an der RBS Holdings werden von der RFS Holdings B.V. („**RFS Holdings**“) gehalten.

RFS Holdings ist eine Gesellschaft, deren Anteile bis zum 24. Dezember 2008 von einem Konsortium bestehend aus RBSG, Fortis N.V. und Fortis SA/NV (die ihren Anteil an RFS Holdings wiederum indirekt durch die Fortis Bank Nederland (Holding) N.V. hielten) und Banco Santander S.A. (das „**Konsortium**“) gehalten wurden. Am 24. Dezember 2008 erwarb der niederländische Staat (der „**Niederländische Staat**“) den von der Fortis Bank Nederland (Holding) N.V. gehaltenen Anteil an RFS Holdings und wurde dadurch unmittelbarer Anteilinhaber von RFS Holdings. RFS Holdings wird durch RBSG beherrscht, die im Vereinigten Königreich errichtet und mit

Geschäftssitz in 36 St Andrew Square, Edinburgh, Schottland, eingetragen ist. RBSG ist die oberste Muttergesellschaft der RBS Holdings und der Emittentin. Der konsolidierte Jahresabschluss der Gruppe ist im konsolidierten Jahresabschluss der RBSG enthalten.

Am 30. September 2009 teilte die ABN AMRO Holding N.V. (in RBS Holdings N.V. umbenannt) mit, dass sie in einem zweistufigen Verfahren vorgehen würde, um die rechtliche Aufteilung der vom Niederländischen Staat erworbenen Vermögenswerte und Verbindlichkeiten zu vollziehen.

Die erste Stufe dieses zweistufigen Verfahrens wurde wie folgt vollzogen:

Stufe 1 – „Rechtliche Abspaltung“: Die Mehrheit der vom Niederländischen Staat erworbenen Geschäftsbereiche wurde von der ABN AMRO Bank N.V. (die „**Abspaltende Gesellschaft**“) auf einen neuen Rechtsträger, die ABN AMRO II N.V. (die „**Erwerbende Gesellschaft**“), übertragen. Des Weiteren wurden die Abspaltende Gesellschaft in The Royal Bank of Scotland N.V. und die Erwerbende Gesellschaft, die die vom Niederländischen Staat erworbenen Geschäftsbereiche umfasst, in ABN AMRO Bank N.V. umbenannt.

Die Rechtliche Abspaltung und die folgenden Namensänderungen wurden am 6. Februar 2010 vollzogen.

Die zweite Stufe des zweistufigen Verfahrens wurde wie folgt vollzogen:

Stufe 2 – „Rechtliche Aufteilung“: Übertragung der Aktien an der Erwerbenden Gesellschaft (der umbenannten ABN AMRO Bank N.V.) von der ABN AMRO Holding N.V. auf eine neue Holdinggesellschaft, die vollständig im Eigentum des Niederländischen Staates steht und von ABN AMRO Holding N.V. unabhängig ist. Nach der Übertragung der Aktien an der ABN AMRO Bank N.V. auf eine neue Holdinggesellschaft wurde ABN AMRO Holding N.V. in RBS Holdings N.V. umbenannt.

Die Rechtliche Aufteilung und die folgende Namensänderung wurden am 1. April 2010 vollzogen.

Nach der Rechtlichen Aufteilung werden die Aktivitäten der Emittentin weiterhin Gegenstand der Aufsicht durch die Niederländische Zentralbank (*De Nederlandsche Bank*) und die Niederländische Finanzmarktbehörde (*Autoriteit Financiële Markten*) sein und auf konsolidierter Grundlage als Bestandteil der RBS Gruppe unter der Aufsicht der britischen Finanzaufsichtsbehörde (*Financial Services Authority*) stehen. Wegen der Änderung des Geschäftsmodells der RBS N.V. im Vergleich zur ABN AMRO Bank N.V. vor der Übernahme wurde von der Niederländischen Zentralbank am 3. Februar 2010 eine Lizenzerneuerung erteilt.

**Rating der Emittentin:**

Zum Datum dieses Basisprospekts lauten die Kreditratings der Emittentin wie folgt:

	Langfristig	Kurzfristig	Ausblick
Moody's Investors Service	A2	P-1	stabil
Standard & Poor's	A+	A-1	stabil
Fitch Ratings	AA-	F1+	stabil

• **Moody's Investors Service Definitionen**

Verbindlichkeiten, die mit „A“ eingestuft sind, werden als Verbindlichkeiten der „oberen Mittelklasse“ zugerechnet und bergen ein geringes Kreditrisiko.

Die von Moody's Investors Service verwendete Rating-Skala für langfristige Verbindlichkeiten hat verschiedene Kategorien und reicht von „Aaa“, die die Kategorie höchster Qualität mit einem minimalen Kreditrisiko bezeichnet, über die Kategorien „Aa“, „A“, „Baa“, „Ba“, „B“, „Caa“, „Ca“, bis zur niedrigsten Kategorie „C“, die langfristige Verbindlichkeiten bezeichnet, bei denen ein Zahlungsausfall in der Regel bereits eingetreten ist und eine geringe Aussicht auf Rückzahlung von Kapital und Zinsen besteht. Moody's Investors Service verwendet innerhalb der Kategorien „Aa“ bis „Caa“ zusätzlich numerische

Unterteilungen („1“, „2“ oder „3“). Der Zusatz „1“ weist darauf hin, dass die jeweilige langfristige Verbindlichkeit zum oberen Drittel der jeweiligen Rating-Kategorie gehört, während der Zusatz „2“ auf eine Klassifizierung im mittleren Drittel und der Zusatz „3“ auf eine solche im unteren Drittel hinweist.

Emittenten mit der Einstufung „P-1“ verfügen in herausragender Weise über die Fähigkeit, ihre kurzfristigen Schuldverschreibungen zurückzuzahlen.

Die von Moody's Investors Service verwendete Rating-Skala für die Fähigkeit eines Emittenten zur Erfüllung seiner kurzfristigen Finanzverbindlichkeiten hat verschiedene Kategorien und reicht von „P-1“ über die Kategorien „P-2“ und „P-3“ bis zur niedrigsten Kategorie „NP“, die verdeutlicht, dass ein Emittent zu keiner der „Prime“-Rating-Kategorien gehört.

Ein Rating-Ausblick ist eine Meinung über die Richtung, in die sich ein Rating mittelfristig voraussichtlich entwickeln wird. Die Ausblicke werden in die folgenden vier Kategorien unterteilt: „positiv“, „negativ“, „stabil“ und „noch unbestimmt“ (d. h. ereignisabhängig).

- ***Standard and Poor's Definitionen***

Die Fähigkeit eines Schuldners mit einem Standard & Poor's-Rating von „A“, seine finanziellen Verpflichtungen zu erfüllen, ist stark, aber etwas anfälliger gegenüber nachteiligen Auswirkungen von Veränderungen äußerer Umstände und wirtschaftlicher Bedingungen als bei Schuldnern, die in einer höheren Rating-Kategorie eingestuft sind.

Die von Standard & Poor's verwendete Rating-Skala für die langfristige Fähigkeit eines Schuldners zur Erfüllung seiner Verbindlichkeiten hat verschiedene Rating-Kategorien und reicht von „AAA“, die die Kategorie höchster Bonität bezeichnet, über die Kategorien „AA“, „A“, „BBB“, „BB“, „B“, „CCC“, „CC“, „R“ und „SD“ bis zur niedrigsten Kategorie „D“, die kennzeichnet, dass Standard & Poor's davon ausgeht, dass der Zahlungsausfall einen allgemeinen Ausfall darstellen wird und Zahlungsausfälle bei allen oder nahezu

allen fälligen Verpflichtungen des Schuldners eintreten werden. Den Kategorien „AA“ bis „CCC“ kann jeweils ein Pluszeichen („+“) oder Minuszeichen („-“) hinzugefügt werden, um die relative Stellung innerhalb der Haupt-Rating-Kategorien zu verdeutlichen.

Die kurzfristige Fähigkeit eines Schuldners zur Erfüllung seiner finanziellen Verpflichtungen mit einem „A-1“-Rating ist stark. Er ist mit der höchsten Rating-Kategorie von Standard & Poor's bewertet.

Die von Standard & Poor's verwendete Rating-Skala für die kurzfristige Fähigkeit eines Schuldners zur Erfüllung seiner Verbindlichkeiten hat verschiedene Rating-Kategorien und reicht von „A-1“, welche die Kategorie höchsten Bonität bezeichnet, über die Kategorien „A-2“, „A-3“, „B“, „C“, „R“ und „SD“ bis zur niedrigsten Kategorie „D“, die kennzeichnet, dass Standard & Poor's davon ausgeht, dass der Zahlungsausfall einen allgemeinen Ausfall darstellen wird und Zahlungsausfälle bei allen oder nahezu allen fälligen Verpflichtungen des Schuldners eintreten werden.

„Stabil“ bedeutet, dass sich die Bonitätseinstufung voraussichtlich nicht ändern wird.

- ***Fitch Ratings Definitionen***

Ein „AA“-Rating eines Emittenten steht für ein sehr gering eingeschätztes Kreditrisiko. Es bezeichnet eine sehr gute Fähigkeit zur fristgerechten Zahlung der Verbindlichkeiten. Diese Fähigkeit ist durch vorhersehbare Ereignisse nicht wesentlich gefährdet.

Die von Fitch Ratings verwendete Rating-Skala für langfristige Verbindlichkeiten hat verschiedene Kategorien und reicht von „AAA“, die für die höchste Kreditqualität steht, über die Kategorien „AA“, „A“, „BBB“, „BB“, „B“, „CCC“, „CC“, „C“, „RD“ bis zur niedrigsten Kategorie „D“, die nach Fitch Ratings' Einschätzung kennzeichnet, dass ein Emittent sich in einem Insolvenzverfahren, unter Zwangsverwaltung, in einem Vergleichsverfahren, in Auflösung oder einem anderen formellen Verfahren zur Abwicklung befindet oder in sonstiger Weise seine Geschäftstätigkeit eingestellt hat. Den Kategorien kann



jeweils ein Plus- („+“) oder Minuszeichen („-“) beigefügt werden, um eine relative Einordnung innerhalb der Haupt-Rating-Kategorien auszudrücken. Solche Zusätze werden nicht der Rating-Kategorie „AAA“ oder den Rating-Kategorien unter „B“ beigefügt.

Ein „F1“-Rating bezeichnet die beste Fähigkeit für eine fristgerechte Zahlung der kurzfristigen Verbindlichkeiten. Soweit ein Pluszeichen („+“) hinzugefügt wird, hebt dies die außergewöhnlich gute Bonität hervor.

Die von Fitch Ratings verwendete Rating-Skala für kurzfristige Verbindlichkeiten hat verschiedene Kategorien und reicht von „F1“, die für die höchste Kreditqualität steht, über die Kategorien „F2“, „F3“, „B“, „C“ und „RD“ bis zur niedrigsten Kategorie „D“, die einen weitgehenden Zahlungsausfall eines Schuldners kennzeichnet.

Die oben aufgeführten Rating-Definitionen stammen in englischer Sprache von der jeweiligen Internetseite von Moody's Investors Service ([www.moody.com](http://www.moody.com)), Standard & Poor's ([www.standardandpoors.com](http://www.standardandpoors.com)) bzw. Fitch Ratings ([www.fitchratings.com](http://www.fitchratings.com)).

#### **Risikofaktoren:**

Ziel der Beschreibung der Risikofaktoren ist es, potenzielle Käufer der Wertpapiere vor der Tätigkeit von Anlagen zu schützen, die nicht für ihre Zwecke geeignet sind, sowie die wirtschaftlichen und rechtlichen Risiken, die mit einer Anlage in die Wertpapiere verbunden sind, aufzuzeigen. Potenzielle Käufer der Wertpapiere sollten vor einer Anlageentscheidung die mit einer Anlage in die Wertpapiere verbundenen Risiken bedenken.

#### **Risikofaktoren in Bezug auf die Emittentin und die Garantin:**

Die Emittentin ist im Zusammenhang mit ihrer Geschäftstätigkeit einer Reihe von Risiken ausgesetzt, die für den Bankensektor typisch sind. Die Verwirklichung bestimmter Risiken kann sich nachteilig auf die Geschäfts-, Finanz- und Ertragslage der Emittentin und ihrer Tochtergesellschaften und damit auch auf die Geschäfts-, Finanz- und Ertragslage der Garantin auswirken, was wiederum die Fähigkeit (i) der Emittentin zur Erfüllung ihrer Verbindlichkeiten aus den Wertpapieren gegenüber den Wertpapierinhabern (wie nachstehend definiert unter „Allgemeine

Bedingungen/Wertpapierinhaber“) und/oder (ii) der Garantin zur Erfüllung ihrer Verpflichtungen aus der Garantie beeinträchtigen kann. Zu den Faktoren, die die Geschäfts-, Finanz- und Ertragslage der Emittentin negativ beeinflussen können, gehören unter anderen (i) die allgemeine wirtschaftliche Lage und sonstige Geschäftsbedingungen, (ii) das Wettbewerbsumfeld, (iii) aufsichtsrechtliche Veränderungen und (iv) normale Bankrisiken, etwa veränderte Zinsen und Devisenkurse sowie operative, rechtliche, Kredit-, Markt- und Liquiditätsrisiken.

#### **Risikofaktoren in Bezug auf die Wertpapiere:**

Bestimmte Faktoren sind für die Einschätzung der Marktrisiken, die mit den Wertpapieren verbunden sind, von wesentlicher Bedeutung. Zu diesen Risiken zählen unter anderen: die Tatsache, dass (i) die Wertpapiere eine komplexe Struktur haben, die zu einem **vollständigen Verlust** der Anlage führen kann, (ii) die Wertpapiere möglicherweise nicht für alle Anleger eine geeignete Anlage darstellen, (iii) der Wert der Wertpapiere schwanken kann, (iv) der Ausgabepreis der Wertpapiere einen Ausgabeaufschlag, Provisionen und/oder sonstige Gebühren enthalten kann, (v) möglicherweise kein Sekundärmarkt für die Wertpapiere besteht, (vi) ein Kauf der Wertpapiere für Absicherungszwecke möglicherweise nicht effizient ist, (vii) sich Handlungen der Emittentin auf den Wert der Wertpapiere auswirken können, (viii) die Wertpapierinhaber über keine Eigentumsrechte an dem Basiswert (wie nachstehend definiert unter „Beschreibung der Wertpapiere“) verfügen, (ix) die Emittentin und/oder die Berechnungsstelle Anpassungen der Bedingungen aufgrund von den Basiswert betreffenden Ereignissen vornehmen können, (x) es zu Verzögerungen bei der Abrechnung der Wertpapiere kommen kann, (xi) Wertpapierinhaber möglicherweise zur Zahlung von Steuern verpflichtet sind, und (xii) die Wertpapiere von der Emittentin unter bestimmten Voraussetzungen vorzeitig gekündigt werden können.

Zu den sonstigen Risiken, die mit den Wertpapieren verbunden sind, können gehören: (i) Risiken im Zusammenhang mit den Wertpapieren, die durch Global-

urkunden (wie nachstehend definiert unter „Allgemeine Bedingungen/Form der Wertpapiere“) verbrieft bzw. die in dematerialisierter Form begeben werden, (ii) Risiken im Zusammenhang mit Nominee-Vereinbarungen, die Wertpapierinhaber mit Anlagedienstleistern abschließen, (iii) das Risiko, dass die mit einer Anlage in die Wertpapiere erzielte Rendite durch Gebühren beeinträchtigt wird, die für die Wertpapierinhaber anfallen, (iv) das Risiko, dass Gesetzesänderungen den Wert der Wertpapiere beeinträchtigen könnten, (v) das Risiko, dass die der Emittentin oder gegebenenfalls den Wertpapieren zugewiesenen Ratings nicht alle Risiken widerspiegeln, (vi) das Risiko, dass rechtliche Anlagevorschriften bestimmte Anlagen in die Wertpapiere einschränken, (vii) im Falle einer Finanzierung des Kaufs der Wertpapiere mittels eines Darlehens durch den Wertpapierinhaber das Risiko, dass er möglicherweise nicht in der Lage ist, den Darlehensbetrag zuzüglich Zinsen zurückzuzahlen, (viii) besondere Risiken im Zusammenhang mit den besonderen Merkmalen der verschiedenen Arten von Wertpapieren und (ix) besondere Risiken im Zusammenhang mit bestimmten Basiswerten der Wertpapiere (beispielsweise Rohstoffe, Währungen, Indizes, Aktien oder Strategien).

Außerdem sind bestimmte Faktoren für die Einschätzung der Risiken, die mit der Besicherungsstruktur der Wertpapiere verbunden sind, von wesentlicher Bedeutung. Zu diesen Risiken zählen u.a.

(i) dass der Verwahrer insolvent wird oder sein Amt als Verwahrer niederlegt (wie nachstehend definiert unter „Sicherheitentreuhandvertrag“);

(ii) dass der Verwertungserlös zur Befriedigung aller Ansprüche aus den Wertpapieren nicht ausreicht,

(aa) weil die Beträge, die dem Sicherheitentreuhandler, einem Vertreter, der Bewertungsstelle, dem Verwahrer, der Benachrichtigungsstelle und der Ausfallzahlstelle (alle wie nachstehend definiert unter „Sicherheitentreuhandvertrag“) geschuldet sind, vor den Ansprüchen der Wertpapierinhaber befriedigt werden,

(bb) weil der Wert der Wertpapiere auf einer Grundlage berechnet wird, die unter dem tatsächlichen Wert der Wertpapiere liegen kann, und folglich der Wert der Wertpapiere, der für die Berechnung der Sicherheiten (wie nachstehend definiert unter „Sicherheitentreuhandvertrag“) maßgeblich ist, unter dem Wert der Verbindlichkeiten der Emittentin aus den Wertpapieren liegen kann,

(cc) weil der Wert der Sicherheiten auf einer Grundlage berechnet wird, die über dem tatsächlichen Wert der Sicherheiten liegen kann, was dazu führen kann, dass der Verwahrer keine weiteren Sicherheiten anfordert, selbst wenn eine Unterdeckung (wie nachstehend definiert unter „Wertpapier- und Sicherheitenbewertung sowie Hinterlegung der Sicherheiten“) besteht,

(dd) weil die Besicherung (wie nachstehend definiert unter „Sicherheitentreuhandvertrag“) nur verwertet wird, wenn alle Anforderungen (u.a. die Anforderung einer Anzeige eines Wertpapierinhabers und der Ablauf von Nachfristen) mindestens eines der drei möglichen Ausfallereignisse (wie nachstehend definiert unter „Sicherheitentreuhandvertrag“) erfüllt sind; diese Anforderungen können zu einer Verzögerung führen, während welcher der Wert der Sicherheiten unter den Wert der Wertpapiere fallen kann,

(ee) weil der Sicherheitentreuahänder sehr wahrscheinlich eine Verwertungsstelle in Bezug auf die Verwertung der Sicherheiten bestellen wird, erst nachdem ein Ausfallereignis eingetreten ist, und die Bestellung einer Verwertungsstelle das Verwertungsverfahren verzögern kann sowie sehr wahrscheinlich die Gebühren erhöhen wird, die von dem an die Wertpapierinhaber zu zahlenden Betrag abgezogen werden, und

(ff) weil die Emittentin ohne Zustimmung der Wertpapierinhaber sich selbst als Hauptschuldnerin der Wertpapiere durch einen Rechtsträger ersetzen kann, wenn bestimmte Anforderungen erfüllt werden, und die zum Schutz der Wertpapierinhaber entwickelte Struktur und die zum Schutz der Wertpapierinhaber erstellte Dokumentation unzureichend sein könnten, falls die Ersatzemittentin in einer anderen Rechtsordnung als den Niederlanden oder

dem Vereinigten Königreich errichtet ist.

Die Endgültigen Bedingungen können die in diesem Basisprospekt enthaltenen Risikofaktoren vervollständigen, ändern oder ersetzen, um sie an die spezifische Struktur der jeweiligen Wertpapiere anzupassen.

**Endgültige Bedingungen:**

Für jede gemäß diesem Basisprospekt begebene Tranche von Wertpapieren werden so genannte „Endgültige Bedingungen“ veröffentlicht, in denen neben der Angabe der für die Wertpapiere maßgeblichen Bedingungen einige der bereits in diesem Basisprospekt enthaltenen Informationen wiederholt sein können (aber nicht müssen). In den Endgültigen Bedingungen werden möglicherweise derzeit nicht in diesem Basisprospekt enthaltene Informationen in den in diesem Basisprospekt enthaltenen Platzhaltern ergänzt oder derzeit in diesem Basisprospekt enthaltene Informationen gestrichen, falls sie sich in eckigen Klammern befinden, oder derzeit in diesem Basisprospekt enthaltene Informationen gemäß den Angaben in diesem Basisprospekt geändert.

**Wertpapierbedingungen:**

Die für die Wertpapiere geltenden Wertpapierbedingungen sind die unter „Allgemeine Bedingungen“ aufgeführten allgemeinen Bedingungen (die „**Allgemeinen Bedingungen**“) und die unter „Produktbedingungen“ aufgeführten wertpapierspezifischen Produktbedingungen (die „**Produktbedingungen**“). Die auf eine Tranche von Wertpapieren anwendbaren Endgültigen Bedingungen können die Allgemeinen Bedingungen und/oder die wertpapierspezifischen Produktbedingungen vervollständigen, ändern oder ersetzen. Werden die Wertpapiere durch eine Globalurkunde verbrieft, werden der die betreffende Tranche der Wertpapiere verbriefenden Globalurkunde die Allgemeinen Bedingungen und die wertpapierspezifischen Produktbedingungen beigefügt. Die Allgemeinen Bedingungen und die für eine bestimmte Tranche von Wertpapieren geltenden Produktbedingungen werden als „**Bedingungen**“ bezeichnet.

**Beschreibung der Wertpapiere:**

Die Wertpapiere sind Anlageinstrumente, bei denen nach Ausübung oder Kündigung gemäß den Endgültigen Bedingungen – unter Berücksichtigung des für das jeweilige

Wertpapier gegebenenfalls festgelegten Bezugsverhältnisses – entweder ein Barbetrag gezahlt wird, der sich nach dem Wert eines Basiswerts an einem in den Endgültigen Bedingungen festgelegten Tag richtet („**Wertpapiere mit Barabrechnung**“) oder der Basiswert geliefert wird („**Wertpapiere mit physischer Lieferung**“), je nachdem, was in den Endgültigen Bedingungen angegeben ist. Die Wertpapiere bilden den Basiswert linear ab. Mögliche Basiswerte für diese Wertpapiere sind Rohstoffe (einschließlich Terminkontrakte auf Rohstoffe), Währungen, Indizes, Aktien (mit Ausnahme von Aktien der Emittentin bzw. eines anderen Unternehmens der Gruppe) oder Strategien (jeweils ein „**Basiswert**“). Bei Wertpapieren mit physischer Lieferung ist es möglich, dass anstelle der Lieferung eines Bruchteils des Basiswerts ein Barbetrag hinsichtlich dieses Bruchteils gezahlt wird.

In den Endgültigen Bedingungen wird angegeben, ob die Wertpapiere verzinst werden.

Falls die Wertpapiere verzinst werden, wird in den Endgültigen Bedingungen ebenfalls angegeben, ob es einen Festzinssatz, einen variablen Zinssatz oder einen strukturierten Zinssatz (z.B. abhängig von der Wertentwicklung des Basiswerts) gibt. Die Endgültigen Bedingungen können weitere Angaben zur Verzinsung beinhalten.

Sofern in den Endgültigen Bedingungen nicht etwas anderes angegeben ist, verbriefen die Wertpapiere auch keinen Anspruch auf Dividenden.

Die Arten von Wertpapieren, die im Rahmen dieses Basisprospekts begeben werden können, haben eine feste Laufzeit und werden nachfolgend näher beschrieben.

**Exchange Traded Notes und  
Exchange Traded Commodities mit  
einer festen Laufzeit:**

Bei Exchange Traded Notes und Exchange Traded Commodities mit einer festen Laufzeit handelt es sich um Wertpapiere, die an dem in den Endgültigen Bedingungen angegebenen Ausübungstag automatisch ausgeübt werden. Außerdem können die Wertpapiere vor dem Ausübungstag von den Wertpapierinhabern ausgeübt und von der Emittentin gekündigt werden, sofern diese Ausübungs- und

Kündigungsrechte in den Endgültigen Bedingungen vorgesehen sind.

**Sicherheitentreuhandvertrag:**

Die Wertpapiere werden nach Maßgabe eines Sicherungs- und Sicherheitentreuhandvertrages (der „**Sicherheitentreuhandvertrag**“) besichert, der am 18. Februar 2010 zwischen der Emittentin, der BNP Paribas Trust Corporation (UK) Limited als Sicherheitentreuhänder (der „**Sicherheitentreuhänder**“), der BNP Paribas Securities Services, Niederlassung London, als Bewertungsstelle (die „**Bewertungsstelle**“), der BNP Securities Services, Niederlassung Frankfurt, als Ausfallzahlstelle (die „**Ausfallzahlstelle**“) und als Benachrichtigungsstelle (die „**Benachrichtigungsstelle**“) sowie der JPMorgan Chase Bank, N.A., Niederlassung London, als Verwahrer (der „**Verwahrer**“) geschlossen wurde. Eine Kopie des Sicherheitentreuhandvertrages ist in diesem Basisprospekt wiedergegeben. Der Sicherheitentreuhandvertrag wird durch Verweis in die Produktbedingungen einbezogen und ist integraler Bestandteil der Produktbedingungen. In dem Sicherheitentreuhandvertrag sind die Regelungen hinsichtlich der Bestellung und Verwaltung von Sicherheiten für die Verpflichtungen der Emittentin aus oder im Zusammenhang mit den Wertpapieren enthalten. Der Sicherheitentreuhandvertrag unterliegt englischem Recht.

**Sicherheiten:**

Gemäß dem Sicherheitentreuhandvertrag wird die Emittentin bestimmte Aktienwerte, Schuldtitel und sonstige Instrumente (wie in Anhang 2 des Sicherheitentreuhandvertrages beschrieben) (die „**Zulässigen Sicherheiten**“) in einem oder mehreren von dem Verwahrer auf den Namen der Emittentin geführten Wertpapierkonten als Sicherheiten für die Verbindlichkeiten der Emittentin gegenüber den Wertpapierinhabern aus den Besicherten Wertpapiere hinterlegen (die „**Sicherheiten**“). „**Besicherte Wertpapiere**“ sind alle von der Emittentin begebenen Wertpapiere, die im Rahmen des Sicherheitentreuhandvertrages besichert werden, nicht zurückgezahlt wurden und nicht von der Emittentin oder einer ihrer Tochtergesellschaften gehalten werden.

Die Zulässigen Sicherheiten können aus den folgenden

Aktienwerten, Schuldtiteln und sonstigen Instrumenten bestehen (außer Wertpapieren, die von der The Royal Bank of Scotland Group plc oder einem ihrer verbundenen Unternehmen begeben wurden):

1) Aktien (einschließlich Vorzugsaktien), Optionsscheinen, Bezugsrechten, ADRs und GDRs, die in folgenden Indizes enthalten sind: S&P/ASX 200 und/oder S&P/ASX All Ordinaries (beide Australien), BEL 20 (Belgien), OMX Copenhagen 20 und/oder OMXC All Share Index (beide Dänemark), DAX30 und/oder CDAX Performance Index (beide Deutschland), HEX25 und/oder OMXH All Share Index (beide Finnland), CAC40 und/oder SBF250 (beide Frankreich), Hang Seng und/oder Hang Seng Composite (beide Hongkong), FTSE MIB und/oder FTSE Italia All Share (beide Italien), Nikkei 225 und/oder JASDAQ Index (beide Japan), S&P/TSX 60 und/oder S&P/TSX Composite Index (beide Kanada), NZX 50 Index (Gross) (Neuseeland), AEX und/oder Amsterdam Midkap-index (beide Niederlande), OBX und/oder Oslo Exchange All Share Index (beide Norwegen), ATX Prime und/oder ATX (beide Österreich), PSI 20 (Portugal), OMX Stockholm 30 (Schweden), SMI (Schweiz), FTSE ST ALL-SE und/oder STI (beide Singapur), IBEX 35 und/oder Madrid General (beide Spanien), S&P 500 und/oder NASDAQ Composite und/oder NYSE Composite und/oder Russell 1000 und/oder Russell 3000 (alle USA), FTSE 100 und/oder FTSE 250 (beide Vereinigtes Königreich);

2) Exchange Traded Funds, die sich auf folgende Indizes beziehen: S&P/ASX200 und/oder S&P/ASX All Ordinaries (beide Australien), BEL 20 (Belgien), OMX Copenhagen 20 und/oder OMXC All Share Index (beide Dänemark), DAX30 und/oder CDAX Performance Index (beide Deutschland), HEX25 und/oder OMXH All Share Index (beide Finnland), CAC40 und/oder SBF250 (beide Frankreich), Hang Seng und/oder Hang Seng Composite (beide Hongkong), FTSE MIB und/oder FTSE Italia All Share (beide Italien), Nikkei 225 und/oder JASDAQ Index (beide Japan), S&P/TSX 60 und/oder S&P/TSX Composite Index (beide Kanada), NZX 50 Index (Gross) (Neuseeland), AEX und/oder Amsterdam



Midkap-index (beide Niederlande), OBX und/oder Oslo Exchange All Share Index (beide Norwegen), ATX Prime und/oder ATX (beide Österreich), SMI und/oder SPI (beide Schweiz), IBEX 35 und/oder Madrid General (beide Spanien), NASDAQ Composite und/oder NYSE Composite und/oder Russell 1000 und/oder Russell 3000 und/oder S&P 500 (alle USA), FTSE 100 und/oder FTSE 250 (beide Vereinigtes Königreich);

3) Wandelanleihen von Emittenten aus den folgenden Ländern und mit einem Anleiherating von mindestens A3/A- und einem Emittentenrating von mindestens A3/A- durch die Ratingagenturen Moody's Investors Service bzw. Standard & Poor's: Australien, Belgien, Dänemark, Deutschland, Finnland, Frankreich, Griechenland, Irland, Italien, Japan, Kanada, Luxemburg, Neuseeland, Niederlande, Norwegen, Österreich, Portugal, Russland, Schweden, Schweiz, Spanien, USA, Vereinigtes Königreich;

4) Wandelanleihen von Emittenten, die in den folgenden Indizes enthalten sind: S&P/ASX 200 (Australien), Bel 20 (Belgien), OMX Copenhagen 20 (Dänemark), DAX30 (Deutschland), HEX25 (Finnland), CAC40 (Frankreich), Hang Seng (Hongkong), FTSE MIB (Italien), Nikkei 225 (Japan), S&P/TSX 60 (Kanada), NZX 50 Index (Gross) (Neuseeland), AEX (Niederlande), OBX (Norwegen), ATX Prime (Österreich), SMI (Schweiz), IBEX 35 (Spanien), S&P 500 (USA), FTSE 100 (Vereinigtes Königreich);

5) Staats- und Kommunalanleihen der folgenden Länder und mit einem Anleiherating von mindestens A3/A- und einem Emittentenrating von mindestens A3/A- durch die Ratingagenturen Moody's Investors Service bzw. Standard & Poor's: Australien, Belgien, Dänemark, Deutschland, Finnland, Frankreich, Irland, Italien, Japan, Kanada, Luxemburg, Niederlande, Norwegen, Österreich, Portugal, Schweden, Schweiz, Spanien, Südafrika, USA, Vereinigtes Königreich;

6) besicherte Staats- und Kommunalanleihen, die Hypothekenkredite für gewerbliche Immobilien verbrieften (*commercial mortgage backed bonds*) der folgenden Länder: Australien, Belgien, Dänemark, Deutschland, Finnland,

Frankreich, Irland, Italien, Japan, Kanada, Luxemburg, Niederlande, Norwegen, Österreich, Portugal, Schweden, Schweiz, Spanien, Südafrika, USA, Vereinigtes Königreich und/oder

7) Barguthaben in folgenden Währungen: Euro, Pfund Sterling, U.S. Dollar.

**Besicherung:**

Die Emittentin bestellt an den Sicherheiten eine Sicherung in Form eines erstrangigen Sicherungsrechts (*first floating charge*) nach englischem Recht zugunsten des Sicherheitentreuhänders. Bei Eintritt bestimmter Ereignisse werden die Sicherheiten vom Sicherheitentreuhänder zur Befriedigung der Verbindlichkeiten der Emittentin gegenüber den Wertpapierinhabern im Rahmen der Besicherten Wertpapiere verwendet (nach vorheriger Befriedigung der Ansprüche des Sicherheitentreuhänders, eines etwaigen vom Sicherheitentreuhänder bestellten Beauftragten, Bevollmächtigten, Vertreters oder Mittreuhänders (einschließlich der Verwertungsstelle) (der „**Vertreter**“), der Bewertungsstelle, des Verwahrers, der Benachrichtigungsstelle und der Ausfallzahlstelle) (siehe nachstehenden Abschnitt „Ausfallereignisse und Verwertung“).

**Wertpapier- und Sicherheitenbewertung sowie Hinterlegung der Sicherheiten:**

Solange Wertpapiere ausstehen, wird an jedem Tag, an dem Banken in London für den Geschäftsverkehr geöffnet sind (ein „**Geschäftstag**“): (i) die Emittentin eine Meldung über die Anzahl der Besicherten Wertpapiere (die „**Meldung**“) an die Bewertungsstelle übersenden, (ii) die Bewertungsstelle den Wert der Besicherten Wertpapiere berechnen und diesen Wert der Emittentin und dem Verwahrer mitteilen und (iii) der Verwahrer den Wert der Sicherheiten berechnen und diesen mit dem Wert der Besicherten Wertpapiere, der ihr von der Bewertungsstelle mitgeteilt wurde, vergleichen und sich davon überzeugen, dass der Wert der Sicherheiten mindestens 110 % des Werts der Besicherten Wertpapiere entspricht (der „**Vorgesehene Sicherheitenwert**“).

Teilt der Verwahrer der Emittentin und der Benachrichtigungsstelle an einem Tag mit, dass der Wert der Sicherheiten niedriger ist als der Vorgesehene Sicherheitenwert (die „**Unterdeckung**“), muss die Emittentin

unverzüglich zusätzliche Sicherheiten auf dem Wertpapierkonto hinterlegen, sodass der Wert der Sicherheiten wieder mindestens dem Vorgesehenen Sicherheitenwert entspricht.

Die Emittentin ist berechtigt, Sicherheiten zu entnehmen, falls der Wert der Sicherheiten zu einem beliebigen Zeitpunkt den Vorgesehenen Sicherheitenwert übersteigt. Die Emittentin ist ferner berechtigt, Sicherheiten durch andere Zulässige Sicherheiten zu ersetzen, sofern der Wert der Sicherheiten nach der Ersetzung nicht unter den Vorgesehenen Sicherheitenwert fällt.

**Ausfallereignisse und Verwertung:** Jedes der folgenden Ereignisse stellt ein Ausfallereignis dar:

- (i) die Benachrichtigungsstelle teilt dem Sicherheitentreuhänder mit, dass an fünf aufeinander folgenden Geschäftstagen eine Unterdeckung vorlag (die **„Mitteilung durch die Benachrichtigungsstelle“**), wobei eine solche Mitteilung nicht erfolgt, wenn die Emittentin die Benachrichtigungsstelle darüber in Kenntnis gesetzt hat, dass es ihr aufgrund in dem Sicherheitentreuhandvertrag aufgeführter außergewöhnlicher Umstände (beispielsweise einer erheblichen Störung von Kommunikationssystemen oder anderen Systemen oder der Finanzmärkte außerhalb des Einflussbereichs der Emittentin) (die **„Außergewöhnlichen Umstände“**) nicht möglich war, zusätzliche Sicherheiten zu stellen;
- (ii) die Bewertungsstelle teilt dem Sicherheitentreuhänder mit (die **„Mitteilung durch die Bewertungsstelle“**), dass es die Emittentin an vier aufeinander folgenden Geschäftstagen versäumt hat, die Meldung abzugeben, wobei eine solche Mitteilung nicht erfolgt, wenn die Emittentin die Bewertungsstelle davon in Kenntnis gesetzt hat, dass es ihr aufgrund Außergewöhnlicher Umstände nicht möglich war, die Meldung abzugeben; oder
- (iii) die Ausfallzahlstelle teilt dem Sicherheitentreuhänder den Eintritt eines Insolvenzereignisses mit

(die „**Mitteilung durch die Ausfallzahlstelle**“) wobei eine solche Mitteilung durch die Ausfallzahlstelle nur dann erfolgt, wenn (x) mindestens ein Wertpapierinhaber der Ausfallzahlstelle über seine depotführende Bank den Eintritt eines Insolvenzereignisses angezeigt hat, (y) die Ausfallzahlstelle nach Erhalt einer Anzeige von mindestens einem Wertpapierinhaber das Vorliegen eines Insolvenzereignisses durch eine Anfrage bei der Emittentin überprüft hat und (z) die Emittentin bzw. der Insolvenzverwalter es unterlassen hat, innerhalb von drei Geschäftstagen nach Erhalt der ersten Anfrage und innerhalb von fünf Geschäftstagen nach Erhalt einer erneuten Anfrage auf die Anfrage der Ausfallzahlstelle zu antworten, bzw. innerhalb dieser Zeiträume das Vorliegen eines Insolvenzereignisses bestätigt hat. Ein „**Insolvenzereignis**“ bezeichnet (i) die Auferlegung von Notfallregelungen in Bezug auf die Emittentin (einschließlich Rationalisierungsmaßnahmen oder Liquidationsmaßnahmen) nach Kapitel 3.5.5 des niederländischen Gesetzes betreffend die Finanzaufsicht (*Wet op het financieel toezicht*), (ii) die Gewährung eines Moratoriums oder das Stattgeben eines Antrags auf Eröffnung des Insolvenzverfahrens gegen die Emittentin durch das zuständige Gericht oder (iii) das Einleiten entsprechender Verfahren oder Schritte in einer Rechtsordnung,

(eine Mitteilung durch die Benachrichtigungsstelle, eine Mitteilung durch die Bewertungsstelle und eine Mitteilung durch die Ausfallzahlstelle stellen jeweils ein „**Ausfallereignis**“ dar).

Nach Eintritt eines Ausfallereignisses wird der Sicherheitentreuhänder unter anderem (i) eine Verwertungsstelle für den Verkauf oder die anderweitige Veräußerung der Sicherheiten oder von Teilen der Sicherheiten bestellen, (ii) den Verwahrer anweisen, keine weiteren Anweisungen der Emittentin mehr entgegen-

zunehmen und die Sicherheiten auf ein vom Sicherheitentreuhänder benanntes Wertpapierkonto zu liefern (die „**Verwertungsmitteilung**“) und (iii) den Wertpapierinhabern über eine Mitteilung an die betreffenden Clearingstellen den Eintritt eines Ausfallereignisses mitteilen. Nach Erhalt der Verwertungsmitteilung wird der Verwahrer unter anderem die Sicherheiten auf das Konto und an die Person liefern, die ihm von dem Sicherheitentreuhänder genannt wurden.

Wertpapierinhaber sind nicht berechtigt, die Sicherheit selbst zu verwerten oder unmittelbar gegen die Emittentin vorzugehen, um die Erfüllung von Bestimmungen des Sicherheitentreuhandvertrages durchzusetzen.

**Verwendung des Verwertungserlöses:**

Der Sicherheitentreuhänder wird nach Erhalt des Erlöses aus der vorstehend beschriebenen Verwertung (der „**Bruttoerlös**“)

- (a) vom Bruttoerlös abziehen:
  - (i) zunächst alle dem Sicherheitentreuhänder (in seiner Eigenschaft als Sicherheitentreuhänder der Wertpapierinhaber) oder einem etwaigen Vertreter (einschließlich der Verwertungsstelle) geschuldeten Beträge; und
  - (ii) desweiteren, nach der vollständigen Zahlung aller im vorstehenden Absatz (i) aufgeführten Beträge, alle der Bewertungsstelle, dem Verwahrer, der Benachrichtigungsstelle und der Ausfallzahlstelle geschuldeten Beträge auf gleichrangiger Grundlage,

(der vom Bruttoerlös gegebenenfalls verbleibende Betrag wird nachfolgend als „**Nettoerlös**“ bezeichnet); und

- (b) anschließend (i) den zur Befriedigung der Verbindlichkeiten aus den Besicherten Wertpapieren erforderlichen Teil des Nettoerlöses an die Ausfallzahlstelle zu überweisen und (ii) einen etwaigen Restbetrag auf die Emittentin übertragen.

Die Ausfallzahlstelle wird die vom Sicherheitentreuhänder erhaltenen Beträge an die Clearingstellen weiterleiten und sie den betreffenden Wertpapierinhabern anteilig gemäß

dem Sicherheitentreuhandvertrag zuweisen.

**Ausgabepreis:**

Die Wertpapiere werden zu einem von der Emittentin festgelegten Preis verkauft; die Emittentin kann bei der Festlegung des Preises neben anderen Faktoren den Kurs, Preis bzw. Stand des Basiswerts, gegebenenfalls das Bezugsverhältnis und etwaige anwendbare Devisenkurse berücksichtigen. Der Ausgabepreis der Wertpapiere basiert auf internen Preisbildungsmodellen der Emittentin und kann aufgrund von Provisionen und/oder anderen Gebühren im Zusammenhang mit der Ausgabe und dem Verkauf der Wertpapiere (einschließlich an Vertriebsstellen oder Dritte gezahlter oder von der Emittentin einbehaltener Aufschläge) sowie aufgrund von Beträgen, die für die Absicherung der Verbindlichkeiten der Emittentin aus den Wertpapieren verwendet werden, höher als deren Marktwert sein. Vertriebsstellen der Wertpapiere, die eine Provision, Gebühr oder Zuwendung, die nicht in Geldform ist, erhalten, sind möglicherweise im Rahmen von einschlägigen gesetzlichen Vorschriften zur Offenlegung des Bestehens, des Wesens und der Höhe entsprechender Provisionen, Gebühren oder Zuwendungen gegenüber Anlegern verpflichtet. Anleger sollten sicherstellen, dass sie vor dem Kauf von Wertpapieren über eine Vertriebsstelle von dieser entsprechend informiert werden.

**Börsennotierung:**

In den Endgültigen Bedingungen ist jeweils angegeben, ob die Notierung einer Tranche von Wertpapieren an einer oder mehreren Börsen beantragt wird oder nicht.

Nach Vorliegen der Bescheinigung über die Billigung dieses Basisprospekts nach § 18 Abs. 1 WpPG können die Wertpapiere zum Handel an den organisierten Märkten der Börsen verschiedener EWR-Staaten oder zur Aufnahme in den nicht organisierten Handel an diesen Börsen und/oder zur Notierung an diesen Börsen zugelassen werden und/oder innerhalb der EWR-Staaten öffentlich angeboten werden, in die eine Notifizierung erfolgt ist.

**Allgemeine Bedingungen:**

Nachfolgend ist eine Zusammenfassung bestimmter wichtiger Bestimmungen der Allgemeinen Bedingungen aufgeführt, die für alle im Rahmen dieses Basisprospekts

begebenen Wertpapiere gelten.

*Form der Wertpapiere:*

Die Wertpapiere sind (mit Ausnahme der Wertpapiere, die in dematerialisierter Form begeben werden) Inhaberpapiere, die durch eine Inhaber-Sammelurkunde (die „**Globalurkunde**“) verbrieft sind, die bei der Clearingstelle hinterlegt wird und nur gemäß anwendbarem Recht sowie nach Maßgabe der Regeln und Verfahren der Clearingstelle, über deren Buchungssysteme die Übertragung der Wertpapiere erfolgt, übertragen werden.

Wenn die Wertpapiere in dematerialisierter Form begeben werden, werden sie in das Buchungssystem der Clearingstelle eingetragen. In diesem Fall werden die Rechte an den Wertpapieren zwischen den Inhabern von Konten bei der Clearingstelle gemäß den jeweils geltenden Gesetzen sowie den Vorschriften und Verfahren, die auf die Clearingstelle anwendbar bzw. von dieser erlassen worden sind, (die „**Anwendbaren Vorschriften**“) übertragen.

Die Endgültigen Bedingungen geben an, ob die Wertpapiere durch eine Globalurkunde verbrieft werden oder in dematerialisierter Form begeben werden.

Unabhängig davon, ob die Wertpapiere in einer Globalurkunde verbrieft werden oder in dematerialisierter Form begeben werden, werden keine Einzelurkunden ausgegeben.

*Wertpapierinhaber:*

„**Wertpapierinhaber**“ bezeichnet (im Fall der Verbriefung der Wertpapiere durch eine Globalurkunde) den Inhaber eines Anteils an der Globalurkunde bzw. (falls die Wertpapiere in dematerialisierter Form begeben werden) eine Person, in deren Namen ein Wertpapier im Buchungssystem der Clearingstelle eingetragen ist oder jede andere Person, die nach den Anwendbaren Vorschriften als Inhaber der Wertpapiere gilt.

*Status der Wertpapiere:*

Die Wertpapiere begründen besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht nachrangigen gegenwärtigen und zukünftigen Verbindlichkeiten der Emittentin gleichrangig sind, mit Ausnahme der Verbindlichkeiten,

denen durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.

*Mitteilungen:*

Alle Mitteilungen gemäß den Bedingungen werden entweder (i) auf der Internetseite der Emittentin (oder einer Nachfolgesite) veröffentlicht und gelten mit dem Tag der Veröffentlichung als wirksam erfolgt oder werden (ii) an die Clearingstelle übermittelt und gelten mit der Übermittlung als wirksam erfolgt, es sei denn, die betreffende Mitteilung sieht ein anderes Datum für die Wirksamkeit vor. Auf welche Weise Mitteilungen erfolgen, ist in den jeweiligen Endgültigen Bedingungen angegeben. Zusätzliche Veröffentlichungsvorschriften im Rahmen zwingender gesetzlicher Vorschriften oder im Rahmen der Regeln oder Vorschriften maßgeblicher Börsen bleiben hiervon unberührt.

*Ersetzung der Emittentin:*

Die Emittentin kann jederzeit ohne die Zustimmung der Wertpapierinhaber sich selbst als Emittentin der Wertpapiere im Hinblick auf sämtliche Rechte, Verpflichtungen und Verbindlichkeiten aus oder im Zusammenhang mit den Wertpapieren durch eine andere Gesellschaft ersetzen (die „**Ersatzemittentin**“), sofern die diesbezüglich in den Endgültigen Bedingungen genannten Voraussetzungen (u.a. Mitteilung an die Wertpapierinhaber) erfüllt sind.

*Besteuerung:*

Der Wertpapierinhaber (und nicht die Emittentin) haftet für und/oder trägt sämtliche Steuern, Abgaben oder Lasten im Zusammenhang mit dem Eigentum und/oder der Übertragung, Zahlung oder Lieferung in Bezug auf die von ihm gehaltenen Wertpapiere. Die Emittentin ist berechtigt, von an Wertpapierinhaber zu zahlenden Beträgen solche Beträge einzubehalten bzw. abzuziehen, die jeweils zur Deckung bzw. Zahlung solcher Steuern, Abgaben oder Lasten oder zur Vornahme von Einbehalten oder sonstigen Zahlungen erforderlich sind.

**Produktbedingungen:**

Auf die unterschiedlichen Arten von Wertpapieren, die in diesem Basisprospekt beschrieben sind, sind unterschiedliche Produktbedingungen anwendbar. Nachfolgend ist eine Zusammenfassung bestimmter wichtiger Bestimmungen der Produktbedingungen aufgeführt, die für



alle Wertpapiere gelten.

*Ausübung der Wertpapiere:*

Die Wertpapiere werden an dem in den Endgültigen Bedingungen angegebenen Ausübungstag automatisch ausgeübt.

Im Fall einer automatischen Ausübung erfolgt die Zahlung und/oder Lieferung vorbehaltlich der Vorlage einer Bescheinigung durch den Wertpapierinhaber.

Außerdem können die Wertpapiere durch Einreichung einer Ausübungserklärung bei der Hauptzahlstelle durch den Wertpapierinhaber ausgeübt und von der Emittentin gekündigt werden, sofern diese Ausübungs- und Kündigungsrechte in den Endgültigen Bedingungen vorgesehen sind.

Jede entsprechende Bescheinigung oder Ausübungserklärung muss die in den Produktbedingungen aufgeführten Angaben enthalten, unter anderem eine Erklärung dahingehend, dass der Wertpapierinhaber weder eine US-Person ist noch sich in den Vereinigten Staaten befindet.

*Vorzeitige Kündigung durch die Emittentin:*

Die Emittentin ist berechtigt, die Wertpapiere vorzeitig zu kündigen, wenn (i) sie nach ihrem billigen Ermessen festgelegt hat, dass die Erfüllung der Verbindlichkeiten aus den Wertpapieren für die Emittentin aufgrund der nach Treu und Glauben gebotenen Einhaltung der von einem Staat, einer Verwaltungsbehörde, einem Gesetzgeber oder einem Gericht erlassenen gegenwärtigen oder zukünftigen Gesetze, Verordnungen, Vorschriften, Urteile, Beschlüsse oder Richtlinien (das „**Anwendbare Recht**“) vollständig oder teilweise rechtswidrig ist oder wird, und (ii) falls sich bestimmte in den Endgültigen Bedingungen definierte Absicherungsstörungen ereignet haben. Kündigt die Emittentin in diesen Fällen vorzeitig, wird sie jedoch jedem Wertpapierinhaber, sofern und soweit nach Anwendbarem Recht zulässig, für jedes von einem solchen Wertpapierinhaber gehaltene Wertpapier einen Betrag zahlen, den die Emittentin nach ihrem billigen Ermessen als angemessenen Marktwert des Wertpapiers unmittelbar vor einer solchen Kündigung (ohne Berücksichtigung einer etwaigen Rechtswidrigkeit) festlegt, abzüglich der Kosten,

die der Emittentin im Zusammenhang mit der Rückabwicklung der Geschäfte, die zur vollständigen oder teilweisen Absicherung der Verpflichtungen aus den Wertpapieren abgeschlossen wurden, entstanden sind. Nur in Fällen, in denen die Wertpapiere Bestimmungen beinhalten, die eine zugesicherte Mindestrückzahlung von Kapital oder eine zugesicherte Mindestverzinsung oder sonstige zugesicherte Zahlungen vorsehen, darf ein entsprechend zu zahlender Betrag nicht niedriger sein als der von der Berechnungsstelle nach ihrem billigen Ermessen festgelegte aktuelle Wert der zugesicherten Mindestrückzahlung von Kapital und/oder Zinsen.

*Vorzeitige Kündigung durch den Wertpapierinhaber:*

Falls der Verwahrer kündigt oder falls die Bestellung des Verwahrers aufgehoben wird und ein Nachfolgeverwahrer nicht spätestens zum Zeitpunkt des Wirksamwerden der Kündigung oder der Aufhebung der Bestellung des bisherigen Verwahrers gemäß dem Sicherheitentreuhandvertrag bestellt wurde, ist jeder Wertpapierinhaber berechtigt, seine Wertpapiere insgesamt (aber nicht teilweise) durch Einreichung einer Kündigungserklärung (die „**Kündigungserklärung**“) bei der Hauptzahlstelle (wie nachstehend definiert unter „Zahlstelle, Hauptzahlstelle und Berechnungsstelle“) (das „**Verwahrerbezogene Kündigungsrecht**“) innerhalb des Zeitraums zu kündigen, der zum Zeitpunkt des Wirksamwerdens der Kündigung oder der Aufhebung der Bestellung des Verwahrers beginnt und am 30. Tag (einschließlich) nach dem Tag, an dem die Emittentin den Wertpapierinhabern mitgeteilt hat, dass kein Verwahrer gemäß dem Sicherheitentreuhandvertrag bestellt wurde, endet. Das Verwahrerbezogene Kündigungsrecht erlischt, wenn ein Nachfolgeverwahrer gemäß dem Sicherheitentreuhandvertrag bestellt wurde, bevor der Wertpapierinhaber eine Kündigungserklärung bei der Hauptzahlstelle eingereicht hat. Im Fall der wirksamen Ausübung des Verwahrerbezogenen Kündigungsrechts zahlt die Emittentin den angemessenen Marktwert des Wertpapiers unmittelbar vor dem Wirksamwerden der Kündigung bzw. der Aufhebung der Bestellung des Verwahrers für jedes Wertpapier, für das eine Kündigungserklärung eingereicht wurde, auf das Konto, das

in der betreffenden Kündigungserklärung angegeben ist. Nur in Fällen, in denen die Wertpapiere Bestimmungen beinhalten, die eine zugesicherte Mindestrückzahlung von Kapital oder eine zugesicherte Mindestverzinsung oder sonstige zugesicherte Zahlungen vorsehen, darf ein entsprechend zu zahlender Betrag nicht niedriger sein als der von der Berechnungsstelle nach ihrem billigen Ermessen festgelegte aktuelle Wert der zugesicherten Mindestrückzahlung von Kapital und/oder Zinsen.

*Kündigung wegen eines Ausfallereignisses:*

Bei Eintritt eines Ausfallereignisses werden die Wertpapiere automatisch gekündigt. In diesem Fall stellt der Sicherheitentreuhänder der Ausfallzahlstelle die Erlöse aus dem Verkauf oder einer anderweitigen Veräußerung der Sicherheiten gemäß dem Sicherheitentreuhandvertrag zur Auszahlung an die Wertpapierinhaber über die betreffenden Clearingstellen (wie nachstehend definiert unter „Clearingstellen“) gemäß dem Sicherheitentreuhandvertrag zur Verfügung. Das Recht jedes Wertpapierinhabers, von der Emittentin Zahlung einer Differenz zwischen einer solchen Auszahlung und dem angemessenen Marktwert des Wertpapiers zum Tag des Ausfallereignisses zu fordern, bleibt unberührt.

*Zahlstelle, Hauptzahlstelle und Berechnungsstelle:*

The Royal Bank of Scotland N.V. oder ein anderer in den Endgültigen Bedingungen genannter Rechtsträger.

*Abwicklung von Wertpapieren:*

Die Wertpapiere können je nach Angabe in den Endgültigen Bedingungen durch Zahlung eines Barbetrags oder durch Lieferung des Basiswerts abgewickelt werden.

*Clearingstelle:*

Clearstream Banking AG, Frankfurt („**CBF**“), Clearstream Banking, société anonyme, Luxemburg („**CBL**“) und Euroclear Bank S.A./N.V. als Betreiber des Euroclear-Systems („**Euroclear**“) und/oder etwaige andere oder weitere in den Endgültigen Bedingungen genannte Clearingstellen.

*Marktstörung:*

Bei Vorliegen einer Marktstörung kann es für die Wertpapierinhaber zu einer Verzögerung bei der Bestimmung von für die Abwicklung bedeutsamen Parametern sowie bei der Abwicklung selbst kommen. Darüber hinaus kann es zu nachteiligen Auswirkungen auf

die für die Abwicklung bedeutsamen Parameter (z. B. Kurs, Preis bzw. Stand des Basiswerts) kommen. Marktstörungen sind in den Endgültigen Bedingungen für alle Arten von Wertpapieren definiert. Sie sind je nach Art des Wertpapiers unterschiedlich.

*Marktstörung in Schwellenländern:*

Bei Vorliegen einer Marktstörung in Schwellenländern kann es für die Wertpapierinhaber zu einer Verzögerung bei der Bestimmung von für die Abwicklung bedeutsamen Parametern sowie bei der Abwicklung selbst kommen. Darüber hinaus kann es zu nachteiligen Auswirkungen auf die für die Abwicklung bedeutsamen Parameter (z. B. Kurs, Preis bzw. Stand des Basiswerts) kommen. Marktstörungen in Schwellenländern sind nur anwendbar, wenn die Endgültigen Bedingungen dies vorsehen.

*Abrechnungsstörung:*

Liegt eine Abrechnungsstörung bei Wertpapieren mit physischer Lieferung vor, kann es für die Wertpapierinhaber zu einer Verzögerung bei der Lieferung des Basiswerts kommen. Falls die Lieferung des Basiswerts aufgrund einer Abrechnungsstörung nicht durchführbar ist, ist die Emittentin berechtigt, an den Wertpapierinhaber anstelle der Lieferung des Basiswerts den von der Emittentin nach ihrem billigen Ermessen festgelegten angemessenen Marktwert der Wertpapiere abzüglich der Kosten zu zahlen, die der Emittentin im Zusammenhang mit der Rückabwicklung der Geschäfte, die zur vollständigen oder teilweisen Absicherung der Verpflichtungen aus den Wertpapieren abgeschlossen wurden, entstanden sind (der **„Barabrechnungspreis bei Störung“**). Die Abrechnungsstörung und der Abzug dieser Kosten können sich nachteilig auf die Festlegung dieses Barabrechnungspreises bei Störung auswirken. Abrechnungsstörungen sind in den Endgültigen Bedingungen für Wertpapiere, bei denen der Basiswert physisch geliefert werden kann, definiert; die Definition kann je nach Art des Wertpapiers unterschiedlich sein.

*Absicherungsstörung:*

Im Falle einer Absicherungsstörung (wie in den Endgültigen Bedingungen definiert) ist die Emittentin berechtigt, (i) die Wertpapiere zu kündigen (siehe vorstehend unter „Vorzeitige Kündigung“) oder (ii) den Basiswert durch einen

anderen Basiswert zu ersetzen oder (iii) eine Anpassung der Bedingungen vorzunehmen, um den inneren Wert der Wertpapiere nach der Vornahme der durch die betreffende Absicherungsstörung bedingten Anpassungen zu erhalten.

*Anpassungen im Hinblick auf die Europäische Währungsunion:*

Die Emittentin kann sich ohne Zustimmung der Wertpapierinhaber durch Mitteilung an die Wertpapierinhaber dafür entscheiden, mit Wirkung ab dem in der betreffenden Mitteilung genannten Tag die Währung für bestimmte Bedingungen der Wertpapiere auf Euro umzustellen, wie in der betreffenden Produktbedingung näher beschrieben.

*Anwendbares Recht:*

Die Wertpapiere unterliegen deutschem Recht oder einem anderen in den Endgültigen Bedingungen genannten Recht und werden nach diesem ausgelegt. Der Sicherheitentreuhandvertrag unterliegt englischem Recht und wird nach diesem ausgelegt.

*Erfüllungsort und Gerichtsstand:*

Erfüllungsort und Gerichtsstand für die Wertpapiere ist Frankfurt am Main, Deutschland, oder ein anderer in den Endgültigen Bedingungen genannter Erfüllungsort und Gerichtsstand.

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## RISK FACTORS

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*This “Risk Factors” section is to protect potential purchasers of the Securities from making investments that are not suitable for their purposes as well as to set out economic and legal risks associated with an investment in the Securities.*

*Potential purchasers of the Securities should be aware of the risks associated with an investment in the Securities before making an investment decision. Hence, potential purchasers of the Securities should also read the rest of the information set out in this Base Prospectus and the Registration Document as well as in the Supplements and in the Final Terms prior to making any investment decision. To be able to make their own assessments prior to making any investment decision, potential purchasers of the Securities should consult their own stockbroker, banker, lawyer, accountant or other legal, tax or financial advisers and carefully review the risks entailed in an investment in the Securities and consider such an investment decision in the light of their personal circumstances.*

*The Issuer believes that the factors described below and in the Registration Document may affect (i) the Issuer’s ability to fulfil its obligations under the Securities issued and (ii) the ability of RBS Holdings N.V. (previously named ABN AMRO Holding N.V.) to fulfil its obligations under the Guarantee provided by RBS Holdings N.V. (previously named ABN AMRO Holding N.V.) with respect to the liabilities of the Issuer. In addition, factors which are material for the purpose of assessing the market risks associated with the Securities are also described below. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*The Issuer believes that the factors described below and in the Registration Document represent the principal risks inherent in investing in the Securities, but the inability of the Issuer to pay amounts on or in connection with any Securities may occur for other reasons than the factors described below. This may, for example, be due to the fact that, based on the information available to the Issuer as at the date of this Base Prospectus, the Issuer failed to identify, or anticipate the occurrence of, material risks.*

*Words and expressions defined elsewhere in this Base Prospectus shall have the same meaning in this section, unless otherwise defined in this section or unless the context otherwise requires.*

## **1. RISK FACTORS RELATED TO THE ISSUER AND THE GUARANTOR**

Each potential investor in the Securities should refer to the risk factors section of the Registration Document for a description of those factors which may affect the Issuer's and the Guarantor's ability to fulfil its obligations under the Securities issued.

## **2. RISK FACTORS RELATED TO THE SECURITIES**

The Final Terms may complete, amend or replace the risk factors set forth in this section in order to make them more specific to the structure applicable to a specific tranche of Securities.

### **2.1 General Risks**

#### ***The Securities entail particular risks***

The Securities are investment instruments which, following exercise or termination in accordance with the Final Terms, either pay a cash amount determined by reference to the value of an underlying on a day specified in the Final Terms ("**cash settled Securities**") or deliver the underlying ("**physically settled Securities**"), subject to the multiplier, if applicable, as specified in the Final Terms. Possible underlyings of the Securities may be commodities (including commodity forward contracts and commodity future contracts), currencies, indices, shares (except those of the Issuer or of any other company of the Group), or strategies (each an "**Underlying**"). In case of physically settled Securities, it is possible that a cash amount is paid in respect of a fractional entitlement instead of delivery of this fractional entitlement. The Securities entail a risk which is linked to the valuation of the Underlying.

**Investors should be aware that their entire investment may be lost in the event that the price or level of the Underlying decreases substantially.**

Unlike direct investments in the Underlying, investors of Securities are not able to hold the Securities beyond their stated term or the termination date in the expectation of a recovery in the price of the Underlying.

The Securities have a fixed maturity and they are automatically exercised on the exercise date specified in the Final Terms. Furthermore, they can be exercised by the Securityholders and terminated by the Issuer before their exercise date, provided that these exercise and termination rights are specified in the Final Terms.

The Securities track the Underlying in a linear manner.

Whether or not the Securities will bear interest will be set forth in the Final Terms. In the event that no interest is payable, the Securities do not generate any ongoing interest income. Unless otherwise specified in the Final Terms, the Securities do not grant any claim to interest or dividends.

The price at which a Securityholder will be able to sell Securities prior to exercise or termination may be at a potentially substantial discount to the issue price and/or market value of the Securities.

### ***The Securities may not be a suitable investment for all investors***

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

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference into this Base Prospectus or the Final Terms;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities where payments are to be made in one or more currencies, or where the currency for any payments is different from the currency of the country where the potential investor is resident;
- (d) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for the development of economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

### ***The value of the Securities may fluctuate***

The value of the Securities may move up and down between their date of purchase and the date on which amounts payable are determined following exercise or termination or their date of sale (as the case may be). Securityholders may sustain a total loss of their investment. Potential investors should therefore ensure that they understand fully the nature of the Securities before they invest in the Securities.

Several factors, many of which are beyond the Issuer's control, will influence the value of the Securities at any time, including the following:



- (a) *Valuation of the Underlying.* The market price of the Securities is expected to be affected primarily by changes in the price or level of the Underlying to which such Securities are linked. It is impossible to predict how the price or level of the relevant Underlying will vary over time. Factors which may have an affect on the price or level of certain Underlyings include the rate of return of such Underlyings and the financial position and prospects of the issuer of such Underlyings or any component thereof. In addition, the price or level of the Underlying may depend on a number of interrelated factors, including economic, financial and political events and their effect on the capital markets generally and the relevant stock exchanges. Potential investors should also note that whilst the market value of the Securities is linked to the relevant Underlying and will be influenced (positively or negatively) by it, any change in the performance of the Securities may not be comparable and may be disproportionate as compared to the change of the Underlying. It is possible that while the Underlying is increasing in value, the value of the Securities may fall. Further, where no market value is available for an Underlying, the Calculation Agent may determine its value to be zero notwithstanding the fact that there may be no Market Disruption Event, Emerging Market Disruption Event, Settlement Disruption Event or any other disruption event and/or no Adjustment Event or Potential Adjustment Event which applies.
- (b) *Interest Rates.* Investments in the Securities may involve interest rate risks with respect to the currency of denomination of the Underlying and/or the Securities. A variety of factors influence interest rates, such as macroeconomic, governmental, speculative, and market sentiment factors. Such fluctuations may have an impact on the value of the Securities.
- (c) *Volatility.* The term “volatility” refers to the actual and anticipated frequency and magnitude of changes of the market price with respect to an Underlying. Volatility is affected by a number of factors such as macroeconomic factors, speculative trading and supply and demand in the options, futures and other derivatives markets. Volatility of an Underlying will move up and down over time (sometimes more sharply than others) and different Underlyings will usually have separate volatilities at any particular time.
- (d) *Exchange Rates.* Even where payments with respect to the Securities are not expressly linked to a rate or rates of exchange between currencies, the value of the Securities could, in certain circumstances, be affected by such factors as fluctuations in the rates of exchange between any currency in which any payment with respect to the Securities is to be made and any currency in which the Underlying is traded, appreciation or depreciation of any such currencies and any existing or future governmental or other restrictions on the exchangeability of such currencies. There can be no assurance that rates of exchange between any relevant currencies which are current rates on the Issue Date of any Securities will be representative of the relevant rates of exchange used in computing the value of the relevant Securities at any time thereafter.
- (e) *Disruption Events.* The Calculation Agent may determine that a disruption event, including but not limited to a Market Disruption Event, an Emerging Market Disruption Event, or a

Settlement Disruption Event, has occurred or exists at a relevant time. Such determination may negatively affect the value of the Securities and the pay out under the Securities and/or may delay settlement with respect to the Securities. Potential investors should review the Final Terms to ascertain whether and how such provisions apply to the Securities.

- (f) *Creditworthiness.* Any person who purchases the Securities is relying upon the creditworthiness of the Issuer and of the Guarantor and has no rights against any other person. The Securities constitute unsecured and unsubordinated obligations of the Issuer only. The Securities rank *pari passu* among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory provisions of law.

### ***Pricing of Securities and impact of agio, commission, fees etc. on pricing***

The issue price with respect to the Securities is based on internal pricing models of the Issuer and may be higher than the market value of the Securities, and the price, if any, at which any person is willing to purchase such Securities in secondary market transactions may be lower than the issue price with respect to such Securities. In particular, the issue price may include (irrespective of any agio which may be payable) commissions and/or other fees relating to the issue and sale of the Securities (including a margin paid to distributors or third parties or retained by the Issuer) as well as amounts relating to the hedging of the Issuer's obligations under such Securities, and secondary market prices are likely to exclude such amounts. In addition, pricing models of other market participants may differ or produce a different result.

### ***There may not be a secondary market in the Securities***

There is a risk that investors have to hold the Securities through their life and cannot sell them prior to an exercise or termination. The nature and extent of any secondary market in the Securities cannot be predicted. Therefore, there is a risk of lack of liquidity in the Securities. If the Securities are listed or quoted on an exchange or quotation system this does not imply greater or lesser liquidity than if equivalent Securities were not so listed or quoted. However, if Securities are not listed or quoted on an exchange or quotation system there may be a lack of transparency with regard to pricing information. Liquidity may also be affected by legal restrictions on offers for sale in certain jurisdictions. The Issuer may affect the liquidity of the Securities by purchasing and holding the Securities for its own account during trading in the secondary market. Any Securities repurchased by the Issuer may be resold at any time in the market.

### ***Purchasing the Securities as a hedge may not be effective***

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

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

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

### ***Securityholders have no ownership interest in the Underlying***

The Issuer is entitled but not obliged to hold the Underlying or enter into any derivatives contracts linked to the Underlying. Even if the Issuer chooses to do so, the Securities do not convey any ownership interest in the Underlying to the Securityholders. Furthermore, there is no restriction on the ability of the Issuer and/or its affiliates to sell, pledge or otherwise convey all right, title and interest in any Underlying held by it or any derivatives contracts linked to the Underlying entered into by it.

### ***Actions taken by the Issuer and/or the Calculation Agent as a consequence of events affecting the Underlying***

The Calculation Agent is the agent of the Issuer and not the agent of the Securityholders or any of them. The Issuer may itself act as the Calculation Agent. The Calculation Agent will make such adjustments to the Conditions as it considers appropriate as a consequence of any disruption events or certain actions (e.g. corporate actions) affecting the Underlying. In making these adjustments the Calculation Agent is entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion. The Calculation Agent is not required to make adjustments with respect to each and every disruption event or action (e.g. corporate action) affecting the Underlying.

### ***There may be delays in effecting settlement***

There may be a time lag between the time of exercise and the determination of the amount payable or the Underlying deliverable. In addition, there may be a delay in settlement due to a disruption event including but not limited to a Market Disruption Event, an Emerging Market Disruption Event, or a Settlement Disruption Event. Payments or deliveries under the Securities (as the case may be) may decrease or increase from what they would have been but for such delay.

If the Securities are exercisable by delivery of a notice by the Securityholder, such notice, if not delivered in the time specified in the Final Terms, will be treated as null and void.

If the Securities require a notice to be delivered before close of business in the place of receipt on the Exercise Date (as defined in the Product Conditions), then delivery after the Exercise Date may result in a delay in delivery of the applicable Share Amount (as defined in the Product Conditions).

The failure to properly deliver any certification or notices required under the Conditions could result in the loss or inability of the investors to receive amounts or deliveries otherwise due under the Securities.

Potential investors should review the Conditions to ascertain whether and how such provisions apply to the Securities.

### ***Taxes may be payable by the Securityholders***

Potential investors in, and sellers of, the Securities should be aware that they may be required to pay taxes, duties or other charges in accordance with the laws and practices of the country where the Securities are transferred. Securityholders are subject to the provisions of General Condition 7. Furthermore, any payment and/or delivery due with respect to the Securities will be conditional upon the payment of any Expenses as provided in the Product Conditions.

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

### ***The Securities may under certain circumstances be terminated by the Issuer prior to their stated date***

The Issuer has the right to terminate the Securities early (i) if it has determined in its reasonable discretion (*billiges Ermessen*) that its performance thereunder is or will become unlawful in whole or in part as a result of compliance in good faith by the Issuer with any applicable present or future law, rule, regulation, judgement, order, or directive of any governmental, administrative, legislative, or judicial authority or power (the “**Applicable Law**”) and (ii) upon the occurrence of a Hedging Disruption Event. If the Issuer terminates early in such circumstances, it will, if and to the extent permitted by the Applicable Law, pay to each Securityholder with respect to each Security held by such Securityholder an amount determined by the Issuer in its reasonable discretion (*billiges Ermessen*) as the fair market value of the Security immediately prior to such termination (ignoring the illegality, if any) less the cost to the Issuer of unwinding any transaction entered into in order to hedge entirely or in part its obligations under the Securities.

### ***Risks associated with Securities represented by a Global Security or issued in dematerialised form***

The Securities, except in the case of Securities issued in dematerialised form, are bearer securities which are represented by a global bearer security (the “**Global Security**”) deposited with the Clearing Agent, and will be transferable only in accordance with the applicable law and the rules and

procedures of the Clearing Agent through whose systems the Securities are transferred. If the Securities are issued in dematerialised form, they will be registered in the book-entry system of the Clearing Agent. In that case, title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time. In either case (whether in global or in dematerialised form), no definitive securities will be issued.

### ***Risk associated with nominee arrangements***

Where a nominee service provider is used by a Securityholder to hold its Securities or such Securityholder holds interests in any Security through accounts with a Clearing Agent, such Securityholder will receive payments or deliveries solely on the basis of the arrangements entered into by the Securityholder with the nominee service provider or Clearing Agent, as the case may be. Furthermore, such Securityholder must rely on the nominee service provider or Clearing Agent to distribute all payments or securities attributable to the relevant Securities which are received from the Issuer. Accordingly, such a Securityholder will be exposed to the credit risk of, and default risk with respect to, the nominee service provider or Clearing Agent, as well as the Issuer.

In addition, such a Securityholder will only be able to sell any Securities held by it prior to their stated term with the assistance of the nominee service provider.

None of the Issuer or any Paying Agent shall be responsible for the acts or omissions of any nominee service provider or Clearing Agent nor does it make any representation or warranty, express or implied, as to the service provided by any nominee service provider or Clearing Agent.

### ***The return on an investment in the Securities will be affected by charges incurred by the Securityholders***

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

### ***Changes of law may affect the value of the Securities***

The Conditions are based on the law set forth in the respective Product Condition which may be German law or any other law specified in the Final Terms. No assurance can be given as to the impact of any possible change to such law or judicial or administrative practice in the relevant jurisdiction after the date of this Base Prospectus.

### ***Ratings may not reflect all risks***

One or more independent rating agencies may assign credit ratings to the Issuer or the Securities. The ratings may not reflect the potential impact of all risks related to the structure of the Securities,

the market, additional factors discussed above and other factors that may affect the value of the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

### ***Legal investment constraints may restrict certain investments***

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

### ***Use of loans***

If an investor uses a loan to finance the purchase of the Securities, not only does it have to absorb the loss if the Securities fail to develop as expected, but it must also repay the loan principal plus interest. This increases the investor's risk of loss significantly. Investors should never count on paying interest and principal with profits from an investment in Securities. Instead, potential purchasers of Securities should first examine their financial situation in order to determine whether they will be able to pay the interest, and if necessary, repay the loan on short notice, even if the expected profits turn into losses.

## **2.2 Risks associated with the Collateralisation Structure**

Investing in the Securities involves the following additional risks associated with the collateralisation structure.

### ***Insolvency of the Custodian***

The Collateral will ordinarily be registered or recorded in the name of a nominee company which is controlled by the Custodian or one of its affiliated companies. However, the Custodian may from time to time (where due to the nature of the law or market practice of an overseas jurisdiction it is in the Issuer's best interest or it is not feasible to do otherwise) register or record Collateral in the name of a Sub-Custodian, Securities Depository or the Custodian.

If Collateral is registered or recorded in the name of the Custodian, such Collateral may not be segregated and separately identifiable from assets of the Custodian. As a consequence thereof, in the event of an insolvency of the Custodian, such Collateral may not be as well protected from claims made on behalf of the general creditors of the Custodian and there is the risk, if the Issuer is insolvent at the same time, that the Securityholders neither receive any payments under the Securities from the Issuer (due to the Issuer's insolvency) nor any payments from the enforcement of the Security (due to the Collateral being registered or recorded in the name of the Custodian and the insolvency of the Custodian and not being replaced prior to such insolvency by Collateral registered in the name of a nominee company). In addition, even if the Issuer is not insolvent at the same time, there is the risk

that in an insolvency of the Custodian where the Collateral is registered or recorded in its name, the value of the Securities decreases.

### ***Resignation of the Custodian***

Pursuant to the Security Trust Deed, the Custodian may resign as custodian with respect to the Collateral in which case the Issuer shall appoint a successor Custodian who is a recognised institution providing custodian functions through its head office or a branch office in England.

If, however, (i) the Issuer does not appoint a successor Custodian or (ii) the successor Custodian does not fulfil the requirements set forth before, the enforcement of the Security will become much more difficult. Though the Securityholders are, *inter alia*, entitled to terminate the Securities within a period of time specified in the Conditions following any of the events set forth under (i) and (ii), they can no longer participate in the performance of the Securities after such a termination, have to identify an alternative investment and may have to incur transaction costs. Furthermore, such a termination right ceases to exist already before the end of the period of time specified in the Conditions if a successor Custodian fulfilling the requirements set forth before has been appointed prior to the exercise of the termination right.

### ***Reduced Enforcement Proceeds for the Securityholders***

In case of a sale or disposal of the Collateral following the occurrence of an Event of Default, any amounts owed to the Security Trustee, any Delegate (including the Liquidation Agent (as defined below under “Disposal of Collateral”)), the Valuation Agent, the Custodian, the Notification Agent and the Default Paying Agent under the Security Trust Deed will be deducted from the proceeds of such sale or disposal (the “**Gross Proceeds**”) and only the remainder thereof shall be used for the settlement of the claims of the Securityholders. There is a risk that such a remainder is not sufficient to settle the claims of the Securityholders in full. The over-collateralisation may mitigate this risk but does not remove it.

### ***Valuation of the Securities***

Pursuant to the Security Trust Deed, the Valuation Agent shall calculate the value of the Securities. The calculation of the value of the Securities shall be procured on the basis of, *inter alia*, the actual bid prices of the Securities published by the Issuer on a page of a price information system which it will notify to the Security Trustee on or before the issue date of the respective Securities. If such a bid price does not exist, such calculation shall be procured on the basis of the last available, i.e. an earlier, bid price of the Securities published by the Issuer on such page. In certain cases (as specified in more detail in 9.1(d) of the Security Trust Deed) a surcharge is added. However, such earlier bid price or, as the case may be, such earlier bid price plus a surcharge, if any, may not represent the actual value of the Securities. In addition, even the actual bid price may not represent the actual value of the Securities as the bid price will be a quote provided by the Issuer based on the internal calculations of the Issuer and not on the actual trading of the Securities. Thus, the value of the Securities which is relevant for the calculation of the Collateral (see below under “Valuation of

Collateral”) can be below the value of the obligations of the Issuer under the Securities. As a consequence thereof, the proceeds from the sale or disposal of the Collateral in an Event of Default might not be sufficient to settle the claims of the Securityholders in full. The over-collateralisation may mitigate this risk but does not remove it.

### ***Valuation of the Collateral***

Pursuant to the Security Trust Deed, the Custodian shall calculate the value of the Collateral, compare it with the value of the Securities as calculated by the Valuation Agent, and request more Collateral (the “**Collateral Call**”) if the value of the Collateral is below 110% of the value of the Securities (the “**Shortfall**”). The calculation of the value of the Collateral shall be made on the basis of, *inter alia*, the quotation of the Collateral as derived from pricing information services set forth in the Security Trust Deed. Such a quotation may not represent the actual value of the Collateral. Thus, the quotation could be higher than the actual value of the Collateral which could mean that the Custodian does not make a Collateral Call even though there is a Shortfall. As a consequence thereof, the proceeds from the sale or disposal of the Collateral in an Event of Default might not be sufficient to settle the claims of the Securityholders in full. The over-collateralisation may mitigate this risk but does not remove it.

### ***Enforcement procedures***

The Security will only be enforced, i.e. the Collateral will only be sold or disposed of, and the proceeds will only be distributed to the Securityholders (after deduction of amounts to the Security Trustee, any Delegate (including the Liquidation Agent), the Valuation Agent, the Custodian, the Notification Agent and the Default Paying Agent under the Security Trust Deed) if at least one of the three possible Events of Default defined in the Security Trust Deed (Notification Agent Notice, Valuation Agent Notice and Default Paying Agent Notice) and briefly summarised hereinafter, has occurred. Each of the Event of Defaults requires certain notices. Such notices take additional time and there is the risk that due to a technical default or any other default a notice may not reach the respective addressee at the earliest possible time or at all. As a consequence thereof, a delay in the enforcement procedure may occur and the value of the Collateral may fall below the value of the Securities during such a delay. Thus, the proceeds from the sale or disposal of the Collateral might not be sufficient to settle the claims of the Securityholders in full. The over-collateralisation may mitigate this risk but does not remove it.

### ***Notification Agent Notice***

An Event of Default occurs if the Notification Agent notifies the Security Trustee that a Shortfall has existed for five continuous Business Days (as specified in the Security Trust Deed) (the “**Notification Agent Notice**”), provided, however, that such a notice shall not be given if the Issuer informed the Notification Agent that it was unable to post further Collateral due to Exceptional Circumstances as defined in the Security Trust Deed (e.g. material disruptions to communication or other systems or to financial markets and which are beyond the control of, the Issuer) and that such Exceptional Circumstances continue to apply.



Thus, the enforcement will not be initiated immediately following the Shortfall. The value of the Collateral could decrease during this period and the proceeds from the sale or disposal of the Collateral might not be sufficient to settle the claims of the Securityholders in full after such a grace period.

Furthermore, as long as the Notification Agent is not obliged to give the Notification Agent Notice to the Security Trustee due to Exceptional Circumstances, an Event of Default may not be triggered despite the fact that the Issuer has not deposited further Collateral to meet a Shortfall. Thus, in this case the occurrence of an Event of Default may be delayed and during such a delay the value of the Collateral may further fall below the value of the Securities. Therefore, the proceeds from the sale or disposal of the Collateral might not be sufficient to settle the claims of the Securityholders in full. The over-collateralisation may mitigate this risk but does not remove it.

### *Valuation Agent Notice*

An Event of Default also occurs if the Valuation Agent notifies the Security Trustee (the “**Valuation Agent Notice**”) that the Issuer failed to report the numbers of collateralised Securities to the Valuation Agent for four continuous Business Days as specified in the Security Trust Deed (the “**Report**”), provided, however, that such a notice shall not be given if the Issuer informed the Valuation Agent that it was unable to deliver the Report due to Exceptional Circumstances.

In the event that the Issuer fails to provide the Report and the Valuation Agent is not required to send the Valuation Agent Notice to the Security Agent thereof as described above, no Event of Default will be triggered.

As long as no Report is delivered, it is not possible to determine whether a Shortfall occurred and a Collateral Call may be not initiated.

### *Default Paying Agent Notice*

The third possible Event of Default is related to the occurrence of an Insolvency Event. An “**Insolvency Event**” means that (i) emergency regulations (including rationalisation measures or liquidation measures) under chapter 3.5.5 of the Dutch Act on financial supervision (*Wet op het financieel toezicht*) are imposed on the Issuer, (ii) a moratorium or a petition for bankruptcy of the Issuer is granted by the competent court or (iii) any analogous procedure or step is taken in any jurisdiction. However, the occurrence of an Insolvency Event as such does not constitute an Event of Default. Upon the occurrence of an Insolvency Event at least one Securityholder needs to send a notice to the Default Paying Agent via its depository bank that an Insolvency Event has occurred (the “**Insolvency Notice**”), following which the Default Paying Agent shall notify the Issuer of such Insolvency Notice and request confirmation as to the occurrence of such Insolvency Event. Only if the Issuer or the insolvency administrator, as the case may be, fails to respond to the Default Paying Agent's request within three Business Days of receipt of the first request and within five Business Days of receipt of a resent request or confirms the occurrence of an Insolvency Event within the before-mentioned periods, the Default Paying Agent shall promptly notify the Security Trustee that an

Insolvency Event has occurred (the “**Default Paying Agent Notice**”). Only the Default Paying Agent Notice triggers this third Event of Default.

The Securityholders may not become aware of the occurrence of an Insolvency Event for a number of days or weeks and **no Event of Default relating to an Insolvency Event occurs until (i) at least one Securityholder sends the Insolvency Notice to the Default Paying Agent and (ii) the Issuer (or the insolvency administrator, as the case may be) fails to respond to the Default Paying Agent's request(s) mentioned before or confirms the occurrence of an Insolvency Event.** Thus, enforcement procedures will not be initiated immediately or automatically after the occurrence of an Insolvency Event but require action of several persons (including at least one Securityholder).

### ***Disposal of Collateral***

Pursuant to the Security Trust Deed, the Security Trustee shall appoint a liquidation agent (the “**Liquidation Agent**”) to (i) sell or otherwise dispose of the Collateral or any part of the Collateral and (ii) pay any proceeds of such sale or other disposal to the Security Trustee for application by the Security Trustee. Furthermore, the Security Trustee shall direct the Custodian to deliver the Collateral to such account and to such person as specified by the Security Trustee for purpose of selling or otherwise disposing of the Collateral (the “**Account Holder**”) who may be the Liquidation Agent or another person.

The Liquidation Agent and the Account Holder (if different from the Liquidation Agent) will most likely be determined only after an Event of Default has occurred. The selection of the Liquidation Agent and of the Account Holder and the potential negotiation of their appointment could take some time. As a consequence thereof, a delay in the enforcement procedure may occur and the value of the Collateral may fall below the value of the Securities during such a delay.

Furthermore, the Liquidation Agent as well as the Account Holder will most likely receive fees for their services. Such fees will be deducted from the Gross Proceeds and only the remainder thereof may be used for the settlement of the claims of the Securityholders. There is a risk that such a remainder is not sufficient to settle the claims of the Securityholders in full.

### ***Substitution of Issuer***

The collateralisation is structured for an issuer incorporated in The Netherlands or the United Kingdom (including Scotland). The Issuer is a company incorporated in The Netherlands, acting through its London branch. The Issuer may at any time, without the consent of the Securityholders, substitute itself as principal obligor under the Securities by The Royal Bank of Scotland plc, incorporated in Scotland (“**RBS**”) or any other entity fulfilling the requirements set forth in the Conditions and the Security Trust Deed (the “**Substitute**”). If a Substitute other than RBS is chosen and if such Substitute is incorporated in a jurisdiction other than The Netherlands or the United Kingdom, the structure created and the documentation prepared to protect the Securityholders might be inadequate and might result in being not sufficient to secure the settlement of the claims of the Securityholders.

## 2.3 Risks Relating to Interest

### ***Fixed Rate Securities***

A Securityholder of a Security with a fixed rate interest (the “**Fixed Rate Security**”) is exposed to the risk that the price of such Security falls as a result of changes in the market interest rate. While the nominal interest rate of a Fixed Rate Security as specified in the Final Terms is fixed during the term of such Security, the market interest rate typically changes on a daily basis. As the market interest rate changes, the price of a Fixed Rate Security may also change, however, in the opposite direction. If the market interest rate increases, the price of a Fixed Rate Security may fall, until the yield of such Security is approximately equal to the market interest rate for comparable issuers. If the market interest rate falls, the price of a Fixed Rate Security may increase, until the yield of such Security is approximately equal to the market interest rate for comparable issuers. Only if the Securityholder of a Fixed Rate Security holds such Security until maturity, changes in the market interest rate are without relevance to such Securityholder as the Security will be redeemed as specified in the Final Terms.

### ***Floating Rate Securities***

A Security with floating rate interest (the “**Floating Rate Security**”) tends to be a volatile investment. A Securityholder of a Floating Rate Security is exposed particularly to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the yield of Floating Rate Securities in advance.

Neither the current nor the historical value of the relevant floating rate should be taken as an indication of the future development of such floating rate during the term of any Securities.

### ***Structured Rate Securities***

Securities may have interest structures depending on the Underlying or include multipliers, other leverage factors, caps, floors, any combination of those features or other features (the “**Structured Rate Securities**”). In such case, their market value may be more volatile than the market value of Securities that do not include these features. If the amount of interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the interest rates on interest payable will be increased. The effect of a cap is that the amount of interest will never rise above and beyond the predetermined cap, so that the Securityholder will not be able to benefit from any actual favourable development beyond the cap. The yield could therefore be considerably lower than that of similar Structured Rate Securities without a cap.

## 2.4 Risks Relating to the Underlying

### ***Certain Underlyings to which the Securities are linked are subject to certain risks***

### ***Special risks associated with commodities***

In general, there are three main categories of commodities: mineral commodities (e.g. oil, gas, aluminium and copper), agricultural products (e.g. wheat and corn) and precious metals (e.g. gold and

silver). Most commodities are traded on specialised exchanges or directly among market participants in the form of OTC dealings (off-exchange) through largely standardised contracts.

The price risks inherent in commodities are often complex, as prices are subject to greater fluctuations (volatility) in this investment category than in other investment categories. In particular, commodities markets are less liquid than bond, currency or stock markets so that supply and demand changes materially affect prices and volatility. Consequently, investments in commodities are associated with greater risks and are more complex than investments in bonds, currencies or stocks.

There are numerous and complex factors affecting commodity prices. The following is a non-exhaustive list of several typical factors affecting commodity prices:

- (a) *Supply and demand.* Planning and managing the commodities supply is very time-consuming. As a result, there is little room for manoeuvre on the supply side and it is not possible to quickly adjust production to demand changes at all times. Demand may also differ on a regional scale. Likewise, prices are affected by the costs of transport to regions where commodities are needed. The cyclical behaviour of some commodities, e.g. agricultural products that are seasonally grown or produced, may entail heavy price fluctuations.
- (b) *Direct investment costs.* Direct investments in commodities are associated with storage and insurance costs as well as taxes. In addition, commodities do not pay interest or dividends. These factors affect the total return of commodities.
- (c) *Liquidity.* Not all commodities markets are liquid and able to react quickly and in a sufficient scope to changes in the supply and demand situation. As only few market participants are trading in the commodities markets, heavy speculative activity may have adverse consequences and cause price distortions.
- (d) *Weather and natural disasters.* Unfavourable weather conditions may affect the supply of certain commodities for the entire year. A supply crisis triggered by unfavourable weather conditions may lead to heavy and unpredictable price fluctuations. Likewise, the spread of diseases and the outbreak of epidemics may affect the prices of agricultural products.
- (e) *Political risks.* Commodities are often produced in emerging markets and in demand from industrial countries. Often, however, the political and economic situation in emerging markets is far less stable than in the industrial countries. Emerging markets are far more susceptible to the risks associated with swift political changes and economic downturns. Political crises may shake the confidence of investors which, in turn, may affect the prices of commodities. Military or other conflicts may change the supply and demand patterns of certain commodities. Moreover, industrial countries may impose embargos on exported or imported goods and services, which may have a direct or indirect impact on the commodity prices. In addition, several commodities producers have formed organisations or cartels in order to regulate supply and, thus, prices.

- (f) *Taxation.* Changes in tax rates and tariffs may decrease or increase the profitability of commodities producers. Where such costs are passed on to investors, changes in tax rates and tariffs affect the prices of the respective commodities.

*Past Performance.* The past performance of the commodity is no guarantee of future results even if the past performance of the commodity has been tracked for a longer time.

### ***Special risks associated with forward contracts and futures contracts***

*General.* Commodity forward and future contracts are standardised forward and futures transactions that are linked to commodities (e.g. mineral commodities, agricultural products and precious metals), whereas financial forward and futures contracts are standardised forward and futures transactions that are linked to financial instruments (e.g. shares, indices and foreign currencies).

A forward or futures transaction constitutes the contractual obligation to buy or sell a certain amount or number of the respective underlying at a fixed price and at a pre-determined future point in time. Forward and futures contracts are traded on futures exchanges and standardised for this purpose as regards their contract size, the nature and quality of the underlying as well as delivery places and dates, if any.

Generally, there is a strong correlation between the price development of an underlying on the spot market and the corresponding futures exchange. However, forward and futures contracts are often traded at a premium on, or discount from, the spot price of the underlying. In the terminology used on futures exchanges, the difference between the spot price and the futures price is called “contango” or “backwardation”, as the case may be, and is a result of the inclusion of costs usually incurred in connection with spot transactions (storage, delivery, insurance etc.) and of income usually generated with spot transactions (interest, dividends etc.) on the one hand and differences in the evaluation of general market factors prevailing on the spot market and the futures exchange and the corresponding expectations of market participants on the other hand. Moreover, liquidity on the spot market may differ considerably from liquidity on the corresponding futures exchange, depending on the underlying.

Furthermore, when investing in commodity forward and futures contracts, investors may find themselves in situations where the prices of commodity forward and futures contracts expiring at a later date are higher (contango) or lower (backwardation) than the current spot price of the respective commodity. As the expiry date of the respective futures contract approaches, the futures price and the spot price of the respective commodity converge so that the Security linked to the respective futures contract may show a negative performance despite the fact that the spot price of the commodity is increasing.

If the Securities are linked to the exchange price of the underlying forward and futures contracts, knowledge of the market of the underlying to which the respective forward or futures contract is linked as well as of the functioning and evaluation factors of forward and futures contracts is necessary to make a valid assessment of the risks associated with the purchase of these Securities. If the underlying to which the forward or futures contract is linked is a commodity, the risk factors set out in

“*Special risks associated with commodities*” above should be taken into account in addition to the risk factors described in this subsection.

### ***Special risks associated with indices***

*Risk of short history.* As at the date of the issuance of Securities linked to an index, the underlying index may have been in existence only for a short period of time, the strategies that will be applied by the underlying index may not have previously been used, and such strategies may deliver disappointing results over the longer term.

*Past Performance.* The past performance of the underlying index is no guarantee of future results even if the underlying index has been in existence for a longer period of time.

*Risks applicable where the Underlying is a price index related to shares.* If the Underlying is a price index (contrary to a performance index), dividends paid out result in a decrease in the level of the index. Securityholders thus do not participate in any dividends or other distributions on the shares contained in the price index.

*Influence of the Issuer on the composition of an underlying index.* The composition of an index may be determined in such a way that the index sponsor determines the composition and carries out the calculation of the index alone or in cooperation with other entities. If the Issuer is not the index sponsor, it usually cannot influence the composition of the index and the relevant index sponsor can make changes to the composition or calculation of the index under the index rules which may have a negative effect on the performance of the index or can permanently discontinue the calculation of the index without establishing a successor index. In the latter case, the Securities may be terminated and a loss may be incurred. On the other hand, if the Issuer or an affiliated company of the Issuer acts as index sponsor or as index calculator, conflicts of interests may arise with respect to the Issuer or its affiliated company acting in different capacities under the Conditions of the Securities and under the index rules. Conflicts of interest may also arise in this case if the Issuer or an affiliated company has issued or owns assets being components of the index or if the Issuer or an affiliated company has business relations with entities having issued or owning assets being components of the index.

### ***Special risks associated with shares***

*Risk of short history.* As at the date of the issuance of Securities linked to a share, the underlying shares may have been in existence or have been listed only for a short period of time and may deliver disappointing results over the longer term.

*Past Performance.* The past performance of an underlying share is no guarantee of future results even if the underlying share has been in existence or have been listed for a longer period of time.

*Risks related to foreign exchange controls.* Potential investors should note that payments under the Securities by the Issuer with respect to single stock Securities can be subject to the ability of the Issuer to sell the Underlying and to there being no foreign exchange control restrictions, including restrictions which prevent the conversion of one currency into another currency (the “**Settlement**”).

**Currency**) and the transfer of the Settlement Currency to accounts outside the jurisdiction of the Underlying.

*Dividends and distributions.* Unless otherwise specified in the relevant Product Conditions, investors receive neither dividends nor any other distributions from the underlying shares.

### ***Special risks associated with strategies***

*General.* The objective of a strategy is to reflect the performance of a notional basket of securities or other financial instruments (e.g. futures contracts), composed, managed and changed from time to time during the term of the securities by reference to certain strategy rules. For the composition and management of the basket a fee may be charged by the strategy sponsor described in the strategy rules which reduces the level of the performance of the strategy.

*Risk of short history.* As at the date of the issuance of the Securities linked to a strategy, the underlying strategy may have been in existence only for a short period of time, the underlying strategy may not have previously been used, and such strategy may deliver disappointing results over the longer term.

*Past Performance.* The past performance of the underlying strategy is no guarantee of future results even if the past performance of the underlying strategy has been tracked for a longer time.

*Risks applicable where the Underlying is a strategy.* A strategy follows a rules-based proprietary trading strategy that operates on the basis of pre-determined rules. No assurance can be given that the underlying strategy will be successful or that the underlying strategy will outperform any strategy or alternative strategy that might be employed.

*Synthetic Underlying.* The underlying strategy is purely synthetic. The exposure to the underlying strategy is purely notional and will exist only in the records held by the strategy sponsor. There are no assets to which any person is entitled or in which any person has any ownership interest or which serve as collateral for the Securities related to the underlying strategy. In particular no investor in the Securities linked to a strategy will have any rights in respect of such strategy.

*Influence of the Issuer on the composition of an underlying strategy.* The composition of a strategy may be determined in such a way that the strategy sponsor determines the strategy and carries out the calculation of the strategy alone or in cooperation with other entities. If the Issuer is not the strategy sponsor, it usually cannot influence the composition of the strategy and the relevant strategy sponsor can make changes to the composition or calculation of the strategy under the strategy rules which may have a negative effect on the performance of the strategy or can permanently discontinue the calculation of the strategy without establishing a successor strategy. In the latter case, the Securities may be terminated and a loss may be incurred. On the other hand, if the Issuer or an affiliated company of the Issuer acts as strategy sponsor or as strategy calculator, conflicts of interests may arise with respect to the Issuer or its affiliated company acting in different capacities under the Conditions of the Securities and under the strategy rules. Conflicts of interest may also arise in this case if the Issuer or an affiliated company has issued or owns assets being trade

positions in or relating to the underlying strategy or if the Issuer or an affiliated company has business relations with entities having trade positions in or relating to the underlying strategy.

*Strategy sponsor discretion.* The strategy sponsor will make such determinations and calculations to the strategy from time to time as it considers appropriate under the strategy rules. In making these determinations and calculations the strategy sponsor is entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion, which may adversely affect the performance of the underlying strategy.

### ***Special risks associated with emerging market underlyings***

Investing in Securities with emerging market underlyings (see below) involves substantial risks (including legal, political and economic risks) in addition to those risks normally associated with making investments in other countries and other investment products. Consequently, investments in Securities with emerging market underlyings are only suitable for investors who are aware of the special risks associated with an investment in emerging market assets and who have the knowledge of, and expertise in, financial transactions required to evaluate the risks and merits of an investment in such securities.

Emerging markets are countries whose economies are in the process of changing from those of a moderately developed country to that of an industrial country. Emerging market underlyings include for example assets traded or listed on an exchange in emerging markets (e.g. certain commodity future contracts or shares), emerging market currencies, shares of companies whose assets are located in emerging markets to a material extent or that carry out a material share of their business activities in emerging markets, as well as indices comprising stocks or other financial instruments from emerging markets. Emerging markets are exposed to risks inherent in rapid political changes and economic downturns. Certain political risks may be higher in emerging markets than, for example, in EU countries or other industrial countries.

For example, restrictions may be imposed on foreign investors; assets may be expropriated or subject to taxation that is equivalent to expropriation; foreign bank deposits or other assets may be confiscated or nationalised; exchange controls may be imposed or other adverse political and/or social developments may occur. In addition, emerging markets economies may experience adverse developments including, but not limited to, in relation to inflation rates, exchange rate fluctuations or payments settlement. Each of the above impairments may have an adverse effect on investments in such country and may continue for a prolonged period of time, i.e. weeks or even months. Each of the above impairments may constitute a Market Disruption Event or an Emerging Market Disruption Event under the conditions of the Securities issued under this Base Prospectus. As a consequence, no prices may be quoted in such period for the Securities affected by such an event. If, for example, it is determined by the Calculation Agent in its reasonable discretion (*billiges Ermessen*) that a Market Disruption Event or an Emerging Market Disruption Event has occurred or is continuing at the Valuation Date, the Valuation Date may be postponed by a considerable period of time. As a result, payments or deliveries to be made under the Securities may be delayed considerably. If, on the last



day of the period by which the valuation was postponed, the Market Disruption Event or Emerging Market Disruption Event is still continuing, the reference price of the Underlying will be determined by the Issuer in its reasonable discretion (*billiges Ermessen*) and may even be zero.

Securities markets in emerging markets are mostly less developed, substantially smaller and at times have been more volatile and illiquid than the major securities markets in more developed countries. No assurance can be given that such volatility or illiquidity will not occur in the future. Many such securities markets also have clearance and settlement procedures that are less developed, less reliable and less efficient than those in more developed countries. There may also be generally less governmental supervision and regulation of the securities exchanges and securities professionals in emerging markets than exists in more developed countries.

Disclosure, accounting and regulatory standards in emerging markets are in many respects less stringent than standards in more developed countries and there may be less publicly available information about companies in such markets than is regularly published by or about companies in more developed countries. The assets and liabilities and profits and losses appearing in the financial statements of such companies may not reflect their financial position or results of operations in the way they would be reflected had such financial statements been prepared in accordance with generally accepted international accounting principles in more developed countries. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently than under generally accepted international accounting standards, all of which may affect the valuation of the underlying.

All of the above factors may have a material adverse effect on the value of the respective Securities.

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## INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE GUARANTEE

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### Registration Document

The required information about The Royal Bank of Scotland N.V. acting either through its principal office in The Netherlands or through its London branch or any other branch, as specified in the Final Terms, as issuer of the Securities (the “**Issuer**”) and RBS Holdings N.V. (previously named ABN AMRO Holding N.V.) as guarantor (the “**Guarantor**” or “**RBS Holdings**”) for all liabilities of the Issuer incurred in connection with legal acts performed by the Issuer after 15 June 1998 (the “**Guarantee**”) as well as the Guarantee are contained in the registration document of ABN AMRO Holding N.V. (renamed RBS Holdings N.V.) and ABN AMRO Bank N.V. (renamed The Royal Bank of Scotland N.V.) dated 30 June 2009 as well as the first supplement to this registration document dated 8 July 2009, the second supplement to this registration document dated 11 August 2009, the third supplement to this registration document dated 28 August 2009, the fourth supplement to this registration document dated 19 October 2009, the fifth supplement to this registration document dated 27 November 2009, the sixth supplement to this registration document dated 9 February 2010, and the seventh supplement to this registration document dated 2 April 2010 (together the “**Registration Document**”) which was approved by the competent authority in the Netherlands (*Autoriteit Financiële Markten*) (the “**AFM**”) and which is, in relation to the information about RBS Holdings N.V. (previously named ABN AMRO Holding N.V.) and The Royal Bank of Scotland N.V. (previously named ABN AMRO Bank N.V.) which shall include information about ABN AMRO Bank N.V. for the period which ended on 6 February 2010, incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG.

Unless provided otherwise in this Base Prospectus or any Supplements thereto, the information contained in the Registration Document is the most recent information available about the Issuer and the Guarantor.

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of the Registration Document will be available (i) free of charge upon request from the Issuer (The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com) and from the office of each Paying Agent as specified in the Final Terms, and (ii) via the Issuer’s website as specified in the Final Terms.

Furthermore, the following documents (referred to in the Registration Document) are incorporated into this Base Prospectus by reference pursuant to Section 11(1) WpPG:

- (a) the publicly available consolidated financial statements of the Guarantor in respect of the financial years ended 31 December 2009, 31 December 2008, and 31 December 2007,

respectively, and the auditor's reports for the respective years, as included in the annual report for those financial years;

- (b) the publicly available press release in connection with first quarter 2009 financial results of the Group dated 25 May 2009;
- (c) the Articles of Association (*statuten*) of each of the Guarantor and the Issuer as in force and effect on the date of the registration document of the Guarantor and the Issuer dated 30 June 2009;
- (d) the terms of reference of the Audit Committee as set out in the Rules Governing the Supervisory Board's Principles and Best Practices dated 19 February 2008;
- (e) the press release issued by the Group on 2 July 2009 regarding an update on capital actions;
- (f) the Interim Financial Report for the 6 months ended 30 June 2009 of the Guarantor published on 26 August 2009 (the "**Interim Financial Report**");
- (g) the press release associated with the Interim Financial Report;
- (h) the press release published by the Issuer on 30 September 2009 announcing that on that date it filed documentation with the Amsterdam Chamber of Commerce in respect of a legal demerger in The Netherlands and Belgium, including Appendix 1 thereto (Update on Separation Process);
- (i) the press release published by the Issuer on 7 October 2009 setting out the proposed timeline of the separation process;
- (j) the pro forma financial information as of 31 December 2008 and 30 June 2009 published by the Issuer on 30 September 2009 reflecting the impact of the legal transfers and demergers on the Issuer (i.e. ABN AMRO Bank N.V. (renamed The Royal Bank of Scotland)) and on ABN AMRO II N.V. (renamed ABN AMRO Bank N.V.); and
- (k) the press release published by the Guarantor on 25 November 2009 reporting its third quarter financial results for the 3 months ended 30 September 2009.

The documents referred to in (a)-(k) have been filed with AFM. During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of these documents will be available free of charge upon request from the Issuer (The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email [investor.relations@rbs.com](mailto:investor.relations@rbs.com)).

### **Significant changes**

There has been no significant change in the financial position of RBS Holdings, the Bank or the Group since 31 December 2009 and there has been no material adverse change in the financial position or prospects of RBS Holdings, the Bank or the Group since 31 December 2009 other than resulting from the acquisition of ABN AMRO Holding N.V. (renamed RBS Holdings N.V.) by the consortium and the

transition of entities and businesses resulting from this which are set out on page 6 et seq. of the registration document dated 30 June 2009, the announcement of the legal demerger process in item 8 of the fourth supplement dated 19 October 2009 to the registration document dated 30 June 2009, the announcement of the completion of the legal demerger in item 6 of the sixth supplement dated 9 February 2010 to the registration document dated 30 June 2009, and the announcement of the RBS Group of the completion of ABN AMRO legal separation in item 5 of the seventh supplement dated 2 April 2010 to the registration document dated 30 June 2009 for an update on the separation.

## Rating of the Issuer

As of the date of this Base Prospectus, the credit ratings of the Issuer are as follows:

	Long term	Short term	Outlook
Moody's Investors Service	A2	P-1	stable
Standard & Poor's	A+	A-1	stable
Fitch Ratings	AA-	F1+	stable

### **Moody's Investors Service definitions**

Obligations rated "A" are considered upper-medium grade and are subject to low credit risk.

The rating system used by Moody's Investors Service for long-term obligations has various subcategories ranging from "Aaa" (describing obligations judged to be of the highest quality, with minimal credit risk), "Aa", "A", "Baa", "Ba", "B", "Caa" and "Ca" to "C", the lowest category representing long-term obligations that are typically in default, with little prospect for recovery of principal or interest. In addition, Moody's Investors Service appends numerical modifiers ("1", "2", and "3") to each generic rating classification from "Aa" through "Caa". The modifier "1" indicates that the respective long-term obligation ranks in the higher end of its generic rating category; the modifier "2" indicates a mid-range ranking, and the modifier "3" indicates a ranking in the lower end of that generic rating category.

Issuers rated "P-1" have a superior ability to repay short-term debt obligations.

The rating system used by Moody's Investors Service for short-term obligations has various subcategories ranging from "P-1", "P-2" and "P-3" to "NP", the lowest category representing issuers that do not fall within any of the "Prime" rating categories.

A rating outlook is an opinion regarding the likely direction of a rating over the medium term. Where assigned, rating outlooks fall into the following four categories: "Positive", "Negative", "Stable", and "Developing" (contingent upon an event).

## ***Standard and Poor's definitions***

An obligor rated "A" by Standard & Poor's has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

The rating system used by Standard & Poor's for the capacity of an obligor to pay its financial obligations over a long-term horizon has various subcategories ranging from "AAA" (which is the highest quality rating), "AA", "A", "BBB"; "BB"; "B", "CCC", "CC", "R" and "SD" to "D", the lowest category indicating that Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. Plus ("+") or minus ("-") signs following ratings from the "AA" to "CCC" categories show the relative standing within the major rating categories.

An obligor rated "A-1" by Standard & Poor's has strong capacity to meet its financial commitments over a short-term time horizon. It is rated in the highest category by Standard & Poor's.

The rating system used by Standard & Poor's for short-term issuer credit ratings has various subcategories ranging from "A-1" (which is the highest quality rating), "A-2", "A-3", "B", "C", "R" and "SD" to "D", the lowest category indicating that Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due.

"Stable" means that a rating is not likely to change.

## ***Fitch Ratings definitions***

"AA" ratings of an issuer denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

The rating system used by Fitch Ratings for long-term financial commitments has various subcategories ranging from "AAA" (which is the highest quality rating), "AA", "A", "BBB", "BB", "B", "CCC", "CC", "C", "RD" to "D", the lowest category indicating that the issuer in Fitch Ratings' opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business. The modifiers "+" or "-" may be appended to a rating to denote relative status within a major rating category. Such suffixes are not added to the "AAA" rating category or to the categories below "B".

An "F1" rating indicates the strongest intrinsic capacity for timely payment of short-term financial commitments. It may have an added "+" to denote any exceptionally strong credit feature.

The rating system used by Fitch Ratings for short-term liabilities has various subcategories ranging from "F1" (which is the highest quality rating), "F2", "F3", "B", "C" and "RD" to "D", the lowest category indicating a broad-based default event for an entity.

*The rating definitions set out above were obtained in the English language from Moody's Investors Service ([www.moody.com](http://www.moody.com)), Standard & Poor's ([www.standardandpoors.com](http://www.standardandpoors.com)) and Fitch Ratings ([www.fitchratings.com](http://www.fitchratings.com)), respectively.*

### **Publication of information subsequent to the issue of Securities**

The Issuer does not intend to make available any further information subsequent to any issue of Securities other than information which needs to be published in the form of a supplement in accordance with Section 16 WpPG.

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## INFORMATION ABOUT THE COLLATERALISATION

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### Security Trust Deed

The Securities are collateralised in accordance with a debenture and security trust deed (the “**Security Trust Deed**”) dated 18 February 2010 entered into between the Issuer, BNP Paribas Trust Corporation (UK) Limited as security trustee (the “**Security Trustee**”), BNP Paribas Securities Services, London Branch as valuation agent (the “**Valuation Agent**”), BNP Securities Services, Frankfurt Branch as default paying agent (the “**Default Paying Agent**”) and as notification agent (the “**Notification Agent**”), as well as JPMorgan Chase Bank, N.A., London Branch as custodian (the “**Custodian**”). A copy of the Security Trust Deed is set forth in this Base Prospectus. The Security Trust Deed will be incorporated by reference into the Product Conditions and form an integral part of the Product Conditions. The Security Trust Deed sets out the arrangements in relation to the creation and maintenance of security for the Issuer's obligations under or in respect of the Securities. The Security Trust Deed is governed by English law.

### Collateral

Pursuant to the Security Trust Deed, the Issuer will deposit certain equity and debt securities and other instruments (as described in Schedule 2 of the Security Trust Deed) (the “**Eligible Securities**”) in one or more securities accounts maintained by the Custodian in the name of the Issuer as collateral for the Issuer's liabilities to the Securityholders under the Collateralised Securities (the “**Collateral**”). “**Collateralised Securities**” are all securities issued by the Issuer and collateralised under the Security Trust Deed which have not been redeemed and which are not held by the Issuer or any of its subsidiaries.

The Eligible Securities may consist of the following equity and debt securities and other instruments (other than securities issued by The Royal Bank of Scotland Group plc or any of its affiliates):

1) shares (including preference shares), warrants, rights, ADRs and GDRs included in any of the following indices: S&P/ASX 200 and/or S&P/ASX All Ordinaries (both Australia), ATX Prime and/or ATX (both Austria), BEL 20 (Belgium), S&P/TSX 60 and/or S&P/TSX Composite Index (both Canada), OMX Copenhagen 20 and/or OMXC All Share Index (both Denmark), HEX25 and/or OMXH All Share Index (both Finland), CAC40 and/or SBF250 (both France), DAX30 and/or CDAX Performance Index (both Germany), Hang Seng and/or Hang Seng Composite (both Hong Kong), FTSE MIB and/or FTSE Italia All Share (both Italy), Nikkei 225 and/or JASDAQ Index (both Japan), AEX and/or Amsterdam Midkap-index (both Netherlands), NZX 50 Index (Gross) (New Zealand), OBX and/or Oslo Exchange All Share Index (both Norway), PSI 20 (Portugal), FTSE ST ALL-SE and/or STI (both Singapore), IBEX 35 and/or Madrid General (both Spain), OMX Stockholm 30 (Sweden), SMI (Switzerland), FTSE 100 and/or FTSE 250 (both UK), S&P 500 and/or NASDAQ Composite and/or NYSE Composite and/or Russell 1000 and/or Russell 3000 (all USA);

2) exchange traded funds related to any of the following indices: S&P/ASX200 and/or S&P/ASX All Ordinaries (both Australia), ATX Prime and/or ATX (both Austria), BEL 20 (Belgium), S&P/TSX 60 and/or S&P/TSX Composite Index (both Canada), OMX Copenhagen 20 and/or OMXC All Share Index (both Denmark), HEX25 and/or OMXH All Share Index (both Finland), CAC40 and/or SBF250 (both France), DAX30 and/or CDAX Performance Index (both Germany), Hang Seng and/or Hang Seng Composite (both Hong Kong), FTSE MIB and/or FTSE Italia All Share (both Italy), Nikkei 225 and/or JASDAQ Index (both Japan), AEX and/or Amsterdam Midkap-index (both Netherlands), NZX 50 Index (Gross) (New Zealand), OBX and/or Oslo Exchange All Share Index (both Norway), IBEX 35 and/or Madrid General (both Spain), SMI and/or SPI (both Switzerland), FTSE 100 and/or FTSE 250 (both UK), NASDAQ Composite and/or NYSE Composite and/or Russell 1000 and/or Russell 3000 and/or S&P 500 (all USA);

3) convertible bonds of issuers of any of the following countries and with a minimum issue rating of A3/A- and a minimum issuer rating of A3/A- by the rating agencies Moody's Investors Service and Standard & Poor's respectively: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Russia, Spain, Sweden, Switzerland, UK, USA;

4) convertible bonds of issuers included in any of the following indices: S&P/ASX 200 (Australia), ATX Prime (Austria), BEL 20 (Belgium), S&P/TSX 60 (Canada), OMX Copenhagen 20 (Denmark), HEX25 (Finland), CAC40 (France), DAX30 (Germany), Hang Seng (Hong Kong), FTSE MIB (Italy), Nikkei 225 (Japan), AEX (Netherlands), NZX 50 Index (Gross) (New Zealand), OBX (Norway), IBEX 35 (Spain), SMI (Switzerland), FTSE 100 (UK), S&P 500 (USA);

5) government and municipal bonds of any of the following countries and with a minimum issue rating of A3/A- and a minimum issuer rating of A3/A- by the rating agencies Moody's Investors Service and Standard & Poor's respectively: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, Netherlands, Norway, Portugal, South Africa, Spain, Sweden, Switzerland, UK, USA;

6) government and municipal commercial mortgage backed bonds of any of the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, Netherlands, Norway, Portugal, South Africa, Spain, Sweden, Switzerland, UK, USA; and/or

7) cash in any of the following currencies: Euros, Pound sterling, U.S. dollars.

## **Security**

A security in the form of a "first floating charge" under English law is created by the Issuer in favour of the Security Trustee over the Collateral. Upon the occurrence of certain events, the Collateral will be applied by the Security Trustee to discharge the Issuer's liabilities to the Securityholders under the Collateralised Securities (subject to prior satisfaction of claims of the Security Trustee, any delegate, agent, attorney or co-trustee appointed by the Security Trustee (including the liquidation agent) (the



“**Delegate**”), the Valuation Agent, the Custodian, the Notification Agent and the Default Paying Agent) (see below under “Events of Default and Enforcement”).

## **Securities and Collateral Valuation and Deposit of Collateral**

As long as any Securities remain outstanding, on each day on which banks are open for general business in London (a “**Business Day**”) (i) the Issuer shall provide a report to the Valuation Agent of the numbers of Collateralised Securities (the “**Report**”), (ii) the Valuation Agent shall calculate the value of the Collateralised Securities and provide such value to the Issuer and the Custodian, and (iii) the Custodian shall calculate the value of the Collateral and compare such value to the value of the Collateralised Securities provided to it by the Valuation Agent and satisfy itself that the value of the Collateral is at least equal to or in excess of 110% of the value of the Collateralised Securities (the “**Required Collateral Value**”).

If on any day, the Custodian notifies the Issuer and the Notification Agent that the value of the Collateral is below the Required Collateral Value (the “**Shortfall**”), the Issuer shall deposit further Collateral into the securities account without undue delay so that the value of the Collateral is no less than the Required Collateral Value.

The Issuer has the right to withdraw Collateral if the value of the Collateral at any time exceeds the Required Collateral Value. The Issuer is also entitled to substitute Collateral with other Eligible Securities, provided that the value of the Collateral does not fall below the Required Collateral Value following such substitution.

## **Events of Default and Enforcement**

Each of the following events constitutes an event of default:

- (i) the Notification Agent notifies the Security Trustee that a Shortfall has existed for five continuous Business Days (the “**Notification Agent Notice**”), provided, however, that such a notice shall not be given if the Issuer informed the Notification Agent that it was unable to provide further Collateral due to exceptional circumstances (the “**Exceptional Circumstances**”) as specified in the Security Trust Deed (e.g. material disruptions to communication or other systems or to financial markets and which are beyond the control of the Issuer);
- (ii) the Valuation Agent notifies the Security Trustee (the “**Valuation Agent Notice**”) that the Issuer failed to deliver the Report for four continuous Business Days, provided, however, that such a notice shall not be given if the Issuer informed the Valuation Agent that it was unable to deliver the Report due to Exceptional Circumstances; or
- (iii) the Default Paying Agent notifies the Security Trustee that an Insolvency Event occurred (the “**Default Paying Agent Notice**”), provided, however, that the Default Paying Agent shall only make the Default Paying Agent Notice after (x) at least one Securityholder notified the Default Paying Agent via its depositary bank that an Insolvency Event occurred, (y) the Default Paying Agent verified the existence of the Insolvency Event by contacting the Issuer following

receipt of a notification from at least one Securityholder, and (z) the Issuer or the insolvency administrator, as the case may be, failed to respond to the Default Paying Agent's request within three Business Days of receipt of the first request and within five Business Days of receipt of a resent request or confirmed the occurrence of an Insolvency Event within the before-mentioned periods. An **"Insolvency Event"** means that (i) emergency regulations (including rationalisation measures or liquidation measures) under chapter 3.5.5 of the Dutch Act on financial supervision (Wet op het financieel toezicht) are imposed on the Issuer, (ii) a moratorium or a petition for bankruptcy of the Issuer is granted by the competent court or (iii) any analogous procedure or step is taken in any jurisdiction,

(each of the Notification Agent Notice, the Valuation Agent Notice and the Default Paying Agent Notice constitutes an **"Event of Default"**).

Following the occurrence of an Event of Default, the Security Trustee shall, inter alia, (i) appoint a liquidation agent to sell or otherwise dispose of the Collateral or any part of the Collateral, (ii) instruct the Custodian no longer to accept any instructions from the Issuer and to deliver the Collateral to a securities account specified by the Security Trustee (the **"Enforcement Notice"**), and (iii) inform the Securityholders via a notice to the relevant Clearing Agents that an Event of Default occurred. Following the receipt of the Enforcement Notice the Custodian shall, inter alia, deliver the Collateral to such account and to such person as specified by the Security Trustee.

No Securityholder is entitled to enforce the security or to proceed directly against the Issuer to enforce the performance of any provision of the Security Trust Deed.

### **Application of the Proceeds from the Enforcement**

The Security Trustee shall, following the receipt of the proceeds from the enforcement described above (the **"Gross Proceeds"**),

- (a) deduct from the Gross Proceeds:
  - (i) firstly, any sums owing to the Security Trustee (in its capacity as security trustee for the Securityholders) or any Delegate (including the liquidation agent); and
  - (ii) secondly, after payment in full of all sums referred to in paragraph (i) above, any sums owing to the Valuation Agent, the Custodian, the Notification Agent and the Default Paying Agent on a pari passu basis,

(the remainder of the Gross Proceeds (if any), being the **"Net Proceeds"**); and

- (b) then,
  - (i) transfer the Net Proceeds to the extent needed to satisfy the obligations under the Collateralised Securities to the Default Paying Agent and
  - (ii) transfer the balance, if any, to the Issuer.

The Default Paying Agent shall transfer the funds received from the Security Trustee to the Clearing Agents and allocate them on a pro rata basis to the relevant Securityholders as specified in the Security Trust Deed.

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## PERSONS RESPONSIBLE

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RBS Holdings N.V. (previously named ABN AMRO Holding N.V.) (with respect to the information relating to itself and to The Royal Bank of Scotland N.V.) and The Royal Bank of Scotland N.V. (with respect to the information relating to itself), the registered office and principal administrative office of both of which is situated in Gustav Mahlerlaan 10, P.O. Box 283, 1000 EA Amsterdam, The Netherlands, are responsible for the information given in this Base Prospectus and further declare that, to the best of their knowledge, the information contained in this Base Prospectus is correct and omits no significant factors.

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## IMPORTANT NOTICE

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This Base Prospectus does not, either on its own or in conjunction with the Registration Document or any Supplements, constitute an offer to purchase or a solicitation to make an offer or to subscribe Securities, nor shall it be deemed a recommendation by the Issuer to subscribe or purchase any Security.

The distribution of this Base Prospectus as well as the issue, offer, listing, sale or delivery of the Securities by the Issuer must under no circumstances be construed as indicating that the financial condition of the Issuer, the Guarantor or the banking group consisting of the Guarantor and its consolidated subsidiaries (the “**Group**”) as described herein has remained unchanged since the date of this Base Prospectus. In accordance with Section 16(1) WpPG, every significant new factor, material mistake or inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of the Securities and which arises or is noted between the time when this Base Prospectus is approved and the final closing of the offer to the public or, as the case may be, the time when trading on a regulated market begins, will be mentioned in a Supplement to this Base Prospectus.

No person shall be authorised to give any information or make any representations in relation to the Issuer, the Guarantor or the Group other than those contained in this Base Prospectus. In the event that any such information is given or any such representations are made, they must not be deemed approved by the Issuer, the Guarantor or the Group.

The distribution of this Base Prospectus as well as the offer, sale or delivery of the Securities may be prohibited by law in certain jurisdictions outside the Federal Republic of Germany. The Issuer hereby requests persons coming into possession of this Base Prospectus to familiarise themselves with and observe such restrictions. For a description of certain restrictions on the distribution of this Base Prospectus and the offering material relating to the Securities as well as the offer, sale and delivery thereof, see “*Selling Restrictions*”.

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## TAXATION

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*Potential purchasers of the Securities who are in any doubt about their tax position on acquisition, ownership, transfer, termination or exercise of any Securities should consult their professional tax advisers.*

### 1. GENERAL

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

The Issuer assumes neither any liability nor any obligation to pay any taxes, duties or other payments which may arise as a result of the ownership of any Securities, as well as their transfer, exercise, termination by the Issuer or the Securityholder or exercise by the Securityholder. The investors are advised that, under the terms of the Securities, any such taxes levied will not be reimbursed by the Issuer.

### 2. THE NETHERLANDS

The following paragraph, which is intended as a general guide only, is based on current law and practice in The Netherlands. It summarises certain aspects of taxation in The Netherlands only which may be applicable to the Securities but do not purport to be a comprehensive description of all tax considerations which may be of relevance.

All payments by the Issuer with respect to the Securities will be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld, or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, unless such withholding is, in the future, required by law.

### 3. FEDERAL REPUBLIC OF GERMANY

The following summary of the tax implications of an investment in the Securities is based upon the applicable provisions of German tax law, and their interpretation by fiscal authorities and fiscal courts, as at the date of this Base Prospectus. **The tax implications might change as a result of amendments to such applicable law, its interpretation or, as the case may be, of the administrative practices of fiscal authorities – under certain circumstances even with retroactive effect.**

This summary reflects the view held by the Issuer with respect to the tax implications of an investment in the Securities. However, it is not a guarantee regarding the treatment of the Securities or the legal consequences of their purchase, transfer, termination or exercise. Furthermore, this summary is not adequate to serve as the sole basis for an estimation of the tax implications of an investment in the

Securities since in any case the investor's individual circumstances must be taken into account. As a consequence thereof, this summary is limited to a general overview on certain implications of income tax in Germany. **Investors are strongly advised to consult their personal tax adviser about the tax implications of an investment in the Securities.**

The following paragraphs refer only to the taxation of individuals who have their domicile or their permanent residence in Germany and who hold the Securities as private assets. In this specific case, the following applies:

If the Securityholder realizes gains upon the sale of the Securities, upon exercise, upon their termination by the Issuer or the Securityholder or exercise by the Securityholder, these gains are subject to a withholding tax at a rate of 26.375 % (including the solidarity surcharge) plus a church tax, if applicable, provided that a domestic (i. e. German) branch of a domestic or of a foreign credit or financial services institution, a domestic securities trading bank or a domestic securities trading company keeps the Securities in a securities custody account and disburses or credits the gains. As a general rule, the deduction of withholding taxes by these disbursing agents has a discharging effect regarding the income tax of the investor on such gains ("*Abgeltungsteuer*", i. e. a discharging flat rate tax). If no withholding tax is deducted from the gains of the Securityholder, these gains will have to be declared in the income tax assessment and are then subject to the above mentioned flat income tax rate of 26.375 %, plus church tax, if applicable.

As a general rule, any losses realized upon the sale of the Securities, upon exercise, upon their termination by the Issuer or the Securityholder or exercise by the Securityholder can be offset against other income from capital investments. If no sufficient income from other capital investments is available in the assessment period in which the loss is realized, the losses can be carried forward und reduce income from capital investments which the investor realizes in the following years. However, the losses cannot be carried backwards into the preceding assessment periods.

#### **4. AUSTRIA**

Investors should be aware that this overview cannot be used as a substitute for individual tax advice and is not intended to be definitive. There can be no guarantee that the Austrian tax authorities will adopt the same interpretation of the matters set out below as the Issuer and due to changes in the settled practice of Austrian tax authorities or Austrian case law, the tax treatment of alternative investments may, even retroactively, vary and lead to different results than those set out herein. There is no specific Austrian case law or other binding legal guideline available on the tax treatment of the Securities.

##### **4.1 Tax Treatment of Austrian Tax Resident Investors**

###### **(a) Private investors**

Pursuant to § 124b Z 85 of the Austrian Income Tax Act (*Einkommensteuergesetz*; "**EStG**"), income received from index securities and similarly structured products that are issued on or after 1 March 2004 is qualified as investment income (§ 27 EStG) for Austrian income tax

purposes. According to the Austrian Federal Ministry of Finance (*Bundesministerium für Finanzen*, “**BMF**”), § 124b Z 85 EStG may as well be applied to securities under which the investor has a right for repayment of the investment and the amount of such repayment depends on the performance of single equities or commodities which, at their entirety, do not amount to an index (BMF, Income Tax Guidelines 2000 (*Einkommensteuerrichtlinien 2000*, “**EStR 2000**”) para 6198a).

Any difference between the issue price and the repurchase price of the security (profit on redemption) due to the development of the reference underlying is treated as interest (§ 27(2)(2) EStG) for Austrian income tax purposes. Equally, any positive difference due to the development of the underlying that is realised upon the sale of a security (profit on sale) is treated as investment income.

Interest received by an investor resident in Austria for tax purposes is subject to Austrian income tax. In case of a private investor, income tax is levied at the time the interest is received, i.e. according to the settled practice of Austrian tax authorities upon the redemption or the sale of the Securities with respect to any difference amount realised upon redemption or sale. A private investor is not taxed on the increase in value of the security due to the positive development of the underlying or the price of the security at the stock exchange prior to redemption or sale.

If a security within the meaning of § 93(3)(1) EStG (*Forderungswertpapier*; i.e., a security that securitises a claim in a way that the right under the security follows the right to the security) is held by a private investor resident in Austria for tax purposes and interest is paid by an Austrian coupon-paying agent within the meaning of § 95(3)(2) EStG (generally the Austrian depository), withholding tax at a rate of 25 per cent is triggered. For a private individual investor such withholding tax is final provided that the security is both legally and actually publicly offered. If such an investor’s applicable average income tax rate is below 25 per cent, the investor may file an income tax return including the interest income and apply for assessment of his income tax liability based on his income tax return. In the absence of an Austrian coupon-paying agent the investor must file an income tax return and include the interest received. Income tax will be levied at a special rate of 25 per cent (§ 37(8) EStG; BMF, EStR 2000 para 7377a). A deduction of expenses that are directly economically connected to the securities, if the income received thereunder is subject to flat and final withholding tax or to the special income tax rate of 25 per cent, is not available.

(b) Business investors

Income from a security held as a business asset constitutes business income.

A corporation subject to unlimited corporate income tax liability in Austria receiving such income will be subject to Austrian corporate income tax at a rate of 25 per cent.

Flat and final withholding tax at a rate of 25 per cent is triggered if the security is held by an individual investor resident in Austria for tax purposes and the interest is paid by an Austrian



coupon-paying agent. In the absence of an Austrian coupon-paying agent, income tax at a special flat rate of 25 per cent will be due. A deduction of expenses that are directly economically connected to the securities, if the income received thereunder is subject to flat and final withholding tax or to the special income tax rate of 25 per cent, is not available.

(c) Risk of a Qualification as Units in a Non-Austrian Investment Fund

According to Austrian tax authorities, the provisions for non-Austrian investment funds within the meaning of § 42(1) of the Austrian Investment Fund Act (*Investmentfondsgesetz*; “**InvFG**”) may equally apply if the repayment of the invested amount exclusively depends on the performance of certain securities (index) and either the issuer, a trustee or a direct or indirect subsidiary of the issuer actually acquires the majority of the securities comprised by the index for the purposes of issuing the securities or the assets comprised by the index are actively managed. However, directly held notes the performance of which depends on an index, irrespective of whether the index is a recognised index or an individually composed fixed or at any time modifiable index are not treated as units in a non-Austrian investment fund (BMF, Investment Fund Guidelines 2008 (*Investmentfondsrichtlinien 2008*; “**InvFR 2008**”) para 267). The risk of the qualification of a Security as unit in a non-Austrian investment fund must be assessed on a case-by-case basis.

## 4.2 Tax Treatment of non-Austrian Tax Resident Investors

(a) Austrian Income Tax Liability

Pursuant to § 98(1)(5) EStG, interest received under securities by a non-resident investor for tax purposes are basically not subject to Austrian income tax. If interest is paid by an Austrian coupon-paying agent, 25 per cent withholding tax is triggered unless the non-Austrian resident individual investor proves his non-resident status for tax purposes to the Austrian coupon-paying agent by presenting an official picture identification card. In addition, Austrian citizens or citizens of an Austrian neighbouring state have to provide a written declaration that they neither have a domicile nor their habitual place of abode in Austria. Further, the securities under which the interest is paid must be deposited with an Austrian bank (BMF, EStR 2000 Rz 7775 et seq). If the investor is not an individual, the coupon-paying agent is discharged from its withholding obligation if the investor proves his non-resident status through presentation of an identification card of an individual acting on behalf of the investor, the security is deposited with an Austrian credit institution and written evidence is provided that the non-Austrian corporation is the beneficial owner of the securities (BMF, Corporate Income Tax Guidelines 2001 (*Körperschaftsteuerrichtlinien 2001*, “**KStR 2001**”) para 1463 et seq).

(b) Austrian EU Source Tax Liability

Directive 2003/48/EC of 3 June 2003 was implemented into Austrian domestic law by the enactment of the Austrian EU Source Tax Act (EU-Quellensteuergesetz; “**EU-QuStG**”). Accordingly, interest paid by an Austrian coupon-paying agent to an individual beneficial

owner resident in another EU member state may be subject to EU source tax at a rate of currently 20 per cent (as of 1 July 2011: 35 per cent). Whether interest under the Securities is subject to EU source tax must be determined on a case-by-case basis (see also the information of the BMF dated 1 August 2005).

## **5. UNITED KINGDOM**

**The following applies only to persons who are beneficial owners of the Securities and is a summary of the Issuer's understanding of the current law and HM Revenue & Customs ("HMRC") practice in the United Kingdom relating to certain aspects of United Kingdom taxation. Some aspects do not apply to certain classes of persons (such as dealers and persons connected with the Issuer) to whom special rules apply. The United Kingdom tax treatment of prospective Securityholders depends on their individual circumstances and may be subject to change in the future. Prospective Securityholders who are in any doubt as to their own tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should consult their professional advisers.**

### **5.1 Withholding Tax**

#### *Securities issued otherwise than through the Issuer's London branch*

Payments on these Securities may be made without withholding or deduction for or on account of United Kingdom income tax.

#### *Securities issued by the Issuer's London branch*

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

Even if such payments were to be regarded as interest or annual payments for United Kingdom tax purposes, the Issuer should not be required to withhold or deduct sums for or on account of United Kingdom income tax from payments made in respect of the Securities provided that the Securities are derivative contracts, the profits and losses arising from which are calculated in accordance with the provisions of Part 7 of the Corporation Tax Act 2009 (which broadly they should be provided that they are derivatives for the purposes of FRS25 (or International Accounting Standard 32) and are not excluded for the purposes of Part 7 of that Act by virtue of their underlying subject matter). If interest is payable on the Securities or if payments made in respect of the Securities were to be regarded as interest for United Kingdom tax purposes, provided the Issuer's London branch qualifies as a bank for United Kingdom tax purposes on the date of such payments, such payments may be made without withholding or deduction for or on account of United Kingdom income tax where the interest is paid in the ordinary course of the Issuer's London branch's business; this would include all payments of interest by the Issuer's London branch except where those Securities concerned conform to the definition of tier 1, 2 or 3 capital for regulatory purposes or where there is an intention to avoid United Kingdom tax.

Payments of interest on the Securities may also be made without deduction of or withholding for or on account of United Kingdom income tax if the Securities are and continue to be listed on a “recognised stock exchange”, as defined in section 1005 of the Income Tax Act 2007. Securities should satisfy this requirement if they are: (i) admitted to trading on a “recognised stock exchange”; and (ii) officially listed in a country in which there is a “recognised stock exchange” in accordance with provisions corresponding to those generally applicable in EEA states. Provided therefore, that the Securities are listed on a recognised stock exchange for these purposes, interest on the Securities will be payable without withholding or deduction for or on account of United Kingdom income tax whether or not the Issuer’s London branch carries on a banking business in the United Kingdom and whether or not the interest is paid in the ordinary course of its business.

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

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

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

Irrespective of whether the Securities are issued by the Issuer’s London branch, Securityholders may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Securityholder. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Securities (which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005) to or receives such amounts for the benefit of another person, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid on or before 5 April 2011. Such information may include the name and address of the beneficial owner of the amount

payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Securityholder is resident for tax purposes.

## **5.2 Stamp Taxes**

Subject to what follows, no stamp duty, capital duty, stamp duty reserve tax or other similar tax is payable in the United Kingdom on the issue or transfer by delivery of any Securities.

In relation to Securities in bearer form which are denominated in sterling and are not loan capital for the purposes of section 78 Finance Act 1986 (**Loan Capital**), a charge to stamp duty at 1.5 per cent of the value of such Securities may arise if issued in the United Kingdom. No stamp duty liability will arise on the issue of such Securities if issued outside the United Kingdom. However, in relation to Securities of that kind originally issued outside the United Kingdom, on the first transfer by delivery in the United Kingdom of any such Security a stamp duty liability at 1.5 per cent of the value of such Security will arise.

A Security or any instrument granting a Security (each an instrument) may be subject to United Kingdom stamp duty if it is executed in the United Kingdom or if it relates to any property situate, or to any matter or thing done or to be done, in the United Kingdom. However, in the context of retail covered warrants listed on the London Stock Exchange, HMRC has indicated that no charge to United Kingdom stamp duty will arise on the grant of such warrants. It is not clear whether or not HMRC would be prepared to take such a view in relation to a Security.

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

An instrument transferring the Securities on sale may be subject to stamp duty at a rate of 0.5 per cent. of the consideration paid for the Securities.

Even if an instrument is subject to United Kingdom stamp duty, there may be no practical necessity to pay that stamp duty, as United Kingdom stamp duty is not an assessable tax. However, an instrument which is not duly stamped cannot be used for certain purposes in the United Kingdom; for example it will be inadmissible in evidence in civil proceedings in a United Kingdom court. In the event that an instrument is subject to United Kingdom stamp duty, and it becomes necessary to pay that stamp duty (for example because this is necessary in order to enforce the document in the United Kingdom), interest will be payable (in addition to the stamp duty) in respect of the period from 30 days after the date of execution of the instrument to the date of payment of the stamp duty. Penalties may also be payable if either (i) an instrument which was executed in the United Kingdom is not stamped within 30 days of being so executed or (ii) an instrument which was executed outside the United Kingdom is not stamped within 30 days of first being brought into the United Kingdom. In the case of a Security, if any United Kingdom stamp duty is required to be paid, it would be payable at a rate of 0.5 per cent of the value of that Security.

Stamp duty reserve tax at a rate of 1.5 per cent may be payable on the issue or transfer of a Security to a clearing system or depository receipt issuer where the Final Terms of that Security entitle the Securityholder to physical settlement and the Underlying consists of shares which are paired with shares (which are not “newly subscribed shares” as defined in section 99(12) of the Finance Act 1988) issued by a body corporate incorporated in the United Kingdom.

Stamp duty and stamp duty reserve tax may also be payable on the transfer of an asset on physical settlement of the Securities or on the transfer of an Eligible Security or other asset under the Collateral arrangements.

## **6. EU SAVINGS DIRECTIVE**

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

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

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## SELLING RESTRICTIONS

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

### 1. GENERAL

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

### 2. EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), the Securities may, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), be offered to the public in that Relevant Member State only if the following conditions as well as any additional provisions applicable in a Relevant Member State are complied with:

- (a) the offer of the Securities to the public starts or occurs within a period of 12 months beginning on the date after the publication of this Base Prospectus approved by BaFin and, if the Securities are offered to the public in any Relevant Member State other than Germany, this Base Prospectus as well as any Supplements have been notified to the competent authority in that Relevant Member State in accordance with Article 18 of the Prospectus Directive; or
- (b) the Securities are offered to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; or
- (c) the Securities are offered to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (d) the Securities are offered to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000 and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts; or

- (e) the Securities are offered in any other circumstances fulfilling any of the exemptions set forth in Article 3(2) of the Prospectus Directive,

provided that no offer of Securities referred to in (b) to (e) shall require the Issuer to publish a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression “**offer of Securities to the public**” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### **3. THE NETHERLANDS**

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

- (a) the initial issue of those Securities to the first holders thereof;
- (b) any transfer and delivery by individuals who do not act in the conduct of a profession or trade; and
- (c) the issue and trading of those Securities, if they are physically issued outside The Netherlands and are not distributed in The Netherlands in the course of primary trading or immediately thereafter.

### **4. UNITED STATES OF AMERICA**

The Securities have not been and will not be registered under the Securities Act of 1933 (as amended) (the “**Securities Act**”) and trading in the Securities has not been and will not be approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act of 1922.

The Securities may not at any time be offered, sold, delivered, traded or exercised, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. person and a U.S. person may not, at any time, directly or indirectly, maintain a position in the Securities. Offers, sales, trading or deliveries of the Securities in the United States or to, or for the account or benefit of, U.S. persons may constitute a violation of the United States law governing commodities trading. Exercise of the Securities will be conditional upon certification as to non-U.S. beneficial ownership. Terms used in this paragraph have the meanings given to them in Regulation S under the Securities Act.

The Issuer will not offer, sell or deliver the Securities at any time within the United States or to, or for the account or benefit of, any U.S. person, and it will require all those dealers participating in the distribution of the Securities not to offer, sell, deliver or trade at any time, directly or indirectly, any Securities in the United States or to, for the account or benefit of, any U.S. person. In addition, the Issuer will send to each dealer to which it sells Securities at any time a confirmation or other notice setting forth the restrictions on offers, sales and deliveries of the Securities in the United States or to, or for the account or benefit of, U.S. persons. As used in this and the above paragraph, “**United States**” means the United States of America, its territories or possessions, any state of the United States, the District of Columbia or any other enclave of the United States government, its agencies or instrumentalities, and “**U.S. person**” means:

- (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
- (b) any person or entity other than one of the following:
  - (1) a natural person who is not a resident of the United States;
  - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;
  - (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
  - (4) an entity organised principally for passive investment such as a pool, an investment company or similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or
  - (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

## **5. UNITED KINGDOM**

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



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## GENERAL INFORMATION

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### Authorisation

The Issuer's managing board, in its capacity as the Issuer's representative, is responsible for issuing debt instruments. The Issuer's managing board has delegated the issue of debt instruments, including the Securities, to the Asset and Liability Management Committee pursuant to a resolution dated 1 April 2010. In addition, the issue of Securities has been approved by the Issuer's supervisory board pursuant to a resolution dated 1 April 2010 and in accordance with the Issuer's articles of association. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of The Netherlands have been given for the issue of the Securities.

### Listing

Whether or not a tranche of Securities will be listed on one or more stock exchange(s) will be set forth in the Final Terms.

Following notification of the approval of this Base Prospectus in accordance with Section 18(1) WpPG, the Securities may be admitted to trading in the regulated markets or included in the unofficial market segments of, and/or listed on, the stock exchanges of several EEA States and/or offered to the public within the EEA States which have been notified.

### Available Documents

During the validity of this Base Prospectus and as long as any Securities issued in connection with this Base Prospectus are listed on any stock exchange or offered to the public, copies of the following documents will be available (i) free of charge upon request from the Issuer (The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com) and from the office of each Paying Agent as specified in the Final Terms, and (ii) via the Issuer's website as specified in the Final Terms:

- (a) the Registration Document;
- (b) this Base Prospectus and any Supplements; and
- (c) any Final Terms, provided, however, that any Final Terms relating to Securities that are neither admitted to trading in an regulated market within the European Economic Area nor offered within the European Economic Area in circumstances requiring publication of a prospectus under the Prospectus Directive will be made available exclusively to Securityholders who have submitted proof to the Issuer or the Principal Paying Agent, which proof must be satisfactory for the Issuer or the Principal Paying Agent, as the case may be, of their Securities holdings and their identity.

A copy of the Guarantee (declaration pursuant to Article 403 of the Netherlands Civil Code) may be obtained from the commercial register kept with the chamber of commerce of Amsterdam, De Ruyterkade 5, P.O. Box 2852, 1000 CW Amsterdam, The Netherlands.

**Investors are recommended to read the available documents, which contain additional information, including information about the financial condition and the business situation of the Issuer, the Guarantor and the Group.**

### **Notices with regard to the Securities**

All notices under the General Conditions and/or the Product Conditions shall either (i) be published on the Issuer's website (or any successor website) and shall become effective upon such publication, or (ii) be delivered to the Clearing Agent and shall become effective upon such delivery, unless the relevant notice provides a different date for the effectiveness. The Final Terms will specify which manner of giving notice shall apply. Additional publication requirements under mandatory provisions of law or under the rules or regulations of any relevant stock exchange shall remain unaffected.

### **Scale-back and Cancellation**

The Issuer reserves the right, prior to the Issue Date, in its absolute discretion to:

- (a) decline in whole or in part an application for Securities such that a potential purchaser for Securities may, in certain circumstances, not be issued the number of (or any) Securities for which it has applied ("**Scale-back**"); or
- (b) withdraw, cancel or modify the offer of the Securities ("**Cancellation**").

The Issuer may Scale-back or Cancel the Securities without notice and will notify potential purchasers of such Scale-back or Cancellation after such Scale-back or Cancellation has occurred. In the event that the Securities are not issued, no subscription monies shall be payable by potential purchasers to the Issuer (either directly or indirectly through any broker, financial adviser, banker, financial intermediary or other agent acting in such a capacity (each a "**Selling Agent**")) with respect to the Securities. Potential purchasers should contact their Selling Agent of choice for details of the arrangements for the return of application monies in such circumstances. The Issuer shall have no responsibility for, or liability arising out of, the relationship between potential purchasers and their respective Selling Agents and clearing system operators, including, without limitation, in respect of arrangements concerning the return of monies by such persons to their clients.

### **Clearing Agents**

The Securities may be accepted for clearance through Clearstream Banking AG, Frankfurt ("**CBF**"), Clearstream Banking, société anonyme, Luxembourg ("**CBL**") and Euroclear Bank S.A./N.V. as operator of the Euroclear system ("**Euroclear**") and/or any other or further Clearing Agent(s) as specified in the Final Terms. If applicable, the relevant Securities Identification Code (WKN), the International Securities Identification Number (ISIN) as well as the Common Code allocated to the individual tranche of Securities as well as any other relevant securities identification code allocated to

any tranche of Securities by any Clearing Agent will be specified in the Final Terms. If the Securities are to be cleared through an additional or alternative Clearing Agent, the required additional or alternative information will be specified in the Final Terms. Transactions will normally be settled not earlier than three days after the date of the transaction.

The addresses of CBF, CBL and Euroclear are as set forth below:

- Clearstream Banking AG, Frankfurt, Neue Börsenstraße 1, 60487 Frankfurt am Main, Germany;
- Clearstream Banking, société anonyme, Luxembourg, 42 avenue J.F. Kennedy, L-1855 Luxembourg; and
- Euroclear Bank S.A./N.V., 1 boulevard du Roi Albert II, B-1210 Brussels, Belgium.

## Other Information

Notification:	The German Federal Financial Supervisory Authority has provided the [●] with a notification of approval relating to the Base Prospectus and attesting that the Base Prospectus has been drawn up in accordance with the German Securities Prospectus Act ( <i>Wertpapierprospektgesetz</i> ).
Issue Date:	[●]
Initial Issue Price:	[●] <sup>1</sup>
Securities Identification Codes:	[●][If fungible with an existing tranche of Securities, details of that tranche, including the date on which the Securities become fungible]
[Listing and Admission to Trading:	[●]]
[Inclusion in an Unofficial Market:	[●]]
[Market Making:	[●]]
[Publication of Net Asset Value (NAV):	[●]]
Offer:	[Public offer Commencement: [●] [Ending: [●]. The offer period may be extended or shortened.] Country/Countries: [●]] [Non-public offer]
[Subscription Period:	[●]]
[Categories of Potential Investors:	[●]]
Total Amount of the Offer:	[●][If the total amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer]
[Minimum Subscription Amount or Number:	[●]]
[Maximum Subscription Amount or Number:	[●]]
[Method and Time Limits for Paying Up the Securities and for their Delivery:	[●]]
[Interests of Natural and Legal Persons Involved in the Issue/Offer:	[Save for the Issuer, so far as the Issuer is aware, no person involved in the issue or offer of the Securities has a material interest in the issue or the offer.][●]]

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<sup>1</sup> Agio needs to be specified if applicable. If Issue Price is not specified, the criteria and/or conditions in accordance with which the Issue Price will be determined need to be disclosed.

Details of where Information on the [●]<sup>2</sup>  
Underlying can be Obtained:

[The information included herein with respect to the underlying by reference to which payments or, if applicable, delivery under the Securities are determined (the “**Underlying**”) consists of extracts from, or summaries of, [publicly available] information [by ●]. The Issuer accepts responsibility that such information has been correctly reproduced. As far as the Issuer is aware and is able to ascertain from the information published, no facts have been omitted that would lead to the information reproduced herein becoming inaccurate or misleading. No further or other responsibility in respect of such information is accepted by the Issuer. In particular, the Issuer accepts no responsibility with respect to the accuracy or completeness of the information set forth herein concerning the Underlying of the Securities or that there has not occurred any event which would affect the accuracy or completeness of such information.][●]

[Additional Risk Factors: [●]]

[Additional Tax Disclosure: [●]]

[Additional Selling Restrictions: [●]]

[Further Information: [Consider inclusion of further information to comply with Annex XI and/or Annex XII of Commission Regulation (EC) No. 809/2004 if relevant]]

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<sup>2</sup> Include details of where information about the past and future performance and volatility of the Underlying can be obtained. Where the Underlying is an index include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer include details of where the information about the index can be obtained. Where the Underlying is not an index include equivalent information.

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## CONDITIONS: GENERAL CONDITIONS

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*The General Conditions which follow relate to the Securities specified in the Product Conditions and must be read in conjunction with the Product Conditions relating to such Securities. The General Conditions and the Product Conditions together constitute the Conditions of the Securities [and will be attached to the Global Security representing the Securities]<sup>1</sup>.*

### 1. DEFINITIONS

Terms in capitals which are not defined in these General Conditions shall have the meanings ascribed to them in the Product Conditions. References to the Conditions shall mean these General Conditions and the Product Conditions applicable to the respective Securities.

### 2. FORM AND STATUS

- (a) Form. [The Securities are bearer securities which are represented by a global bearer security (the “**Global Security**”) deposited with the Clearing Agent, and will be transferable only in accordance with the applicable law and the rules and procedures of the Clearing Agent through whose systems the Securities are transferred.]<sup>2</sup> [The Securities are issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Applicable Rules**”).]<sup>3</sup> [●] No definitive securities will be issued.
- (b) “**Securityholder**” means [the holder of a unit in the Global Security.]<sup>4</sup> [a person in whose name a Security is registered in the book-entry system of the Clearing Agent, or any other person recognised as a holder of Securities pursuant to the Applicable Rules.]<sup>5</sup> [●]
- (c) Status. The Securities constitute secured and unsubordinated obligations of the Issuer and rank *pari passu* among themselves and with all other present and future secured and unsubordinated obligations of the Issuer save for those preferred by mandatory provisions of law.

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<sup>1</sup> In case of Securities represented by a Global Security.

<sup>2</sup> In case of Securities represented by a Global Security.

<sup>3</sup> In case of Securities issued in dematerialised form.

<sup>4</sup> In case of Securities represented by a Global Security.

<sup>5</sup> In case of Securities issued in dematerialised form.

### 3. NOTICES

All notices under the Conditions shall be [published on the Issuer's website • (or any successor website) and shall become effective upon such publication] [delivered to the Clearing Agent and shall become effective upon such delivery], unless the relevant notice provides a different date for the effectiveness. Additional publication requirements under mandatory provisions of law or under the rules or regulations of any relevant stock exchange shall remain unaffected.

### 4. PURCHASES AND FURTHER ISSUES BY THE ISSUER

- (a) Purchases. The Issuer, any affiliate of the Issuer or any third party may purchase Securities at any price in the open market or by tender or private treaty. Any Securities so purchased may be held, cancelled or reissued or resold.
- (b) Further Issues. The Issuer shall be at liberty from time to time without the consent of the Securityholders or any of them to create and issue further securities on the same terms (except for their respective issue date or issue price) so as to be consolidated with and form a single series with the Securities.

### 5. MODIFICATIONS

- (a) In the event of manifest typing or calculation errors or similar manifest errors in the Conditions, the Issuer shall be entitled to declare rescission (*Anfechtung*) to the Securityholders. The declaration of rescission shall be made without undue delay upon becoming aware of any such ground for rescission (*Anfechtungsgrund*) and in accordance with General Condition 3.
- (b) The Issuer may combine the declaration of rescission pursuant to General Condition 5(a) with an offer to continue the Securities on the basis of corrected Conditions (the "**Offer**"). The Offer and the corrected terms shall be notified to the Securityholders together with the declaration of rescission in accordance with General Condition 3. The Offer shall be deemed to be accepted by a Securityholder (and the rescission will not take effect), provided that the Securityholder does not submit within four weeks following the date on which the Offer has become effective in accordance with General Condition 3 a claim to the Principal Paying Agent for the repayment of the issue price of the Securities. The Issuer will inform the Securityholders about this effect in the notice.
- (c) Contradictory or incomplete provisions in the Conditions may be corrected or amended, as the case may be, by the Issuer in its reasonable discretion (*billiges Ermessen*). The Issuer shall only be entitled to make such corrections or amendments pursuant to this General Condition 5(c) which are reasonably acceptable to the Securityholders having regard to the interests of the Issuer and in particular which do not materially adversely affect the legal or financial situation of the

Securityholders. Notice of any such correction or amendment will be given to the Securityholders in accordance with General Condition 3.

## 6. SUBSTITUTION

(a) Substitution of Issuer. [The Issuer may at any time without the consent of the Securityholders substitute for itself as issuer of the Securities with regard to any and all rights, obligations and liabilities under and in connection with the Securities:

(i) The Royal Bank of Scotland plc, registered in Scotland under No. 90312, with its registered office at 36 St Andrew Square, Edinburgh EH2 2YB (“**RBS**” or the “**Substitute**”) subject to the Issuer having given at least 30 days’ prior notice of the date of such substitution to the Securityholders in accordance with General Condition 3; or

(ii) any entity other than RBS (also, the “**Substitute**”), subject to

either (x)

(A) the Issuer having given at least 30 days’ prior notice of the date of such substitution to the Securityholders in accordance with General Condition 3; and

(B) the Issuer or RBS having issued a legal, valid and binding guarantee of the obligations and liabilities of the Substitute under the Securities for the benefit of each and any of the Securityholders;

or (y)

(A) the Issuer having given at least three months’ prior notice of the date of such substitution to the Securityholders in accordance with General Condition 3; and

(B) each Securityholder, as of (and including) the date of such notice until (and including) the date of such substitution, being entitled to terminate the Securities held by such Securityholder without any notice period in which event the Issuer will, if and to the extent permitted by the applicable law, pay to such Securityholder with respect to each Security held by such Securityholder an amount determined by the Issuer in its reasonable discretion (*billiges Ermessen*) as the fair market value of the Security immediately prior to such termination. [*Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert: Any such amount to be paid shall not be less than the present value of the minimum assured return of principal and/or interest, such present value being determined by the Calculation Agent in its*



reasonable discretion (*billiges Ermessen*)] Payment will be made to the Securityholder in such manner as shall be notified to the Securityholders in accordance with General Condition 3;

and in each case subject to all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect.][●]<sup>6</sup> In the event of any substitution of the Issuer, any reference in the Conditions to the Issuer shall from such time be construed as a reference to the Substitute.

- (b) Substitution of Office. The Issuer shall have the right upon notice to the Securityholders in accordance with General Condition 3 to change the office through which it is acting and shall specify the date of such change in such notice.

## 7. TAXATION

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other similar payment which may arise as a result of the ownership, transfer or exercise of any Securities. All payments or, as the case may be, deliveries in respect of the Securities will be subject in all cases to all applicable fiscal and other laws and regulations (including, where applicable, laws requiring the deduction or withholding for, or on account of, any tax duty or other charge whatsoever). The Securityholder shall be liable for and/or pay any tax, duty or charge in connection with the ownership of and/or any transfer, payment or delivery in respect of the Securities held by such Securityholder. The Issuer shall have the right, to withhold or deduct from any amount payable such amount, as shall be necessary to account for or to pay any such tax, duty, charge, withholding or other payment.

## 8. AGENTS

- (a) Principal Paying Agent and Paying Agents. The Issuer reserves the right at any time to vary or terminate the appointment of any paying agent (the “**Paying Agent**”) and to appoint further or additional Paying Agents, provided that no termination of appointment of the principal paying agent (the “**Principal Paying Agent**”) shall become effective until a replacement Principal Paying Agent shall have been appointed and provided that, if and to the extent that any of the Securities are listed on any stock exchange or publicly offered in any jurisdiction, there shall be a Paying Agent having a specified office in each country required by the rules and regulation of each such stock exchange and each such jurisdiction. Notice of any appointment, or termination of appointment, or any change in the specified office, of any Paying Agent will be given to Securityholders in accordance with General Condition 3. Each Paying Agent acts solely as agent of the Issuer and does not assume any obligation or duty

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<sup>6</sup> Insert further or other requirements for the substitution of the Issuer.

to, or any relationship of agency or trust for or with, the Securityholders or any of them.

- (b) Calculation Agent. The Issuer reserves the right at any time to appoint another institution as the Calculation Agent provided that no termination of appointment of the existing Calculation Agent shall become effective until a replacement Calculation Agent shall have been appointed. Notice of any termination or appointment will be given to the Securityholders in accordance with General Condition 3.

The Calculation Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders.

## 9. LIABILITY

With respect to the execution or omission of measures of any kind in relation to the Securities, the Issuer, the Calculation Agent and any Paying Agent shall only be liable in case of culpably breaching material duties that arise under or in connection with the Conditions or in case of a wilful or gross negligent breach of other duties.

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**CONDITIONS: PRODUCT CONDITIONS**  
**RELATING TO EXCHANGE TRADED COMMODITIES WITH A FIXED MATURITY**

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*The Product Conditions which follow relate to the Securities and must be read in conjunction with the General Conditions attached to the Product Conditions. The General Conditions and the Product Conditions together constitute the Conditions of the Securities [and will be attached to the Global Security representing the Securities]<sup>1</sup>.*

1. DEFINITIONS

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

“**Calculation Agent**” means •, subject to a replacement pursuant to General Condition 8;

“**Cash Amount**” means, subject to an adjustment in accordance with Product Condition 4, an amount calculated by the Calculation Agent in accordance with the following formula, less Expenses (if any):

•.

[The Cash Amount shall not be less than zero. The Cash Amount shall be converted into the Settlement Currency at the Exchange Rate and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards, if necessary][The Cash Amount shall not be less than zero and shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards, if necessary];

“**Clearing Agent**” means •;

“**Commodity**” means •, subject to an adjustment in accordance with Product Condition 4;

[“**Commodity Performance**” means [an amount determined by the Calculation Agent in accordance with the following formula:

(Final Reference Price / Initial Reference Price) - 1 x (Initial Exchange Rate / Final Exchange Rate);][•]]

“**Custodian**” means JPMorgan Chase Bank, N.A., London Branch or any successor custodian appointed by the Issuer pursuant to the Security Trust Deed;

[“**Day Count Fraction**” means [the number of calendar days from (but excluding) the immediately preceding Trading Day to (and including) the relevant Trading Day, divided by 360][•];]

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<sup>1</sup> In case of Securities represented by a Global Security.

“**Default Paying Agent**” means BNP Securities Services, Frankfurt Branch;

[“**Emerging Market Disruption Event**” means each event specified in Product Condition 3;]

“**Event of Default**” means the occurrence of an Event of Default as defined in clause 10 of the Security Trust Deed;

“**Exchange**” means • or any successor to such exchange or quotation system;

[“**Exchange Rate**” means [the rate of exchange between the Underlying Currency and the Settlement Currency as determined by the Calculation Agent [at or about the Valuation Time] [on a Trading Day][on the Valuation Date [or the Issuer Call Date, as the case may be]] by reference to [•<sup>2</sup> (or a successor page) or, if the rate of exchange is not published on such page on such day, the exchange rate determined by the Calculation Agent in its reasonable discretion (*billiges Ermessen*) and notified to the Securityholders in accordance with General Condition 3][such sources as the Calculation Agent may determine in its reasonable discretion (*billiges Ermessen*) to be appropriate at such time and notifies to the Securityholders in accordance with General Condition 3]][•];]

“**Exercise Date**” means • or, if this day is not a Business Day, the first succeeding Business Day;

[“**Exercise Time**” means •;]

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise with respect to such Security;

[“**Final Exchange Rate**” means [the Exchange Rate on the Valuation Date [or the Issuer Call Date, as the case may be]][•];]

[“**Final Reference Price**” means, subject to Product Conditions 3 and 4, [the Reference Price on the Valuation Date [or the Issuer Call Date, as the case may be]][•];]

[“**Global Security**” has the meaning given in General Condition 2;]<sup>3</sup>

[“**Initial Exchange Rate**” means [the Exchange Rate on the Pricing Date ][•];]

[“**Initial Reference Price**” means the Reference Price on the Pricing Date;]

[“**Interest Amount**” means with respect to an Interest Period an amount calculated by the Calculation Agent in accordance with the following formula:

$$\text{Nominal Amount} \times \text{Interest Rate} \times \text{Interest Rate Day Count Fraction};]$$

[“**Interest Payment Date**” means •<sup>4</sup>;]

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<sup>2</sup> Insert relevant page.

<sup>3</sup> In case of Securities represented by a Global Security.

["**Interest Period**" means the period commencing on (and including) the Issue Date until (and excluding) the first Interest Payment Date and each period commencing on (and including) an Interest Payment Date until (and excluding) the next following Interest Payment Date;]

["**Interest Rate**" means •<sup>5</sup>;]

["**Interest Rate Day Count Fraction**" means •;]

"**Issue Date**" means •;

"**Issuer**" means The Royal Bank of Scotland N.V., a bank incorporated in The Netherlands with its statutory seat in Amsterdam acting through its [principal office in The Netherlands][branch in •];

["**Issuer Call**" means the termination of the Securities by the Issuer in accordance with Product Condition 2;]

["**Issuer Call Commencement Date**" means •;]

["**Issuer Call Date**" means the day specified in the notice delivered by the Issuer in accordance with Product Condition 2 or, if such day is not a Trading Day, the first succeeding Trading Day, subject to a postponement in accordance with Product Condition 3;]

["**Issuer Call Notice Period**" means •;]

["**Launch Date**" means •;]

"**Market Disruption Event**" means each event specified in Product Condition 3;

"**Maturity Date**" means •;

["**Multiplier**" means •, subject to an adjustment in accordance with Product Condition 4;]

"**Nominal Amount**" means •;

["**Participation**" means •;]

"**Paying Agent**" means • and shall include any other Paying Agent appointed pursuant to the provisions of General Condition 8 as well as the Principal Paying Agent;

"**Payment Day**" means [a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is Euro, any day on which the Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) is open][•];

["**Pricing Date**" means •. In the event the Issuer determines that due to adverse market conditions a commercially reasonable pricing (the "**Pricing**") is not possible on such day, the Pricing Date shall be postponed to such day on which the Issuer determines that a Pricing is

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<sup>4</sup> Do not specify "Maturity Date" as final Interest Payment Date.

<sup>5</sup> Specify fixed interest rate, floating interest rate, or structured interest rate.

possible. Each and any of the Issuer's determinations with respect to the Pricing Date shall be made exercising reasonable discretion (*billiges Ermessen*) and be notified to the Securityholders in accordance with General Condition 3;]

**"Principal Paying Agent"** means ●, subject to a replacement pursuant to General Condition 8;

**"Reference Price"** means, with respect to any day (a **"Reference Day"**), an amount (which shall be deemed to be a monetary value in the Underlying Currency) equal to the price of the Commodity published on [● page ● (or on a page replacing such page)] [●] at or about the Valuation Time on such Reference Day without regard to any subsequently published correction or (if no such price is published and no Market Disruption Event [and no Emerging Market Disruption Event] has occurred and is continuing) an amount corresponding to the price determined by the Calculation Agent in its reasonable discretion (*billiges Ermessen*) as the price of the Commodity at or about the Valuation Time on such Reference Day and notified to the Securityholders in accordance with General Condition 3. If a Market Disruption Event [or an Emerging Market Disruption Event] occurs on any Reference Day other than on a Valuation Date [or an Issuer Call Date], Product Condition 3 shall apply accordingly with respect to such Reference Day;

**"Related Exchange"** means each options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Commodity are traded;

**"Relevant Number of Trading Days"** means ●;

**"Securities"** means ●, collateralised in accordance with the Security Trust Deed;

**"Security Trust Deed"** means the debenture and security trust deed dated 18 February 2010 entered into, among others, the Issuer, the Security Trustee, the Default Paying Agent and the Custodian, as amended, supplemented or novated from time to time before the Issue Date. The Security Trust Deed is incorporated by reference into the Product Conditions and forms an integral part of the Product Conditions. The Security Trust Deed sets out the arrangements in relation to the creation and maintenance of security for the Issuer's obligations under or in respect of the Securities. A copy of the Security Trust Deed is set forth in the base prospectus dated 14 May 2010 relating to the issuance of exchange traded notes and exchange traded commodities with a fixed maturity, as supplemented pursuant to Section 16(1) of the German Securities Prospectus Act (*Wertpapierprospektgesetz*);

**"Security Trustee"** means BNP Paribas Trust Corporation (UK) Limited or any successor security trustee appointed by the Issuer pursuant to the Security Trust Deed;

**"Securityholder"** has the meaning given in General Condition 2;

**"Series"** means ●;

**"Settlement Currency"** means ●;

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

**“Underlying Currency”** means ●;

**“Valuation Date”** means ●. If this day is not a Trading Day, the Valuation Date shall be the first succeeding Trading Day. The Valuation Date shall be subject to a postponement in accordance with Product Condition 3; and

**“Valuation Time”** means [the regular close of trading on the Exchange][●] or such other time as the Issuer may determine in its reasonable discretion (*billiges Ermessen*) and notify to the Securityholders in accordance with General Condition 3.

*[Insert supplemental or alternative definitions, if applicable]*

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

## 2. RIGHTS AND PROCEDURES

- (a) Securityholder’s Right. The Issuer, subject to an early termination, hereby grants the holder of each Security the right to demand [(i)] payment of the Cash Amount on the Maturity Date [(a)] upon automatic exercise in accordance with Product Condition 2(b), provided that a certification (a **“Certification”**) has been delivered to the Principal Paying Agent in accordance with Product Condition 2(d)[, (b) upon termination pursuant to an Issuer Call in accordance with Product Condition 2(e), or (c) upon due exercise by the Securityholder in accordance with Product Condition 2(f) and (g)] [and (ii) payment of the Interest Amount on [each][the] Interest Payment Date].
- (b) Automatic Exercise. The Securities shall be deemed to be automatically exercised on the Exercise Date.
- (c) Interest Accrual. [The Securities shall cease to accrue interest from and including the [final] Interest Payment Date. This shall also apply if the payment of the Cash Amount is postponed due to a Market Disruption Event [or an Emerging Market Disruption Event.] [No interest shall accrue if the payment of the Cash Amount is postponed due to a Market Disruption Event [or an Emerging Market Disruption Event].]
- (d) Certification. The form of the Certification may be obtained during normal business hours from the specified office of each Paying Agent.

A Certification shall:

- (i) certify that neither the person delivering the Certification nor any person on whose behalf the Certification is being delivered is a U.S. person or a person

within the United States. As used herein, “**U.S. person**” means (A) an individual who is a resident or a citizen of the United States; (B) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (C) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (D) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (E) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (B) above; (F) any entity organised principally for passive investment, 10 per cent or more of the beneficial interests in which are held by persons described in (A) to (E) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission’s regulations by virtue of its participants being non-U.S. persons; or (G) any other “U.S. person” as such term may be defined in Regulation S under the United States Securities Act of 1933, as amended, or in regulations adopted under the United States Commodity Exchange Act; and

(ii) authorise the production of such Certification in any applicable administrative or legal proceedings.

[(e) Issuer Call. The Issuer may terminate, subject to a valid exercise in accordance with Product Condition 2(f) and (g), the Securities, in whole but not in part on any Business Day, by giving notice to the Securityholders not less than the Issuer Call Notice Period, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 3, and shall specify the Issuer Call Date.

(f) Securityholder’s Exercise and Notice. The Securities are exercisable by delivery of a duly completed notice (a “**Notice**”) which shall be received by the Principal Paying Agent prior to the Exercise Time on the Exercise Date. The form of the Notice may be obtained during normal business hours from the specified office of each Paying Agent.

(i) A Notice shall:

(ii) specify the number of Securities to which it relates;

(iii) specify the number of the account relating to the Securities to be debited;

(iv) irrevocably instruct and authorise the Principal Paying Agent to debit on or before the Maturity Date such account with such Securities;



- (v) specify the number of the account to be credited with any amounts due under the Product Conditions for such Securities;
  - (vi) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person (as defined in Product Condition 2 (d)(i)) or a person within the United States; and
  - (vii) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (g) Verification. With respect to each Notice, the relevant Securityholder must provide evidence to the Principal Paying Agent of its holding of the respective Securities.]

[(e)][(h)] [Determinations. Subject as set out below, failure properly to complete a Notice in the manner set out above or failure to deliver the Notice up to the time specified in this Product Condition 2 shall result in such notice being treated as null and void. The Principal Paying Agent shall use its best efforts promptly to notify the relevant Securityholder if it has determined that a Notice is incomplete. If such Notice is subsequently completely corrected, it shall be deemed to be a new Notice submitted at the time such correction is delivered to the Principal Paying Agent.] The Principal Paying Agent shall use its best efforts promptly to notify the relevant Securityholder if it has determined that a Certification is incomplete.

[(f)][(i)] Settlement. The Issuer shall pay [(i)] the Cash Amount [(a)] for each Security with respect to which a Certification has been delivered to the Clearing Agent for credit to the account of the Securityholder[, (b) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice, and (c) in the event of an Issuer Call to the Clearing Agent for credit to the account of the Securityholder[, and (ii) any Interest Amount to the Clearing Agent for credit to the account of the Securityholder]].

[(g)][(j)] Payment Day. If the date for payment of any amount with respect to the Securities is not a Payment Day, the Securityholder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment with respect to such delay.

### 3. MARKET DISRUPTION

- (a) If in the determination of the Calculation Agent a Market Disruption Event [or an Emerging Market Disruption Event] has occurred on the Valuation Date[ or the Issuer Call Date], then the Valuation Date[ or the Issuer Call Date, as the case may be], shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event [or no Emerging Market Disruption Event], unless the Calculation Agent determines that there is a Market Disruption Event [or an Emerging Market Disruption Event] occurring on each of the Relevant Number of

Trading Days immediately following the original date which (but for the Market Disruption Event [or the Emerging Market Disruption Event]) would have been the Valuation Date[ or the Issuer Call Date, as the case may be]. In that case (i) the last day of the Relevant Number of Trading Days shall be deemed to be the Valuation Date [or the Issuer Call Date, as the case may be ](regardless of the Market Disruption Event [or the Emerging Market Disruption Event]); and (ii) the Calculation Agent shall determine the relevant Reference Price. If a Market Disruption Event [or an Emerging Market Disruption Event] constitutes also an Adjustment Event in accordance with Product Condition 4 and the Calculation Agent makes an adjustment in accordance with Product Condition 4, the provisions relating to the Market Disruption [or the Emerging Market Disruption] shall not be applicable with respect to this event as of the effective date of the adjustment.

(b) **“Market Disruption Event”** means:

- (i) Moratorium. A general moratorium is declared with respect to banking activities in the country in which the Exchange or any Related Exchange is located; or
- (ii) Price Source Disruption. The failure by the Exchange to announce or publish the price of the Commodity (or the information necessary for determining such price) or the temporary or permanent discontinuance or unavailability of such price by the Exchange; or
- (iii) Trading Suspension. The material suspension of trading on the Exchange or any Related Exchange; or
- (iv) Disappearance of Price. The failure of trading of the Commodity to commence, or the permanent discontinuation of trading of the Commodity, on the Exchange; or
- (v) De Minimis Trading. The Issuer’s ability to enter into hedging transactions with respect to the Commodity has been impaired due to a lack of, or a material reduction in, trading in the Commodity on the Exchange; or
- (vi) Trading Limitation. A material limitation imposed on trading in the Commodity or any contract related to the Commodity on the Exchange or any Related Exchange or any principal trading market; or
- (vii) Other Events. Any other event similar to any of the above which could make it impracticable or impossible for the Issuer to perform its obligations with respect to the Securities.

*[Insert supplemental or alternative market disruption events, if applicable]*

*[Insert in case the Commodity is related to one or more emerging market(s):*

- (c) **“Emerging Market Disruption Event”** means:
- (i) **Moratorium.** A general moratorium is declared with respect to banking activities in the principal financial centre of the Relevant Currency (as defined below); or
  - (ii) **Exchange Rate Source Disruption.** It becomes impossible to obtain the Relevant Currency Exchange Rate (as defined below), if relevant, on any relevant date in the inter-bank market; or
  - (iii) **Governmental Default.** With respect to any security issued by, any indebtedness for money borrowed by, or any guarantee given by any Governmental Authority (as defined below), there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) with respect to any such security, indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due with respect to any such security, indebtedness for money borrowed or guarantee, or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due with respect to any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or
  - (iv) **Inconvertibility/Non-transferability.** The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate (if relevant) through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such country or the Relevant Currency between accounts in such country or to a party that is a non-resident of such country; or
  - (v) **Nationalisation.** Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or

- (vi) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate (if relevant) for an amount which the Issuer determines to be necessary to discharge its obligations under the Securities; or
- (vii) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or
- (viii) Imposition of Tax/Levy. The imposition of any tax and/or levy with punitive character in the country of the principal financial centre of the Relevant Currency with respect to (A) any transactions (including derivatives transactions) related to the Relevant Currency, or any transactions denominated in the Relevant Currency related to the Commodity (the “**Relevant Transactions**”); or (B) accounts in which the Relevant Transactions are held or are permitted to be held; or (C) any interest income received from Relevant Transactions; or (D) any capital gains resulting from Relevant Transactions; or
- (ix) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency; or
- (x) Other Events. Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations with respect to the Securities.

“**Governmental Authority**” means any *de facto* or *de jure* government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate (if relevant).

“**Relevant Currency**” means the Settlement Currency, the lawful currency in which the Commodity is denominated from time to time, or the lawful currency of the country in which the Exchange is located, provided that the Relevant Currency shall not include any lawful currency that is a Standard Currency (as defined below).

“**Relevant Currency Exchange Rate**” means each rate of exchange between the Relevant Currency and the Settlement Currency.

“**Standard Currency**” means the lawful currency of [Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, The Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States][●.]

*[Insert supplemental or alternative emerging market disruption events, if applicable]*

[(c)][(d)] Each and any of the Calculation Agent's determinations under this Product Condition 3 shall be made exercising reasonable discretion (*billiges Ermessen*) and be notified to the Securityholders in accordance with General Condition 3.

#### 4. ADJUSTMENTS

- (a) If in the determination of the Calculation Agent an Adjustment Event has occurred, the Calculation Agent may make adjustments to the Conditions.
- (b) **"Adjustment Event"** means:
  - (i) Material Change in Formula. The occurrence, since the Issue Date, of a material change in the basis for (including but not limited to the quantity, quality or currency), or method of, calculating the price of the Commodity; or
  - (ii) Material Change in Content. The occurrence, since the Issue Date, of a material change in the content or composition of the Commodity; or
  - (iii) Tax Disruption. The imposition of, change in, or removal of, an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the Commodity (other than a tax on, or measured by reference to, overall gross or net income) by any governmental or taxation authority after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the price of the Commodity on the Valuation Date[, the Issuer Call Date] and/or on each of the three Trading Days following the Valuation Date[ or the Issuer Call Date, as the case may be], from what it would have been without that imposition, change or removal; or
  - (iv) Market Disruption Events [or Emerging Market Disruption Events]. Any Market Disruption Event [or Emerging Market Disruption Event] with respect to the Commodity; or
  - (v) Other Events. Any other event similar to any of the above which could make it impracticable or impossible for the Issuer to perform its obligations with respect to the Securities.

*[Insert supplemental or alternative adjustment events, if applicable]*

(c) Each and any of the Calculation Agent's determinations and adjustments under this Product Condition 4 shall be made exercising reasonable discretion (*billiges Ermessen*) and be notified to the Securityholders in accordance with General Condition 3.

## 5. EARLY TERMINATION AND EVENT OF DEFAULT TERMINATION

- (a) Early Termination. The Issuer shall have the right to terminate the Securities if it has determined in its reasonable discretion (*billiges Ermessen*) that its performance thereunder is or will become unlawful in whole or in part as a result of compliance in good faith by the Issuer with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power (the “**Applicable Law**”). In such circumstances the Issuer shall, however, if and to the extent permitted by the Applicable Law, pay to each Securityholder with respect to each Security held by such Securityholder an amount determined by the Issuer in its reasonable discretion (*billiges Ermessen*) as the fair market value of the Security immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any transaction entered into in order to hedge entirely or in part its obligations under the Securities (the “**Early Termination Amount**”). [*Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert: Any such amount to be paid shall not be less than the present value of the minimum assured return of principal and/or interest, such present value being determined by the Calculation Agent in its reasonable discretion (billiges Ermessen).*] The Early Termination Amount shall be notified to the Securityholders by the Issuer in accordance with General Condition 3. The Issuer shall pay the Early Termination Amount for each Security to the Clearing Agent for credit to the account of the Securityholder.
- (b) Event of Default Termination. Upon the occurrence of an Event of Default, the Securities will terminate automatically and the Security Trustee will give notice to the Securityholders via the relevant Clearing Agents. [An Event of Default termination will override an Issuer Call and/or due exercise if the Event of Default occurs prior to the Issuer Call Date or the Valuation Date, as the case may be. ]In case of an Event of Default the Security Trustee shall make available the proceeds of the sale or other disposal of the Collateral in accordance with clause 11 of the Security Trust Deed to the Default Paying Agent for distribution to the Securityholders via the relevant Clearing Agents in accordance with clause 14 of the Security Trust Deed. Each Securityholder's right to claim from the Issuer payment of any difference between such distribution and the fair market value of the Security as of the date of the Event of Default shall remain unaffected.

## 6. HEDGING DISRUPTION

- (a) Hedging Disruption Event. A “**Hedging Disruption Event**” shall occur if any of the following or a similar event occurs:

- (i) any material illiquidity in the market with respect to (A) the Commodity or (B) instruments related to the Commodity used by the Issuer to hedge entirely or in part its obligations under the Securities; or
  - (ii) a change in any Applicable Law (including, without limitation, any tax law) or in the interpretation of any Applicable Law by any court, regulatory authority or other authority with competent jurisdiction under the Applicable Law (including any action taken by a taxing authority) having an impact on the Securities or on a transaction to hedge entirely or in part the obligations of the Issuer under the Securities (a “**Relevant Hedging Transaction**”); or
  - (iii) a material decline in the creditworthiness of a party with whom the Issuer has entered into any Relevant Hedging Transaction; or
  - (iv) the general unavailability of: (A) market participants who will agree to enter into a Relevant Hedging Transaction; or (B) market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.
- (b) Consequences. The Issuer, in the event of a Hedging Disruption Event, may determine to:
- (i) terminate the Securities. In such circumstances the Issuer shall, if and to the extent permitted by the Applicable Law, pay to each Securityholder with respect to each Security held by such Securityholder an amount determined by the Issuer as the fair market value of the Security immediately prior to such termination less the cost to the Issuer of unwinding any transaction entered into in order to hedge entirely or in part its obligations under the Securities (the “**Hedging Disruption Termination Amount**”); *Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert:* however, any such amount to be paid shall not be less than the present value of the minimum assured return of principal and/or interest, such present value being determined by the Calculation Agent]. The Issuer shall pay the Hedging Disruption Termination Amount for each Security to the Clearing Agent for credit to the account of the Securityholder;
  - (ii) replace the Commodity by another commodity;
  - (iii) make any other adjustment to the Conditions in order to maintain the theoretical value of the Securities after adjusting for the relevant Hedging Disruption Event. [*Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert:* Any such adjustment will in

no way affect the Issuer's obligations to make payment to the Securityholders not less than the minimum assured return of principal and/or interest.]

- (c) Each and any of [the Calculation Agent's and] the Issuer's determinations and adjustments under this Product Condition 6 shall be made exercising reasonable discretion (*billiges Ermessen*) and be notified to the Securityholders in accordance with General Condition 3.

## 7. RESIGNATION OR TERMINATION OF APPOINTMENT OF SECURITY TRUSTEE OR CUSTODIAN

- (a) Security Trustee. The Issuer shall give notice of any resignation or termination of appointment of the Security Trustee as well as of the appointment of a successor Security Trustee pursuant to clause 16.1 of the Security Trust Deed to the Securityholders in accordance with General Condition 3 no later than the effective day of such event.
- (b) Custodian. The Issuer shall give notice of any resignation or termination of appointment of the Custodian pursuant to clause 11 of Schedule 5 to the Security Trust Deed to the Securityholders in accordance with General Condition 3 no later than 30 days prior to the effective day of such resignation or termination. Furthermore, it shall give notice to the Securityholders in accordance with General Condition 3 of the appointment of a successor Custodian immediately following appointment thereof, no later than the effective day of such appointment. If a successor Custodian has not been appointed in accordance with paragraph 11 of Schedule 5 to the Security Trust Deed no later than the effective day of the resignation or termination of appointment of the previous Custodian, each Securityholder shall be entitled to terminate its Securities in whole or in part by delivery of a termination notice in accordance with Product Condition 7 (c) and (d) (the "**Termination Notice**") to the Principal Paying Agent (the "**Custodian Related Termination Right**") within the period commencing on the effective day (including) of the resignation or termination of appointment of the Custodian and ending on the 30<sup>th</sup> day (including) following the day on which the Issuer has given notice to the Securityholders in accordance with General Condition 3 that no Custodian has been appointed in accordance with paragraph 11 of Schedule 5 to the Security Trust Deed. The Custodian Related Termination Right shall cease to exist if a successor Custodian has been appointed in accordance with paragraph 11 of Schedule 5 to the Security Trust Deed prior to the Termination Notice being delivered to the Principal Paying Agent by the Securityholder. In case of a valid exercise of the Custodian Related Termination Right by the Securityholder, the Issuer shall pay the fair market value of the Security immediately prior to the effectiveness of the resignation or termination of appointment of the Custodian, as the case may be, for each Security



with respect to which a Termination Notice has been delivered (the “**Custodian Related Termination Amount**”) to the account specified in the relevant Termination Notice. [*Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert: Any such amount to be paid shall not be less than the present value of the minimum assured return of principal and/or interest, such present value being determined by the Calculation Agent in its reasonable discretion (billiges Ermessen).*]

- (c) The form of the Termination Notice may be obtained during normal business hours from the specified office of each Paying Agent.

A Termination Notice shall:

- (i) specify the number of Securities to which it relates;
  - (ii) specify the number of the account relating to the Securities to be debited;
  - (iii) irrevocably instruct and authorise the Principal Paying Agent to debit such account with such Securities;
  - (iv) specify the number of the account to be credited with the Custodian Related Termination Amount (if any) for such Securities;
  - (v) certify that neither the person delivering the Termination Notice nor any person on whose behalf the Termination Notice is being delivered is a U.S. person (as defined in Product Condition 2 (d)(i)) or a person within the United States; and
  - (vi) authorise the production of such Termination Notice in any applicable administrative or legal proceedings.
- (d) Verification. With respect to each Termination Notice, the relevant Securityholder must provide evidence to the Principal Paying Agent of its holding of the respective Securities.
- (e) Determinations. Subject as set out below, failure properly to complete a Termination Notice in the manner set out above or failure to deliver the Termination Notice in the time specified in this Product Condition 7 shall result in such notice being treated as null and void. The Principal Paying Agent shall use its best efforts promptly to notify the relevant Securityholder if it has determined that a Termination Notice is incomplete. If such Termination Notice is subsequently completely corrected, it shall be deemed to be a new Termination Notice submitted at the time such correction is delivered to the Principal Paying Agent.
- (f) Payment Day. If the date for payment of any amount with respect to the Securities is not a Payment Day, the Securityholder shall not be entitled to payment until the next

following Payment Day and shall not be entitled to any interest or other payment with respect to such delay.

## 8. LANGUAGE

The English language of the Conditions shall be binding. Any translations are merely intended for information purposes.

## [9. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

- (a) Redenomination. The Issuer may, without the consent of any Securityholder, on giving notice to the Securityholders in accordance with General Condition 3 elect any or all of the following with effect from the Adjustment Date specified in such notice:
- (i) where the Settlement Currency is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, such Settlement Currency shall be deemed to be an amount of Euro converted from the original Settlement Currency into Euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide and as may be specified in the notice, and after the Adjustment Date, all payments with respect to the Securities shall be made solely in Euro as though references in the Securities to the Settlement Currency were to Euro;
  - (ii) where the Conditions contain a rate of exchange or any amount in the Conditions is expressed in a National Currency Unit (the “**Original Currency**”) of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, such rate of exchange and/or any other terms of the Conditions shall be deemed to be expressed in or, in the case of a rate of exchange, converted into Euro at the Established Rate; and
  - (iii) such other changes shall be made to the Conditions as the Issuer may decide to conform them to conventions then applicable to instruments expressed in Euro.
- (b) Adjustment to Conditions. The Issuer may, without the consent of the Securityholders, on giving notice to the Securityholders in accordance with General Condition 3 make such adjustments to the Conditions as the Issuer may determine in its reasonable discretion (*billiges Ermessen*) to be appropriate to account for the effect of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Conditions.
- (c) Euro Conversion Costs. Notwithstanding Product Condition 9(a) and/or Product Condition 9(b), none of the Issuer, the Calculation Agent nor any Paying Agent shall

be liable to any Securityholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of Euro or any currency conversion or rounding effected in connection therewith.

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

**“Adjustment Date”** means a date specified by the Issuer in the notice given to the Securityholders pursuant to this Condition which falls on or after the date on which the country of the Original Currency or, as the case may be, the Settlement Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

**“Established Rate”** means the rate for the conversion of the Original Currency or, as the case may be, the Settlement Currency (including compliance with rules relating to rounding in accordance with applicable European community regulations) into Euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

**“National Currency Unit”** means the unit of the currency of a country as those units are defined on the day before the country first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty; and

**“Treaty”** means the treaty establishing the European Community, as amended.]

#### [9][10]. APPLICABLE LAW, PLACE OF PERFORMANCE AND PLACE OF JURISDICTION

- (a) Applicable Law. The Conditions, other than the Security Trust Deed, are governed by and shall be construed in accordance with the laws of the [Federal Republic of Germany][●]. The Security Trust Deed is governed by and shall be construed in accordance with English law.
- (b) Place of Performance. Place of performance shall be [Frankfurt am Main, Germany][●].
- (c) Place of Jurisdiction. To the extent legally possible, the [regional court (*Landgericht*) of Frankfurt am Main][●] shall have jurisdiction to settle any dispute arising from or in connection with the Securities.

#### [10][11]. SEVERABILITY

Should any provision of the Conditions be or become wholly or partly invalid, the remaining provisions shall remain valid. The invalid provision shall be replaced by a valid provision which reflects the economic purpose of the invalid provision as far as legally possible.

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**CONDITIONS: PRODUCT CONDITIONS**  
**RELATING TO CURRENCY EXCHANGE TRADED NOTES WITH A FIXED MATURITY**

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*The Product Conditions which follow relate to the Securities and must be read in conjunction with the General Conditions attached to the Product Conditions. The General Conditions and the Product Conditions together constitute the Conditions of the Securities [and will be attached to the Global Security representing the Securities]<sup>14</sup>.*

1. DEFINITIONS

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

**“Calculation Agent”** means •, subject to a replacement pursuant to General Condition 8;

**“Cash Amount”** means, subject to an adjustment in accordance with Product Condition 4, an amount calculated by the Calculation Agent in accordance with the following formula, less Expenses (if any):

•.

[The Cash Amount shall not be less than zero. The Cash Amount shall be converted into the Settlement Currency at the Exchange Rate and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards, if necessary][The Cash Amount shall not be less than zero and shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards, if necessary];

**“Clearing Agent”** means •;

**“Custodian”** means JPMorgan Chase Bank, N.A., London Branch or any successor custodian appointed by the Issuer pursuant to the Security Trust Deed;

**“Day Count Fraction”** means [the number of calendar days from (but excluding) the immediately preceding day (other than a Saturday or Sunday) to (and including) the relevant day (other than a Saturday or Sunday), divided by 360][•];

**“Default Paying Agent”** means BNP Securities Services, Frankfurt Branch;

**“Emerging Market Disruption Event”** means each event specified in Product Condition 3;

**“Event of Default”** means the occurrence of an Event of Default as defined in clause 10 of the Security Trust Deed;

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<sup>14</sup> In case of Securities represented by a Global Security.

["**Exchange Rate**" means [the rate of exchange between the Underlying Currency and the Settlement Currency as determined by the Calculation Agent [at or about the Valuation Time] [on the Valuation Date [or the Issuer Call Date, as the case may be]] by reference to [●<sup>15</sup> (or a successor page) or, if the rate of exchange is not published on such page on such day, the exchange rate determined by the Calculation Agent in its reasonable discretion (*billiges Ermessen*) and notified to the Securityholders in accordance with General Condition 3][such sources as the Calculation Agent may determine in its reasonable discretion (*billiges Ermessen*) to be appropriate at such time and notifies to the Securityholders in accordance with General Condition 3]][●];]

"**Exercise Date**" means ● or, if this day is not a Business Day, the first succeeding Business Day;

["**Exercise Time**" means ●;]

"**Expenses**" means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise with respect to such Security;

["**Final Reference Price**" means, subject to Product Conditions 3 and 4, [the Reference Price on the Valuation Date [or the Issuer Call Date, as the case may be]][●];]

["**Global Security**" has the meaning given in General Condition 2;]<sup>16</sup>

["**Initial Reference Price**" means [●, subject to an adjustment in accordance with Product Condition 4;][●]]

["**Interest Amount**" means with respect to an Interest Period an amount calculated by the Calculation Agent in accordance with the following formula:

Nominal Amount x Interest Rate x Interest Rate Day Count Fraction;]

["**Interest Payment Date**" means ●<sup>17</sup>;]

["**Interest Period**" means the period commencing on (and including) the Issue Date until (and excluding) the first Interest Payment Date and each period commencing on (and including) an Interest Payment Date until (and excluding) the next following Interest Payment Date;]

["**Interest Rate**" means ●<sup>18</sup>;]

["**Interest Rate Day Count Fraction**" means ●;]

"**Issue Date**" means ●;

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<sup>15</sup> Insert relevant page.

<sup>16</sup> In case of Securities represented by a Global Security.

<sup>17</sup> Do not specify "Maturity Date" as final Interest Payment Date.

<sup>18</sup> Specify fixed interest rate, floating interest rate, or structured interest rate.

**“Issuer”** means The Royal Bank of Scotland N.V., a bank incorporated in The Netherlands with its statutory seat in Amsterdam acting through its [principal office in The Netherlands][branch in ●];

[**“Issuer Call”** means the termination of the Securities by the Issuer in accordance with Product Condition 2;]

[**“Issuer Call Commencement Date”** means ●;]

[**“Issuer Call Date”** means the day specified in the notice delivered by the Issuer in accordance with Product Condition 2 or, if such day is a Saturday or Sunday, the first succeeding day (other than a Saturday or Sunday), subject to a postponement in accordance with Product Condition 3;]

[**“Issuer Call Notice Period”** means ●;]

[**“Launch Date”** means ●;]

**“Market Disruption Event”** means each event specified in Product Condition 3;

**“Maturity Date”** means ●;

[**“Multiplier”** means ●, subject to an adjustment in accordance with Product Condition 4;]

**“Nominal Amount”** means ●;

**“Paying Agent”** means ● and shall include any other Paying Agent appointed pursuant to the provisions of General Condition 8 as well as the Principal Paying Agent;

**“Payment Day”** means [a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is Euro, any day on which the Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) is open][●];

[**“Pricing Date”** means ●. In the event the Issuer determines that due to adverse market conditions a commercially reasonable pricing (the **“Pricing”**) is not possible on such day, the Pricing Date shall be postponed to such day on which the Issuer determines that a Pricing is possible. Each and any of the Issuer’s determinations with respect to the Pricing Date shall be made exercising reasonable discretion (*billiges Ermessen*) and be notified to the Securityholders in accordance with General Condition 3;]

**“Principal Paying Agent”** means ●, subject to a replacement pursuant to General Condition 8;

**“Reference Price”** means, with respect to any day (a **“Reference Day”**), an amount (which shall be deemed to be a monetary value in the Underlying Currency) equal to [the [mid-market][●] price of the Underlying FX Rate published on [[Bloomberg][●] page [WMCO][●] (or on a page replacing such page)][●] at or about the Valuation Time on such Reference Day

without regard to any subsequently published correction or (if no such price is published and no Market Disruption Event [and no Emerging Market Disruption Event] has occurred and is continuing) an amount corresponding to the price determined by the Calculation Agent in its reasonable discretion (*billiges Ermessen*) as the [mid-market][●] price of the Underlying FX Rate at or about the Valuation Time on such Reference Day and notified to the Securityholders in accordance with General Condition 3. If a Market Disruption Event [or an Emerging Market Disruption Event] occurs on any Reference Day other than on a Valuation Date [or an Issuer Call Date], Product Condition 3 shall apply accordingly with respect to such Reference Day;

**“Relevant Number of Days”** means [● number of days (other than a Saturday or Sunday)][●]<sup>19</sup>;

**“Securities”** means ●, collateralised in accordance with the Security Trust Deed;

**“Security Trust Deed”** means the debenture and security trust deed dated 18 February 2010 entered into, among others, the Issuer, the Security Trustee, the Default Paying Agent and the Custodian, as amended, supplemented or novated from time to time before the Issue Date. The Security Trust Deed is incorporated by reference into the Product Conditions and forms an integral part of the Product Conditions. The Security Trust Deed sets out the arrangements in relation to the creation and maintenance of security for the Issuer's obligations under or in respect of the Securities. A copy of the Security Trust Deed is set forth in the base prospectus dated 14 May 2010 relating to the issuance of exchange traded notes and exchange traded commodities with a fixed maturity as supplemented pursuant to Section 16(1) of the German Securities Prospectus Act (*Wertpapierprospektgesetz*);

**“Security Trustee”** means BNP Paribas Trust Corporation (UK) Limited or any successor security trustee appointed by the Issuer pursuant to the Security Trust Deed;

**“Securityholder”** has the meaning given in General Condition 2;

**“Series”** means ●;

**“Settlement Currency”** means ●;

**“Underlying FX Rate”** means ●, subject to an adjustment in accordance with Product Condition 4;

**“Underlying Currency”** means ●;

**“Valuation Date”** means ●. The Valuation Date shall be subject to a postponement in accordance with Product Condition 3; and

**“Valuation Time”** means ● or such other time as the Issuer may determine in its reasonable discretion (*billiges Ermessen*) and notify to the Securityholders in accordance with General Condition 3.

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<sup>19</sup> Do exclude Saturdays and Sundays.

*[Insert supplemental or alternative definitions, if applicable]*

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

## 2. RIGHTS AND PROCEDURES

- (a) Securityholder's Right. The Issuer, subject to an early termination, hereby grants the holder of each Security the right to demand [(i)] payment of the Cash Amount on the Maturity Date [(a)] upon automatic exercise in accordance with Product Condition 2(b), provided that a certification (a "**Certification**") has been delivered to the Principal Paying Agent in accordance with Product Condition 2(d) [, (b) upon termination pursuant to an Issuer Call in accordance with Product Condition 2(e), or (c) upon due exercise by the Securityholder in accordance with Product Condition 2(f) and (g)] [and (ii) payment of the Interest Amount on [each][the] Interest Payment Date].
- (b) Automatic Exercise. The Securities shall be deemed to be automatically exercised on the Exercise Date.
- (c) Interest Accrual. [The Securities shall cease to accrue interest from and including the [final] Interest Payment Date. This shall also apply if the payment of the Cash Amount is postponed due to a Market Disruption Event [or an Emerging Market Disruption Event.] [No interest shall accrue if the payment of the Cash Amount is postponed due to a Market Disruption Event [or an Emerging Market Disruption Event].]
- (d) Certification. The form of the Certification may be obtained during normal business hours from the specified office of each Paying Agent.

A Certification shall:

- (i) certify that neither the person delivering the Certification nor any person on whose behalf the Certification is being delivered is a U.S. person or a person within the United States. As used herein, "**U.S. person**" means (A) an individual who is a resident or a citizen of the United States; (B) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (C) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (D) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (E) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (B) above; (F) any entity organised principally for passive investment, 10 per cent or more of the



beneficial interests in which are held by persons described in (A) to (E) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. persons; or (G) any other "U.S. person" as such term may be defined in Regulation S under the United States Securities Act of 1933, as amended, or in regulations adopted under the United States Commodity Exchange Act; and

(ii) authorise the production of such Certification in any applicable administrative or legal proceedings.

[(e) Issuer Call. The Issuer may terminate, subject to a valid exercise in accordance with Product Condition 2(f) and (g), the Securities, in whole but not in part on any Business Day, by giving notice to the Securityholders not less than the Issuer Call Notice Period, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 3, and shall specify the Issuer Call Date.

(f) Securityholder's Exercise and Notice. The Securities are exercisable by delivery of a duly completed notice (a "**Notice**") which shall be received by the Principal Paying Agent prior to the Exercise Time on the Exercise Date. The form of the Notice may be obtained during normal business hours from the specified office of each Paying Agent.

(i) A Notice shall:

(ii) specify the number of Securities to which it relates;

(iii) specify the number of the account relating to the Securities to be debited;

(iv) irrevocably instruct and authorise the Principal Paying Agent to debit on or before the Maturity Date such account with such Securities;

(v) specify the number of the account to be credited with any amounts due under the Product Conditions for such Securities;

(vi) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person (as defined in Product Condition 2 (d)(i)) or a person within the United States; and

(vii) authorise the production of such Notice in any applicable administrative or legal proceedings.

(g) Verification. With respect to each Notice, the relevant Securityholder must provide evidence to the Principal Paying Agent of its holding of the respective Securities.]

[(e)][(h)] [Determinations. Subject as set out below, failure properly to complete a Notice in the manner set out above or failure to deliver the Notice up to the time specified in this Product Condition 2 shall result in such notice being treated as null and void. The Principal Paying Agent shall use its best efforts promptly to notify the relevant Securityholder if it has determined that a Notice is incomplete. If such Notice is subsequently completely corrected, it shall be deemed to be a new Notice submitted at the time such correction is delivered to the Principal Paying Agent.] The Principal Paying Agent shall use its best efforts promptly to notify the relevant Securityholder if it has determined that a Certification is incomplete.

[(f)][(i)] Settlement. The Issuer shall pay the [(i)] Cash Amount [(a)] for each Security with respect to which a Certification has been delivered to the Clearing Agent for credit to the account of the Securityholder[, (b) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice, and (c) in the event of an Issuer Call to the Clearing Agent for credit to the account of the Securityholder[, and (ii) any Interest Amount to the Clearing Agent for credit to the account of the Securityholder]].

[(g)][(j)] Payment Day. If the date for payment of any amount with respect to the Securities is not a Payment Day, the Securityholder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment with respect to such delay.

### 3. MARKET DISRUPTION

(a) If in the determination of the Calculation Agent a Market Disruption Event [or an Emerging Market Disruption Event] has occurred on the Valuation Date[ or the Issuer Call Date], then the Valuation Date[ or the Issuer Call Date, as the case may be], shall be the first succeeding day (other than a Saturday or Sunday) on which the Calculation Agent determines that there is no Market Disruption Event [or no Emerging Market Disruption Event], unless the Calculation Agent determines that there is a Market Disruption Event [or an Emerging Market Disruption Event] occurring on each of the Relevant Number of Days immediately following the original date which (but for the Market Disruption Event [or the Emerging Market Disruption Event]) would have been the Valuation Date[ or the Issuer Call Date, as the case may be]. In that case (i) the last day of the Relevant Number of Days shall be deemed to be the Valuation Date [or the Issuer Call Date, as the case may be ](regardless of the Market Disruption Event [or the Emerging Market Disruption Event]); and (ii) the Calculation Agent shall determine the relevant Reference Price. If a Market Disruption Event [or an Emerging Market Disruption Event] constitutes also an Adjustment Event in accordance with Product Condition 4 and the Calculation Agent makes an adjustment in accordance with Product Condition 4, the provisions relating to the

Market Disruption [or the Emerging Market Disruption] shall not be applicable with respect to this event as of the effective date of the adjustment.

(b) **“Market Disruption Event”** means:

- (i) Price Source Disruption. It becomes impossible to obtain the Underlying FX Rate in the inter-bank market; or
- (ii) Governmental Default. With respect to any security issued by, any indebtedness for money borrowed by, or any guarantee given by any Governmental Authority (as defined below), there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) with respect to any such security, indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due with respect to any such security, indebtedness for money borrowed or guarantee, or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due with respect to any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or
- (iii) Inconvertibility/Non-transferability. The occurrence of any event which [(A) generally makes it impossible to convert the currencies in the Underlying FX Rate through customary legal channels for conducting such conversion in the principal financial centre of the Settlement Currency or (B)] generally makes it impossible to deliver the Settlement Currency from accounts in the country of the principal financial centre of the Settlement Currency to accounts outside such country or the Settlement Currency between accounts in such country or to a party that is a non-resident of such country; or
- (iv) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of either of the currencies in the Underlying FX Rate or of the Settlement Currency; or

- (v) [Illiquidity. It is impossible to obtain a firm quote for the Underlying FX Rate or the Settlement Currency for an amount which the Issuer determines to be necessary to discharge its obligations under the Securities; or]
- (vi) Other Events. Any other event similar to any of the above which could make it impracticable or impossible for the Issuer to perform its obligations with respect to the Securities.

**“Governmental Authority”** means [any *de facto* or *de jure* government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Underlying FX Rate][●].

*[Insert supplemental or alternative market disruption events, if applicable]*

*[Insert in case the Underlying FX Rate is related to one or more emerging market(s):*

- (c) **“Emerging Market Disruption Event”** means:
  - (i) Moratorium. A general moratorium is declared with respect to banking activities in the principal financial centre of the Relevant Currency (as defined below); or
  - (ii) Exchange Rate Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate (as defined below), if relevant, on any relevant date in the inter-bank market; or
  - (iii) Inconvertibility/Non-transferability. The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate (if relevant) through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such country or the Relevant Currency between accounts in such country or to a party that is a non-resident of such country; or
  - (iv) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority (as defined below) which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or
  - (v) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate (if relevant) for an amount which the Issuer determines to be necessary to discharge its obligations under the Securities; or

- (vi) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or
- (vii) Imposition of Tax/Levy. The imposition of any tax and/or levy with punitive character in the country of the principal financial centre of the Relevant Currency with respect to (A) any transactions (including derivatives transactions) related to the Relevant Currency, or any transactions denominated in the Relevant Currency related to the Underlying FX Rate (the “**Relevant Transactions**”); or (B) accounts in which the Relevant Transactions are held or are permitted to be held; or (C) any interest income received from Relevant Transactions; or (D) any capital gains resulting from Relevant Transactions; or
- (viii) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency; or
- (ix) Other Events. Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations with respect to the Securities.

“**Governmental Authority**” means any *de facto* or *de jure* government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate (if relevant).

“**Relevant Currency**” means the Settlement Currency or the lawful currency in which the Underlying FX Rate is denominated from time to time, provided that the Relevant Currency shall not include any lawful currency that is a Standard Currency (as defined below).

“**Relevant Currency Exchange Rate**” means each rate of exchange between the Relevant Currency and the Settlement Currency.

“**Standard Currency**” means the lawful currency of [Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, The Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States][●.]

[Insert supplemental or alternative emerging market disruption events, if applicable]

[(c)][(d)] Each and any of the Calculation Agent's determinations under this Product Condition 3 shall be made exercising reasonable discretion (*billiges Ermessen*) and be notified to the Securityholders in accordance with General Condition 3.

#### 4. ADJUSTMENTS

(a) If in the determination of the Calculation Agent an Adjustment Event has occurred, the Calculation Agent may make adjustments to the Conditions.

(b) "**Adjustment Event**" means:

(i) Tax Disruption. The imposition of, change in, or removal of, an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, transactions in the Underlying FX Rate (other than a tax on, or measured by reference to, overall gross or net income) by any governmental or taxation authority after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the price of the Underlying FX Rate on the Valuation Date[, the Issuer Call Date] and/or on each of the three days (other than a Saturday or Sunday) following the Valuation Date[ or the Issuer Call Date, as the case may be], from what it would have been without that imposition, change or removal; or

(ii) Market Disruption Events [or Emerging Market Disruption Events]. Any Market Disruption Event [or Emerging Market Disruption Event] with respect to the Underlying FX Rate; or

(iii) Other Events. Any other event similar to any of the above which could make it impracticable or impossible for the Issuer to perform its obligations with respect to the Securities.

*[Insert supplemental or alternative adjustment events, if applicable]*

(c) Each and any of the Calculation Agent's determinations and adjustments under this Product Condition 4 shall be made exercising reasonable discretion (*billiges Ermessen*) and be notified to the Securityholders in accordance with General Condition 3.

#### 5. EARLY TERMINATION AND EVENT OF DEFAULT TERMINATION

(a) Early Termination. The Issuer shall have the right to terminate the Securities if it has determined in its reasonable discretion (*billiges Ermessen*) that its performance thereunder is or will become unlawful in whole or in part as a result of compliance in good faith by the Issuer with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power (the "**Applicable Law**"). In such circumstances the Issuer shall, however, if and to the extent permitted by the Applicable Law, pay to each

Securityholder with respect to each Security held by such Securityholder an amount determined by the Issuer in its reasonable discretion (*billiges Ermessen*) as the fair market value of the Security immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any transaction entered into in order to hedge entirely or in part its obligations under the Securities (the “**Early Termination Amount**”). [*Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert: Any such amount to be paid shall not be less than the present value of the minimum assured return of principal and/or interest, such present value being determined by the Calculation Agent in its reasonable discretion (billiges Ermessen).*] The Early Termination Amount shall be notified to the Securityholders by the Issuer in accordance with General Condition 3. The Issuer shall pay the Early Termination Amount for each Security to the Clearing Agent for credit to the account of the Securityholder.

- (b) Event of Default Termination. Upon the occurrence of an Event of Default, the Securities will terminate automatically and the Security Trustee will give notice to the Securityholders via the relevant Clearing Agents. [An Event of Default termination will override an Issuer Call and/or due exercise if the Event of Default occurs prior to the Issuer Call Date or the Valuation Date, as the case may be. ]In case of an Event of Default the Security Trustee shall make available the proceeds of the sale or other disposal of the Collateral in accordance with clause 11 of the Security Trust Deed to the Default Paying Agent for distribution to the Securityholders via the relevant Clearing Agents in accordance with clause 14 of the Security Trust Deed. Each Securityholder's right to claim from the Issuer payment of any difference between such distribution and the fair market value of the Security as of the date of the Event of Default shall remain unaffected.

## 6. HEDGING DISRUPTION

- (a) Hedging Disruption Event. A “**Hedging Disruption Event**” shall occur if any of the following or a similar event occurs:
- (i) any material illiquidity in the market with respect to (A) the Underlying FX Rate or (B) instruments related to the Underlying FX Rate used by the Issuer to hedge entirely or in part its obligations under the Securities; or
  - (ii) a change in any Applicable Law (including, without limitation, any tax law) or in the interpretation of any Applicable Law by any court, regulatory authority or other authority with competent jurisdiction under the Applicable Law (including any action taken by a taxing authority) having an impact on the Securities or on a transaction to hedge entirely or in part the obligations of the Issuer under the Securities (a “**Relevant Hedging Transaction**”); or

- (iii) a material decline in the creditworthiness of a party with whom the Issuer has entered into any Relevant Hedging Transaction; or
  - (iv) the general unavailability of: (A) market participants who will agree to enter into a Relevant Hedging Transaction; or (B) market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.
- (b) Consequences. The Issuer, in the event of a Hedging Disruption Event, may determine to:
  - (i) terminate the Securities. In such circumstances the Issuer shall, if and to the extent permitted by the Applicable Law, pay to each Securityholder with respect to each Security held by such Securityholder an amount determined by the Issuer as the fair market value of the Security immediately prior to such termination less the cost to the Issuer of unwinding any transaction entered into in order to hedge entirely or in part its obligations under the Securities (the “**Hedging Disruption Termination Amount**”); *Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert:* however, any such amount to be paid shall not be less than the present value of the minimum assured return of principal and/or interest, such present value being determined by the Calculation Agent]. The Issuer shall pay the Hedging Disruption Termination Amount for each Security to the Clearing Agent for credit to the account of the Securityholder;
  - (ii) replace the Underlying FX Rate by another exchange rate;
  - (iii) make any other adjustment to the Conditions in order to maintain the theoretical value of the Securities after adjusting for the relevant Hedging Disruption Event. [*Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert:* Any such adjustment will in no way affect the Issuer’s obligations to make payment to the Securityholders not less than the minimum assured return of principal and/or interest.]
- (c) Each and any of [the Calculation Agent’s and] the Issuer’s determinations and adjustments under this Product Condition 6 shall be made exercising reasonable discretion (*billiges Ermessen*) and be notified to the Securityholders in accordance with General Condition 3.



7. RESIGNATION OR TERMINATION OF APPOINTMENT OF SECURITY TRUSTEE OR CUSTODIAN

- (a) Security Trustee. The Issuer shall give notice of any resignation or termination of appointment of the Security Trustee as well as of the appointment of a successor Security Trustee pursuant to clause 16.1 of the Security Trust Deed to the Securityholders in accordance with General Condition 3 no later than the effective day of such event.
- (b) Custodian. The Issuer shall give notice of any resignation or termination of appointment of the Custodian paragraph to clause 11 of Schedule 5 to the Security Trust Deed to the Securityholders in accordance with General Condition 3 no later than 30 days prior to the effective day of such resignation or termination. Furthermore, it shall give notice to the Securityholders in accordance with General Condition 3 of the appointment of a successor Custodian immediately following appointment thereof, no later than the effective day of such appointment. If a successor Custodian has not been appointed in accordance with paragraph 11 of Schedule 5 to the Security Trust Deed no later than the effective day of the resignation or termination of appointment of the previous Custodian, each Securityholder shall be entitled to terminate its Securities in whole or in part by delivery of a termination notice in accordance with Product Condition 7 (c) and (d) (the “**Termination Notice**”) to the Principal Paying Agent (the “**Custodian Related Termination Right**”) within the period commencing on the effective day (including) of the resignation or termination of appointment of the Custodian and ending on the 30<sup>th</sup> day (including) following the day on which the Issuer has given notice to the Securityholders in accordance with General Condition 3 that no Custodian has been appointed in accordance with paragraph 11 of Schedule 5 to the Security Trust Deed. The Custodian Related Termination Right shall cease to exist if a successor Custodian has been appointed in accordance with paragraph 11 of Schedule 5 to the Security Trust Deed prior to the Termination Notice being delivered to the Principal Paying Agent by the Securityholder. In case of a valid exercise of the Custodian Related Termination Right by the Securityholder, the Issuer shall pay the fair market value of the Security immediately prior to the effectiveness of the resignation or termination of appointment of the Custodian, as the case may be, for each Security with respect to which a Termination Notice has been delivered (the “**Custodian Related Termination Amount**”) to the account specified in the relevant Termination Notice. *[Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert: Any such amount to be paid shall not be less than the present value of the minimum assured return of principal and/or interest, such present*

value being determined by the Calculation Agent in its reasonable discretion (*billiges Ermessen*).]

- (c) The form of the Termination Notice may be obtained during normal business hours from the specified office of each Paying Agent.

A Termination Notice shall:

- (i) specify the number of Securities to which it relates;
  - (ii) specify the number of the account relating to the Securities to be debited;
  - (iii) irrevocably instruct and authorise the Principal Paying Agent to debit such account with such Securities;
  - (iv) specify the number of the account to be credited with the Custodian Related Termination Amount (if any) for such Securities;
  - (v) certify that neither the person delivering the Termination Notice nor any person on whose behalf the Termination Notice is being delivered is a U.S. person (as defined in Product Condition 2 (d)(i)) or a person within the United States; and
  - (vi) authorise the production of such Termination Notice in any applicable administrative or legal proceedings.
- (d) Verification. With respect to each Termination Notice, the relevant Securityholder must provide evidence to the Principal Paying Agent of its holding of the respective Securities.
- (e) Determinations. Subject as set out below, failure properly to complete a Termination Notice in the manner set out above or failure to deliver the Termination Notice in the time specified in this Product Condition 7 shall result in such notice being treated as null and void. The Principal Paying Agent shall use its best efforts promptly to notify the relevant Securityholder if it has determined that a Termination Notice is incomplete. If such Termination Notice is subsequently completely corrected, it shall be deemed to be a new Termination Notice submitted at the time such correction is delivered to the Principal Paying Agent.
- (f) Payment Day. If the date for payment of any amount with respect to the Securities is not a Payment Day, the Securityholder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment with respect to such delay.

## 8. LANGUAGE

The English language of the Conditions shall be binding. Any translations are merely intended for information purposes.

[9. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

- (a) Redenomination. The Issuer may, without the consent of any Securityholder, on giving notice to the Securityholders in accordance with General Condition 3 elect any or all of the following with effect from the Adjustment Date specified in such notice:
- (i) where the Settlement Currency is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, such Settlement Currency shall be deemed to be an amount of Euro converted from the original Settlement Currency into Euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide and as may be specified in the notice, and after the Adjustment Date, all payments with respect to the Securities shall be made solely in Euro as though references in the Securities to the Settlement Currency were to Euro;
  - (ii) where the Conditions contain a rate of exchange or any amount in the Conditions is expressed in a National Currency Unit (the “**Original Currency**”) of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, such rate of exchange and/or any other terms of the Conditions shall be deemed to be expressed in or, in the case of a rate of exchange, converted into Euro at the Established Rate; and
  - (iii) such other changes shall be made to the Conditions as the Issuer may decide to conform them to conventions then applicable to instruments expressed in Euro.
- (b) Adjustment to Conditions. The Issuer may, without the consent of the Securityholders, on giving notice to the Securityholders in accordance with General Condition 3 make such adjustments to the Conditions as the Issuer may determine in its reasonable discretion (*billiges Ermessen*) to be appropriate to account for the effect of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Conditions.
- (c) Euro Conversion Costs. Notwithstanding Product Condition 9(a) and/or Product Condition 9(b), none of the Issuer, the Calculation Agent nor any Paying Agent shall be liable to any Securityholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of Euro or any currency conversion or rounding effected in connection therewith.
- (d) Definitions Relating to European Economic and Monetary Union. In this Product Condition, the following expressions have the meanings set out below.

**“Adjustment Date”** means a date specified by the Issuer in the notice given to the Securityholders pursuant to this Condition which falls on or after the date on which the country of the Original Currency or, as the case may be, the Settlement Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

**“Established Rate”** means the rate for the conversion of the Original Currency or, as the case may be, the Settlement Currency (including compliance with rules relating to rounding in accordance with applicable European community regulations) into Euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

**“National Currency Unit”** means the unit of the currency of a country as those units are defined on the day before the country first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty; and

**“Treaty”** means the treaty establishing the European Community, as amended.]

[9][10]. APPLICABLE LAW, PLACE OF PERFORMANCE AND PLACE OF JURISDICTION

- (a) Applicable Law. The Conditions, other than the Security Trust Deed, are governed by and shall be construed in accordance with the laws of the [Federal Republic of Germany][●]. The Security Trust Deed is governed by and shall be construed in accordance with English law.
- (b) Place of Performance. Place of performance shall be [Frankfurt am Main, Germany][●].
- (c) Place of Jurisdiction. To the extent legally possible, the [regional court (*Landgericht*) of Frankfurt am Main][●] shall have jurisdiction to settle any dispute arising from or in connection with the Securities.

[10][11]. SEVERABILITY

Should any provision of the Conditions be or become wholly or partly invalid, the remaining provisions shall remain valid. The invalid provision shall be replaced by a valid provision which reflects the economic purpose of the invalid provision as far as legally possible.

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**CONDITIONS: PRODUCT CONDITIONS**  
**RELATING TO INDEX EXCHANGE TRADED [COMMODITIES]<sup>20</sup>[NOTES]<sup>21</sup> WITH A FIXED**  
**MATURITY**

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*The Product Conditions which follow relate to the Securities and must be read in conjunction with the General Conditions attached to the Product Conditions. The General Conditions and the Product Conditions together constitute the Conditions of the Securities [and will be attached to the Global Security representing the Securities]<sup>22</sup>.*

1. DEFINITIONS

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

“**Calculation Agent**” means •, subject to a replacement pursuant to General Condition 8;

“**Cash Amount**” means, subject to an adjustment in accordance with Product Condition 4, an amount [(which shall be deemed to be a monetary value in the Underlying Currency)] calculated by the Calculation Agent in accordance with the following formula, less Expenses (if any):

•.

[The Cash Amount shall not be less than zero. The Cash Amount shall be converted into the Settlement Currency at the Exchange Rate and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards, if necessary][The Cash Amount shall not be less than zero and shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards, if necessary];

“**Clearing Agent**” means •;

“**Custodian**” means JPMorgan Chase Bank, N.A., London Branch or any successor custodian appointed by the Issuer pursuant to the Security Trust Deed;

“**Day Count Fraction**” means [the number of calendar days from (but excluding) the immediately preceding Trading Day to (and including) the relevant Trading Day, divided by 360][•];]

“**Default Paying Agent**” means BNP Securities Services, Frankfurt Branch;

“**Emerging Market Disruption Event**” means each event specified in Product Condition 3;]

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<sup>20</sup> In case of Securities with a commodity index as underlying.

<sup>21</sup> In case of Securities with any index other than a commodity index as underlying.

<sup>22</sup> In case of Securities represented by a Global Security.

“**Event of Default**” means the occurrence of an Event of Default as defined in clause 10 of the Security Trust Deed;

“**Exchange**” means [each exchange or quotation system from which the Index Sponsor takes the prices of the Index Components to compute the Index or any successor to such exchange or quotation system][●];

[“**Exchange Rate**” means [the rate of exchange between the Underlying Currency and the Settlement Currency as determined by the Calculation Agent [at or about the Valuation Time] [on a Trading Day] [on the Valuation Date [or the Issuer Call Date,] [or the Index Early Termination Date,] [as the case may be,]] by reference to [●<sup>23</sup> (or a successor page) or, if the rate of exchange is not published on such page on such day, the exchange rate determined by the Calculation Agent in its reasonable discretion (*billiges Ermessen*) and notified to the Securityholders in accordance with General Condition 3][such sources as the Calculation Agent may determine in its reasonable discretion (*billiges Ermessen*) to be appropriate at such time and notifies to the Securityholders in accordance with General Condition 3]] [●];]

“**Exercise Date**” means ● or, if this day is not a Business Day, the first succeeding Business Day;

[“**Exercise Time**” means ●;]

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise with respect to such Security;

[“**Final Exchange Rate**” means [the Exchange Rate on the Valuation Date [or the Issuer Call Date, as the case may be]][●];]

[“**Final Reference Price**” means, subject to Product Conditions 3 and 4, [the Reference Price on the Valuation Date[ or the Issuer Call Date,][or the Index Early Termination Date,] [as the case may be]][●];]

[“**Global Security**” has the meaning given in General Condition 2;]<sup>24</sup>

“**Index**” means ●, subject to an adjustment in accordance with Product Condition 4;

“**Index Components**” means [the securities or other financial instruments that comprise the Index][●], subject to an adjustment in accordance with Product Condition 4;

[“**Index Early Termination Date**” means the day on which the Index Early Termination Event occurs or, if such day is not a Trading Day, the first succeeding Trading Day, subject to a postponement in accordance with Product Condition 3;]

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<sup>23</sup> Insert relevant page.

<sup>24</sup> In case of Securities represented by a Global Security.

["**Index Early Termination Event**"] means [the occurrence of the event that the total number of Index Components comprised in the Index is less than the minimum number of index components, as specified in the index description attached to the Product Conditions][●];]

["**Index Fee**"] means ●, which fee will accrue on a [daily][●] basis and be calculated by the Calculation Agent on [each Trading Day][●] as follows ●;]

["**Index Performance**"] means [an amount determined by the Calculation Agent in accordance with the following formula:

(Final Reference Price / Initial Reference Price) - 1 x (Initial Exchange Rate / Final Exchange Rate);][●]]

["**Index Sponsor**"] means [the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis during each Trading Day][●] and references to the Index Sponsor shall include any successor index sponsor pursuant to Product Condition 4;

["**Initial Exchange Rate**"] means [the Exchange Rate on the Pricing Date][●];]

["**Initial Reference Price**"] means the Reference Price on the Pricing Date;]

["**Interest Amount**"] means with respect to an Interest Period an amount calculated by the Calculation Agent in accordance with the following formula:

Nominal Amount x Interest Rate x Interest Rate Day Count Fraction;]

["**Interest Payment Date**"] means ●<sup>25</sup>;]

["**Interest Period**"] means the period commencing on (and including) the Issue Date until (and excluding) the first Interest Payment Date and each period commencing on (and including) an Interest Payment Date until (and excluding) the next following Interest Payment Date;]

["**Interest Rate**"] means ●<sup>26</sup>;]

["**Interest Rate Day Count Fraction**"] means ●;]

["**Issue Date**"] means ●;

["**Issuer**"] means The Royal Bank of Scotland N.V., a bank incorporated in The Netherlands with its statutory seat in Amsterdam acting through its [principal office in The Netherlands][branch in ●];]

["**Issuer Call**"] means the termination of the Securities by the Issuer in accordance with Product Condition 2;]

["**Issuer Call Commencement Date**"] means ●;]

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<sup>25</sup> Do not specify "Maturity Date" as final Interest Payment Date.

<sup>26</sup> Specify fixed interest rate, floating interest rate, or structured interest rate.

["**Issuer Call Date**" means the day specified in the notice delivered by the Issuer in accordance with Product Condition 2 or, if such day is not a Trading Day, the first succeeding Trading Day, subject to a postponement in accordance with Product Condition 3;]

["**Issuer Call Notice Period**" means •;]

["**Launch Date**" means •;]

"**Market Disruption Event**" means each event specified in Product Condition 3;

"**Maturity Date**" means •;

["**Multiplier**" means •, subject to an adjustment in accordance with Product Condition 4;]

"**Nominal Amount**" means •;

["**Participation**" means •;]

"**Paying Agent**" means • and shall include any other Paying Agent appointed pursuant to the provisions of General Condition 8 as well as the Principal Paying Agent;

"**Payment Day**" means [a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is Euro, any day on which the Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) is open][•];

["**Pricing Date**" means •. In the event the Issuer determines that due to adverse market conditions a commercially reasonable pricing (the "**Pricing**") is not possible on such day, the Pricing Date shall be postponed to such day on which the Issuer determines that a Pricing is possible. Each and any of the Issuer's determinations with respect to the Pricing Date shall be made exercising reasonable discretion (*billiges Ermessen*) and be notified to the Securityholders in accordance with General Condition 3;]

"**Principal Paying Agent**" means •, subject to a replacement pursuant to General Condition 8;

"**Reference Price**" means, with respect to any day (a "**Reference Day**"), an amount (which shall be deemed to be a monetary value in the Underlying Currency) equal to the level of the Index published on [• page • (or on a page replacing such page)][•] at or about the Valuation Time on such Reference Day without regard to any subsequently published correction or (if no such level is published and no Market Disruption Event [and no Emerging Market Disruption Event] has occurred and is continuing) an amount corresponding to the level determined by the Calculation Agent in its reasonable discretion (*billiges Ermessen*) as the level of the Index at or about the Valuation Time on such Reference Day and notified to the Securityholders in accordance with General Condition 3. [[If, with respect to a Valuation Date[ or the Issuer Call Date,][or the Index Early Termination Date,] [as the case may be,] only, any Index Component closes "limit up" or "limit down" on the Exchange on such Valuation Date[ or



the Issuer Call Date,][or the Index Early Termination Date,] [as the case may be], the level of the Index for the relevant Valuation Date[ or the Issuer Call Date,][or the Index Early Termination Date,] [as the case may be,] will be adjusted to reflect the first succeeding non-limit closing price of the relevant Index Component on the Exchange.][●]]<sup>27</sup> If a Market Disruption Event [or an Emerging Market Disruption Event] occurs on any Reference Day other than on a Valuation Date [or an Issuer Call Date] [or an Index Early Termination Date], Product Condition 3 shall apply accordingly with respect to such Reference Day;

**“Related Exchange”** means each options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Index are traded;

**“Relevant Number of Trading Days”** means ●;

**“Securities”** means ●, collateralised in accordance with the Security Trust Deed;

**“Security Trust Deed”** means the debenture and security trust deed dated 18 February 2010 entered into, among others, the Issuer, the Security Trustee, the Default Paying Agent and the Custodian, as amended, supplemented or novated from time to time before the Issue Date. The Security Trust Deed is incorporated by reference into the Product Conditions and forms an integral part of the Product Conditions. The Security Trust Deed sets out the arrangements in relation to the creation and maintenance of security for the Issuer's obligations under or in respect of the Securities. A copy of the Security Trust Deed is set forth in the base prospectus dated 14 May 2010 relating to the issuance of exchange traded notes and exchange traded commodities with a fixed maturity as supplemented pursuant to Section 16(1) of the German Securities Prospectus Act (*Wertpapierprospektgesetz*);

**“Security Trustee”** means BNP Paribas Trust Corporation (UK) Limited or any successor security trustee appointed by the Issuer pursuant to the Security Trust Deed;

**“Securityholder”** has the meaning given in General Condition 2;

**“Series”** means ●;

**“Settlement Currency”** means ●;

**“Trading Day”** means [any day on which the Index Sponsor should calculate and announce the closing level of the Index according to its rules][●];

**“Underlying Currency”** means ●;

**“Valuation Date”** means ●. If this day is not a Trading Day, the Valuation Date shall be the first succeeding Trading Day. The Valuation Date shall be subject to a postponement in accordance with Product Condition 3; and

**“Valuation Time”** means the time with reference to which the Index Sponsor calculates the [closing level][●] of the Index, or such other time as the Issuer may determine in its

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<sup>27</sup> In case of Securities where any of the index components is a commodity future contract.

reasonable discretion (*billiges Ermessen*) and notify to the Securityholders in accordance with General Condition 3.

*[Insert supplemental or alternative definitions, if applicable]*

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

## 2. RIGHTS AND PROCEDURES

- (a) Securityholder's Right. The Issuer, subject to an early termination [other than in accordance with Product Condition 5(b)], hereby grants the holder of each Security the right to demand [(i)] payment of the Cash Amount on the Maturity Date [either (A)] [(a)] upon automatic exercise in accordance with Product Condition 2(b), provided that a certification (a "**Certification**") has been delivered to the Principal Paying Agent in accordance with Product Condition 2(d)[, (b) upon termination pursuant to an Issuer Call in accordance with Product Condition 2(e), or (c) upon due exercise by the Securityholder in accordance with Product Condition 2(f) and (g)] [, or (B) in case of an Index Early Termination Event in accordance with Product Condition 5(b)] [and (ii) payment of the Interest Amount on [each][the] Interest Payment Date].
- (b) Automatic Exercise. The Securities shall be deemed to be automatically exercised on the Exercise Date.
- (c) Interest Accrual. [The Securities shall cease to accrue interest from and including the [final] Interest Payment Date. This shall also apply if the payment of the Cash Amount is postponed due to a Market Disruption Event [or an Emerging Market Disruption Event.] [No interest shall accrue if the payment of the Cash Amount is postponed due to a Market Disruption Event [or an Emerging Market Disruption Event].]
- (d) Certification. The form of the Certification may be obtained during normal business hours from the specified office of each Paying Agent.

A Certification shall:

- (i) certify that neither the person delivering the Certification nor any person on whose behalf the Certification is being delivered is a U.S. person or a person within the United States. As used herein, "**U.S. person**" means (A) an individual who is a resident or a citizen of the United States; (B) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (C) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (D) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions

of the trust; (E) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (B) above; (F) any entity organised principally for passive investment, 10 per cent or more of the beneficial interests in which are held by persons described in (A) to (E) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. persons; or (G) any other "U.S. person" as such term may be defined in Regulation S under the United States Securities Act of 1933, as amended, or in regulations adopted under the United States Commodity Exchange Act; and

(ii) authorise the production of such Certification in any applicable administrative or legal proceedings.

[(e) Issuer Call. The Issuer may terminate, subject to a valid exercise in accordance with Product Condition 2(f) and (g), the Securities, in whole but not in part on any Business Day, by giving notice to the Securityholders not less than the Issuer Call Notice Period, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 3, and shall specify the Issuer Call Date.

(f) Securityholder's Exercise and Notice. The Securities are exercisable by delivery of a duly completed notice (a "**Notice**") which shall be received by the Principal Paying Agent prior to the Exercise Time on the Exercise Date. The form of the Notice may be obtained during normal business hours from the specified office of each Paying Agent.

(i) A Notice shall:

(ii) specify the number of Securities to which it relates;

(iii) specify the number of the account relating to the Securities to be debited;

(iv) irrevocably instruct and authorise the Principal Paying Agent to debit on or before the Maturity Date such account with such Securities;

(v) specify the number of the account to be credited with any amounts due under the Product Conditions for such Securities;

(vi) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person (as defined in Product Condition 2 (d)(i)) or a person within the United States; and

(vii) authorise the production of such Notice in any applicable administrative or legal proceedings.

(g) Verification. With respect to each Notice, the relevant Securityholder must provide evidence to the Principal Paying Agent of its holding of the respective Securities.]

[(e)][(h)] [Determinations. Subject as set out below, failure properly to complete a Notice in the manner set out above or failure to deliver the Notice up to the time specified in this Product Condition 2 shall result in such notice being treated as null and void. The Principal Paying Agent shall use its best efforts promptly to notify the relevant Securityholder if it has determined that a Notice is incomplete. If such Notice is subsequently completely corrected, it shall be deemed to be a new Notice submitted at the time such correction is delivered to the Principal Paying Agent.] The Principal Paying Agent shall use its best efforts promptly to notify the relevant Securityholder if it has determined that a Certification is incomplete.

[(f)][(i)] Settlement. The Issuer shall pay the [(i) ]Cash Amount [(a)] for each Security with respect to which a Certification has been delivered to the Clearing Agent for credit to the account of the Securityholder[, (b) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice, and (c) in the event of an Issuer Call to the Clearing Agent for credit to the account of the Securityholder[, and (ii) any Interest Amount to the Clearing Agent for credit to the account of the Securityholder]].

[(g)][(j)] Payment Day. If the date for payment of any amount with respect to the Securities is not a Payment Day, the Securityholder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment with respect to such delay.

### 3. MARKET DISRUPTION

(a) If in the determination of the Calculation Agent a Market Disruption Event [or an Emerging Market Disruption Event] has occurred on the Valuation Date[, or the Issuer Call Date,] [or the Index Early Termination Date,] then the Valuation Date[, or the Issuer Call Date,] [or the Index Early Termination Date,] [as the case may be,] shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event [or no Emerging Market Disruption Event], unless the Calculation Agent determines that there is a Market Disruption Event [or an Emerging Market Disruption Event] occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event [or the Emerging Market Disruption Event]) would have been the Valuation Date [, or the Issuer Call Date,] [or the Index Early Termination Date,] [as the case may be]. In that case (i) the last day of the Relevant Number of Trading Days shall be deemed to be the Valuation Date[ or the Issuer Call Date,] [or the Index Early Termination Date,] [as the case may be] (regardless of the Market Disruption Event [or the Emerging Market Disruption Event]); and (ii) the Calculation Agent shall

determine the relevant Reference Price. If a Market Disruption Event [or an Emerging Market Disruption Event] constitutes also an adjustment event in accordance with Product Condition 4 and the Calculation Agent makes an adjustment in accordance with Product Condition 4, the provisions relating to the Market Disruption [or the Emerging Market Disruption] shall not be applicable with respect to this event as of the effective date of the adjustment.

(b) **“Market Disruption Event”** means:

- (i) Moratorium. A general moratorium is declared with respect to banking activities in the country in which any Exchange or any Related Exchange is located; or
- (ii) Trading Limitation. The occurrence or existence on any Trading Day during the one hour period that ends at the official close of trading on any Exchange or any Related Exchange of any suspension of or limitation imposed on trading (by reason of movements in price reaching or exceeding limits permitted by the relevant exchange or otherwise):
  - (A) on any Exchange(s) in Index Components that comprise 20 per cent or more of the level of the Index (as determined by the Calculation Agent) if, in the determination of the Calculation Agent, such suspension or limitation is material. For the purpose of determining whether such suspension or limitation is material, if trading in an Index Component is suspended or limited at that time, then the relevant percentage contribution of that Index Component to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Index Component relative to (y) the overall level of the Index, in each case immediately before that suspension or limitation; or
  - (B) on any Related Exchange in any options contracts or futures contracts or other derivatives contracts relating to the Index if, in the determination of the Calculation Agent, such suspension or limitation is material.

In any event, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of any Exchange or Related Exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by any Exchange or Related Exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

*[Insert supplemental or alternative market disruption events, if applicable]*

*[Insert in case the Index or any Index Component is related to one or more emerging market(s):*

- (c) **“Emerging Market Disruption Event”** means:
- (i) Moratorium. A general moratorium is declared with respect to banking activities in the principal financial centre of the Relevant Currency (as defined below); or
  - (ii) Exchange Rate Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate (as defined below), if relevant, on any relevant date in the inter-bank market; or
  - (iii) Governmental Default. With respect to any security issued by, any indebtedness for money borrowed by, or any guarantee given by any Governmental Authority (as defined below), there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) with respect to any such security, indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due with respect to any such security, indebtedness for money borrowed or guarantee, or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due with respect to any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or
  - (iv) Inconvertibility/Non-transferability. The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate (if relevant) through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such country or the Relevant Currency between accounts in such country or to a party that is a non-resident of such country; or
  - (v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any

of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or

- (vi) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate (if relevant) for an amount which the Issuer determines to be necessary to discharge its obligations under the Securities; or
- (vii) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or
- (viii) Imposition of Tax/Levy. The imposition of any tax and/or levy with punitive character in the country of the principal financial centre of the Relevant Currency with respect to (A) any transactions (including derivatives transactions) related to the Relevant Currency, or any transactions denominated in the Relevant Currency related to the Index or any Index Component (the “**Relevant Transactions**”); or (B) accounts in which the Relevant Transactions are held or are permitted to be held; or (C) any interest income received from Relevant Transactions; or (D) any capital gains resulting from Relevant Transactions; or
- (ix) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency; or
- (x) Other Events. Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations with respect to the Securities.

“**Governmental Authority**” means any *de facto* or *de jure* government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate (if relevant).

“**Relevant Currency**” means the Settlement Currency, the lawful currency in which the Index or any Index Component is denominated from time to time, or the lawful currency of the country in which an Exchange is located, provided that the Relevant Currency shall not include any lawful currency that is a Standard Currency (as defined below).

“**Relevant Currency Exchange Rate**” means each rate of exchange between the Relevant Currency and the Settlement Currency.

“**Standard Currency**” means the lawful currency of [Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland,

Italy, Japan, Luxembourg, Malta, The Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States][•.]

*[Insert supplemental or alternative emerging market disruption events, if applicable]*

[(c)][(d)] Each and any of the Calculation Agent's determinations under this Product Condition 3 shall be made exercising reasonable discretion (*billiges Ermessen*) and be notified to the Securityholders in accordance with General Condition 3.

#### 4. ADJUSTMENTS

- (a) If the Index is (A) not calculated and announced by the Index Sponsor but is calculated and announced by a successor to the Index Sponsor (the "**Successor Sponsor**") acceptable as determined by the Calculation Agent; or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then (in either case) the Index will be deemed to be the index so calculated and announced by such Successor Sponsor or that successor index, as the case may be.
- (b) If (A) on or prior to the Valuation Date[, or the Issuer Call Date,] [or the Index Early Termination Date,] [as the case may be,] the Index Sponsor or, if applicable, the Successor Sponsor, makes a material change in the formula for, or the method of, calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in Index Components and other routine events); or (B) on the Valuation Date[, or the Issuer Call Date,] [or the Index Early Termination Date,] [as the case may be,] the Index Sponsor or, if applicable, the Successor Sponsor fails to calculate and/or announce the Index, then (in either case) the Calculation Agent shall determine the relevant Reference Price using, in lieu of an announced level for the Index on the Valuation Date[, or the Issuer Call Date,] [or the Index Early Termination Date,] [as the case may be,] the level for the Index as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change or failure, but using only those Index Components that comprised the Index immediately prior to the change or failure (other than those Index Components that have since ceased to be listed on the relevant Exchange or any other exchange on which the Index Components are listed) or, in the case of a material modification of the Index only, the Calculation Agent shall deem such modified Index to be the Index so calculated and announced or shall terminate the Securities by giving notice in accordance with General Condition 3.
- (c) If, at any time, any event which is material to the calculation of the Index occurs and the Index Sponsor or, if applicable, the Successor Sponsor has (as determined by the



Calculation Agent) not made an appropriate adjustment to the level of the Index in order to account fully for such event, notwithstanding that the rules announced or applied by the Index Sponsor or, if applicable, the Successor Sponsor pertaining to the Index have been applied, the Calculation Agent shall make an adjustment to the level of the Index. [Where the Index Components consist of shares, the occurrence of one of the following events may trigger such an adjustment in accordance with this Product Condition 4(c): (A) a distribution or dividend to existing holders of the shares of (i) shares; or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the issuer of the shares equally or proportionately with such payments to holders of shares or (iii) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price; (B) a free distribution or dividend of any shares to existing holders by way of bonus, capitalisation or similar issue; (C) an extraordinary dividend; (D) any cash dividends declared on the shares at a time when the relevant issuer has not previously declared or paid dividends on such shares for the prior four quarterly periods; (E) any non-cash dividends declared on the shares at a time when the relevant issuer has not previously declared or paid dividends on such shares for the prior four quarterly periods; (F) any other extraordinary cash or non-cash dividend on, or distribution with respect to, the shares which is, by its terms or declared intent, declared and paid outside the normal operations or normal dividend procedures of the relevant issuer, provided that, in all cases, the related ex-dividend date occurs during the period from and including the Issue Date up to but excluding the Valuation Date[, or the Issuer Call Date,] [or the Index Early Termination Date,] [as the case may be]; (G) a distribution of cash dividends on the shares equal to or greater than 8 per cent per annum of the then current market value of the shares; (H) any other similar event having dilutive or concentrative effect on the theoretical value of the shares.]<sup>28</sup>

- (d) If in the determination of the Calculation Agent any other event has occurred which could make it impracticable or impossible for the Issuer to perform its obligations with respect to the Securities, the Calculation Agent may make adjustments to the Conditions.

*[Insert supplemental or alternative adjustment events, if applicable]*

- (e) Each and any of the Calculation Agent's determinations and adjustments under this Product Condition 4 shall be made exercising reasonable discretion (*billiges Ermessen*) and be notified to the Securityholders in accordance with General Condition 3.

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<sup>28</sup> Where the Index Components are shares.

## 5. EARLY TERMINATION AND EVENT OF DEFAULT TERMINATION

- [(a)] Early Termination. The Issuer shall have the right to terminate the Securities if it has determined in its reasonable discretion (*billiges Ermessen*) that its performance thereunder is or will become unlawful in whole or in part as a result of compliance in good faith by the Issuer with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power (the “**Applicable Law**”). In such circumstances the Issuer shall, however, if and to the extent permitted by the Applicable Law, pay to each Securityholder with respect to each Security held by such Securityholder an amount determined by the Issuer in its reasonable discretion (*billiges Ermessen*) as the fair market value of the Security immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any transaction entered into in order to hedge entirely or in part its obligations under the Securities (the “**Early Termination Amount**”). [*Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert: Any such amount to be paid shall not be less than the present value of the minimum assured return of principal and/or interest, such present value being determined by the Calculation Agent in its reasonable discretion (billiges Ermessen).*] The Early Termination Amount shall be notified to the Securityholders by the Issuer in accordance with General Condition 3. The Issuer shall pay the Early Termination Amount for each Security to the Clearing Agent for credit to the account of the Securityholder.
- [(b)] Index Early Termination. Upon the occurrence of an Index Early Termination Event, the Securities will terminate automatically and the Issuer will give notice to the Securityholders in accordance with General Condition 3. [An Index Early Termination Event will override an Issuer Call and/or due exercise if the Index Early Termination Event occurs prior to the Issuer Call Date or the Valuation Date, as the case may be.] In case of an Index Early Termination Event the Issuer shall pay the Cash Amount for each Security on the Maturity Date to the Clearing Agent for credit to the account of the Securityholder.]
- [(b)] [(c)] Event of Default Termination. Upon the occurrence of an Event of Default, the Securities will terminate automatically and the Security Trustee will give notice to the Securityholders via the relevant Clearing Agents. [An Event of Default termination will override an Issuer Call and/or due exercise if the Event of Default occurs prior to the Issuer Call Date or the Valuation Date, as the case may be. ]In case of an Event of Default the Security Trustee shall make available the proceeds of the sale or other disposal of the Collateral in accordance with clause 11 of the Security Trust Deed to the Default Paying Agent for distribution to the Securityholders via the relevant Clearing Agents in accordance with clause 14 of the Security Trust Deed. Each

Securityholder's right to claim from the Issuer payment of any difference between such distribution and the fair market value of the Security as of the date of the Event of Default shall remain unaffected.

## 6. HEDGING DISRUPTION

- (a) Hedging Disruption Event. A “**Hedging Disruption Event**” shall occur if any of the following or a similar event occurs:
- (i) any material illiquidity in the market with respect to (A) the Index or any Index Components or (B) instruments related to the Index or any Index Components used by the Issuer to hedge entirely or in part its obligations under the Securities; or
  - (ii) a change in any Applicable Law (including, without limitation, any tax law) or in the interpretation of any Applicable Law by any court, regulatory authority or other authority with competent jurisdiction under the Applicable Law (including any action taken by a taxing authority) having an impact on the Securities or on a transaction to hedge entirely or in part the obligations of the Issuer under the Securities (a “**Relevant Hedging Transaction**”); or
  - (iii) a material decline in the creditworthiness of a party with whom the Issuer has entered into any Relevant Hedging Transaction; or
  - (iv) the general unavailability of: (A) market participants who will agree to enter into a Relevant Hedging Transaction; or (B) market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.
- (b) Consequences. The Issuer, in the event of a Hedging Disruption Event, may determine to:
- (i) terminate the Securities. In such circumstances the Issuer shall if and to the extent permitted by the Applicable Law, pay to each Securityholder with respect to each Security held by such Securityholder an amount determined by the Issuer as the fair market value of the Security immediately prior to such termination less the cost to the Issuer of unwinding any transaction entered into in order to hedge entirely or in part its obligations under the Securities (the “**Hedging Disruption Termination Amount**”); *Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert:* however, any such amount to be paid shall not be less than the present value of the minimum assured return of principal and/or interest, such present value being determined by the Calculation Agent]. The Issuer shall pay the Hedging Disruption Termination Amount for

each Security to the Clearing Agent for credit to the account of the Securityholder;

- (ii) make an adjustment to the composition of the Index or replace the Index by another index;
  - (iii) make any other adjustment to the Conditions in order to maintain the theoretical value of the Securities after adjusting for the relevant Hedging Disruption Event. [*Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert: Any such adjustment will in no way affect the Issuer's obligations to make payment to the Securityholders not less than the minimum assured return of principal and/or interest.*]
- (c) Each and any of [the Calculation Agent's and] the Issuer's determinations and adjustments under this Product Condition 6 shall be made exercising reasonable discretion (*billiges Ermessen*) and be notified to the Securityholders in accordance with General Condition 3.

#### 7. RESIGNATION OR TERMINATION OF APPOINTMENT OF SECURITY TRUSTEE OR CUSTODIAN

- (a) Security Trustee. The Issuer shall give notice of any resignation or termination of appointment of the Security Trustee as well as of the appointment of a successor Security Trustee pursuant to clause 16.1 of the Security Trust Deed to the Securityholders in accordance with General Condition 3 no later than the effective day of such event.
- (b) Custodian. The Issuer shall give notice of any resignation or termination of appointment of the Custodian paragraph to clause 11 of Schedule 5 to the Security Trust Deed to the Securityholders in accordance with General Condition 3 no later than 30 days prior to the effective day of such resignation or termination. Furthermore, it shall give notice to the Securityholders in accordance with General Condition 3 of the appointment of a successor Custodian immediately following appointment thereof, no later than the effective day of such appointment. If a successor Custodian has not been appointed in accordance with paragraph 11 of Schedule 5 to the Security Trust Deed no later than the effective day of the resignation or termination of appointment of the previous Custodian, each Securityholder shall be entitled to terminate its Securities in whole or in part by delivery of a termination notice in accordance with Product Condition 7 (c) and (d) (the "**Termination Notice**") to the Principal Paying Agent (the "**Custodian Related Termination Right**") within the period commencing on the effective day (including) of the resignation or termination of appointment of the Custodian and ending on the 30<sup>th</sup>

day (including) following the day on which the Issuer has given notice to the Securityholders in accordance with General Condition 3 that no Custodian has been appointed in accordance with paragraph 11 of Schedule 5 to the Security Trust Deed. The Custodian Related Termination Right shall cease to exist if a successor Custodian has been appointed in accordance with paragraph 11 of Schedule 5 to the Security Trust Deed prior to the Termination Notice being delivered to the Principal Paying Agent by the Securityholder. In case of a valid exercise of the Custodian Related Termination Right by the Securityholder, the Issuer shall pay the fair market value of the Security immediately prior to the effectiveness of the resignation or termination of appointment of the Custodian, as the case may be, for each Security with respect to which a Termination Notice has been delivered (the “**Custodian Related Termination Amount**”) to the account specified in the relevant Termination Notice. [*Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert: Any such amount to be paid shall not be less than the present value of the minimum assured return of principal and/or interest, such present value being determined by the Calculation Agent in its reasonable discretion (billiges Ermessen).*]

- (c) The form of the Termination Notice may be obtained during normal business hours from the specified office of each Paying Agent.

A Termination Notice shall:

- (i) specify the number of Securities to which it relates;
  - (ii) specify the number of the account relating to the Securities to be debited;
  - (iii) irrevocably instruct and authorise the Principal Paying Agent to debit such account with such Securities;
  - (iv) specify the number of the account to be credited with the Custodian Related Termination Amount (if any) for such Securities;
  - (v) certify that neither the person delivering the Termination Notice nor any person on whose behalf the Termination Notice is being delivered is a U.S. person (as defined in Product Condition 2 (d)(i)) or a person within the United States.; and
  - (vi) authorise the production of such Termination Notice in any applicable administrative or legal proceedings.
- (d) Verification. With respect to each Termination Notice, the relevant Securityholder must provide evidence to the Principal Paying Agent of its holding of the respective Securities.

- (e) Determinations. Subject as set out below, failure properly to complete a Termination Notice in the manner set out above or failure to deliver the Termination Notice in the time specified in this Product Condition 7 shall result in such notice being treated as null and void. The Principal Paying Agent shall use its best efforts promptly to notify the relevant Securityholder if it has determined that a Termination Notice is incomplete. If such Termination Notice is subsequently completely corrected, it shall be deemed to be a new Termination Notice submitted at the time such correction is delivered to the Principal Paying Agent.
- (f) Payment Day. If the date for payment of any amount with respect to the Securities is not a Payment Day, the Securityholder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment with respect to such delay.

## 8. LANGUAGE

The English language of the Conditions shall be binding. Any translations are merely intended for information purposes.

## [9. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

- (a) Redenomination. The Issuer may, without the consent of any Securityholder, on giving notice to the Securityholders in accordance with General Condition 3 elect any or all of the following with effect from the Adjustment Date specified in such notice:
  - (i) where the Settlement Currency is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, such Settlement Currency shall be deemed to be an amount of Euro converted from the original Settlement Currency into Euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide and as may be specified in the notice, and after the Adjustment Date, all payments with respect to the Securities shall be made solely in Euro as though references in the Securities to the Settlement Currency were to Euro;
  - (ii) where the Conditions contain a rate of exchange or any amount in the Conditions is expressed in a National Currency Unit (the “**Original Currency**”) of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, such rate of exchange and/or any other terms of the Conditions shall be deemed to be expressed in or, in the case of a rate of exchange, converted into Euro at the Established Rate; and

- (iii) such other changes shall be made to the Conditions as the Issuer may decide to conform them to conventions then applicable to instruments expressed in Euro.
- (b) **Adjustment to Conditions.** The Issuer may, without the consent of the Securityholders, on giving notice to the Securityholders in accordance with General Condition 3 make such adjustments to the Conditions as the Issuer may determine in its reasonable discretion (*billiges Ermessen*) to be appropriate to account for the effect of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Conditions.
- (c) **Euro Conversion Costs.** Notwithstanding Product Condition 9(a) and/or Product Condition 9(b), none of the Issuer, the Calculation Agent nor any Paying Agent shall be liable to any Securityholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of Euro or any currency conversion or rounding effected in connection therewith.
- (d) **Definitions Relating to European Economic and Monetary Union.** In this Product Condition, the following expressions have the meanings set out below.

**“Adjustment Date”** means a date specified by the Issuer in the notice given to the Securityholders pursuant to this Condition which falls on or after the date on which the country of the Original Currency or, as the case may be, the Settlement Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

**“Established Rate”** means the rate for the conversion of the Original Currency or, as the case may be, the Settlement Currency (including compliance with rules relating to rounding in accordance with applicable European community regulations) into Euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

**“National Currency Unit”** means the unit of the currency of a country as those units are defined on the day before the country first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty; and

**“Treaty”** means the treaty establishing the European Community, as amended.]

[9][10]. APPLICABLE LAW, PLACE OF PERFORMANCE AND PLACE OF JURISDICTION

- (a) **Applicable Law.** The Conditions, other than the Security Trust Deed, are governed by and shall be construed in accordance with the laws of the [Federal Republic of Germany][●]. The Security Trust Deed is governed by and shall be construed in accordance with English law.
- (b) **Place of Performance.** Place of performance shall be [Frankfurt am Main, Germany][●].

- (c) Place of Jurisdiction. To the extent legally possible, the [regional court (*Landgericht*) of Frankfurt am Main][●] shall have jurisdiction to settle any dispute arising from or in connection with the Securities.

[10][11]. SEVERABILITY

Should any provision of the Conditions be or become wholly or partly invalid, the remaining provisions shall remain valid. The invalid provision shall be replaced by a valid provision which reflects the economic purpose of the invalid provision as far as legally possible.



[INDEX DESCRIPTION

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**CONDITIONS: PRODUCT CONDITIONS**  
**RELATING TO SINGLE STOCK EXCHANGE TRADED NOTES WITH A FIXED MATURITY**

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*The Product Conditions which follow relate to the Securities and must be read in conjunction with the General Conditions attached to the Product Conditions. The General Conditions and the Product Conditions together constitute the Conditions of the Securities [and will be attached to the Global Security representing the Securities]<sup>29</sup>.*

1. DEFINITIONS

**“Business Day”** means [a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in • and on which each Clearing Agent is open for business [and on which the Exchange is open for business]<sup>30</sup>][•];

**“Calculation Agent”** means •, subject to a replacement pursuant to General Condition 8;

**“Cash Amount”** means, subject to an adjustment in accordance with Product Condition 4, an amount calculated by the Calculation Agent in accordance with the following formula, less Expenses (if any):

•.

[The Cash Amount shall not be less than zero. The Cash Amount shall be converted into the Settlement Currency at the Exchange Rate and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards, if necessary][The Cash Amount shall not be less than zero and shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards, if necessary];<sup>31</sup>

**“Clearing Agent”** means •;

**“Custodian”** means JPMorgan Chase Bank, N.A., London Branch or any successor custodian appointed by the Issuer pursuant to the Security Trust Deed;

**“Day Count Fraction”** means [the number of calendar days from (but excluding) the immediately preceding Trading Day to (and including) the relevant Trading Day, divided by 360][•];]

**“Default Paying Agent”** means BNP Securities Services, Frankfurt Branch;

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<sup>29</sup> In case of Securities represented by a Global Security.

<sup>30</sup> In case of physical settlement.

<sup>31</sup> In case of cash settlement.

["**Delivery Details**"] means [account details and/or the name and address of any person into whose name evidence of the Share Amount is to be registered and/or any bank, broker or agent to whom documents evidencing title are to be delivered][●];<sup>32</sup>

["**Dividend Amount**"] means, with respect to each Security, an amount, as determined by the Calculation Agent, equal to the cash dividends and/or other cash distributions with respect to one Share, net of applicable withholding taxes at a rate adjusted by application of the [Netherlands][●] tax treaty without regard to any tax credits, less any costs incurred by the Issuer in relation to the receipt of the relevant cash dividend or other cash distribution and less any Expenses, multiplied by the Multiplier where the ex-dividend date for such dividends and/or distributions falls on a date during the period from (and including) the Issue Date to (and including) the relevant Valuation Date [or the Issuer Call Date, as the case may be];]

["**Emerging Market Disruption Event**"] means each event specified in Product Condition 3;]

"**Event of Default**" means the occurrence of an Event of Default as defined in clause 10 of the Security Trust Deed;

"**Exchange**" means ● or any successor to such exchange or quotation system;

["**Exchange Rate**"] means [the rate of exchange between the Underlying Currency and the Settlement Currency as determined by the Calculation Agent [at or about the Valuation Time] [on a Trading Day][on the Valuation Date [or the Issuer Call Date, as the case may be]] by reference to [●<sup>33</sup> (or a successor page) or, if the rate of exchange is not published on such page on such day, the exchange rate determined by the Calculation Agent in its reasonable discretion (*billiges Ermessen*) and notified to the Securityholders in accordance with General Condition 3][such sources as the Calculation Agent may determine in its reasonable discretion (*billiges Ermessen*) to be appropriate at such time and notifies to the Securityholders in accordance with General Condition 3]][●];]

"**Exercise Date**" means ● or, if this day is not a Business Day, the first succeeding Business Day;

["**Exercise Time**"] means ●;]

"**Expenses**" means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with (i) the exercise of such Security and/or (ii) any payment [or delivery]<sup>34</sup> due following exercise or otherwise with respect to such Security;

["**Final Exchange Rate**"] means [the Exchange Rate on the Valuation Date [or the Issuer Call Date, as the case may be]][●];]

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<sup>32</sup> In case of physical settlement.

<sup>33</sup> Insert relevant page.

<sup>34</sup> In case of physical settlement.

["**Final Reference Price**" means, subject to Product Conditions 3 and 4, [the Reference Price on the Valuation Date[ or the Issuer Call Date, as the case may be]][●];]

["**Global Security**" has the meaning given in General Condition 2;]<sup>35</sup>

["**Initial Exchange Rate**" means [the Exchange Rate on the Pricing Date][●];]

["**Initial Reference Price**" means the Reference Price on the Pricing Date;]

["**Interest Amount**" means with respect to an Interest Period an amount calculated by the Calculation Agent in accordance with the following formula:

$$\text{Nominal Amount} \times \text{Interest Rate} \times \text{Interest Rate Day Count Fraction};]$$

["**Interest Payment Date**" means ●<sup>36</sup>;]

["**Interest Period**" means the period commencing on (and including) the Issue Date until (and excluding) the first Interest Payment Date and each period commencing on (and including) an Interest Payment Date until (and excluding) the next following Interest Payment Date; ]

["**Interest Rate**" means ●<sup>37</sup>;]

["**Interest Rate Day Count Fraction**" means ●;]

["**Issue Date**" means ●;

["**Issuer**" means The Royal Bank of Scotland N.V., a bank incorporated in The Netherlands with its statutory seat in Amsterdam acting through its [principal office in The Netherlands][ branch in ●];

["**Issuer Call**" means the termination of the Securities by the Issuer in accordance with Product Condition 2;]

["**Issuer Call Commencement Date**" means ●;]

["**Issuer Call Date**" means the day specified in the notice delivered by the Issuer in accordance with Product Condition 2 or, if such day is not a Trading Day, the first succeeding Trading Day, subject to a postponement in accordance with Product Condition 3;]

["**Issuer Call Notice Period**" means ●;]

["**Launch Date**" means ●;]

["**Market Disruption Event**" means each event specified in Product Condition 3;

["**Maturity Date**" means [●, subject to a postponement in accordance with Product Condition 3[(c)][(d)]<sup>38</sup>][●];

["**Multiplier**" means ●, subject to an adjustment in accordance with Product Condition 4;]

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<sup>35</sup> In case of Securities represented by a Global Security.

<sup>36</sup> Do not specify "Maturity Date" as final Interest Payment Date.

<sup>37</sup> Specify fixed interest rate, floating interest rate, or structured interest rate.

<sup>38</sup> In case of physical settlement.

**“Nominal Amount”** means ●;

[**“Participation”** means ●;]

**“Paying Agent”** means ● and shall include any other Paying Agent appointed pursuant to the provisions of General Condition 8 as well as the Principal Paying Agent;

**“Payment Day”** means [a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is Euro, any day on which the Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) is open][●];

[**“Pricing Date”** means ●. In the event the Issuer determines that due to adverse market conditions a commercially reasonable pricing (the **“Pricing”**) is not possible on such day, the Pricing Date shall be postponed to such day on which the Issuer determines that a Pricing is possible. Each and any of the Issuer’s determinations with respect to the Pricing Date shall be made exercising reasonable discretion (*billiges Ermessen*) and be notified to the Securityholders in accordance with General Condition 3;]

**“Principal Paying Agent”** means ●, subject to a replacement pursuant to General Condition 8;

**“Reference Price”** means, with respect to any day (a **“Reference Day”**), an amount (which shall be deemed to be a monetary value in the Underlying Currency) equal to the price of the Share quoted on the Exchange at or about the Valuation Time on such Reference Day without regard to any subsequently published correction or (if no such price is published and no Market Disruption Event [and no Emerging Market Disruption Event] has occurred and is continuing) an amount corresponding to the price determined by the Calculation Agent in its reasonable discretion (*billiges Ermessen*) as the price of the Share at or about the Valuation Time on such Reference Day and notified to the Securityholders in accordance with General Condition 3. If a Market Disruption Event [or an Emerging Market Disruption Event] occurs on any Reference Day other than on a Valuation Date [or an Issuer Call Date], Product Condition 3 shall apply accordingly with respect to such Reference Day;

**“Related Exchange”** means each options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Shares are traded;

**“Relevant Number of Trading Days”** means ●;

**“Securities”** means ●, collateralised in accordance with the Security Trust Deed;

**“Security Trust Deed”** means the debenture and security trust deed dated 18 February 2010 entered into, among others, the Issuer, the Security Trustee, the Default Paying Agent and the Custodian, as amended, supplemented or novated from time to time before the Issue Date. The Security Trust Deed is incorporated by reference into the Product Conditions and forms an integral part of the Product Conditions. The Security Trust Deed sets out the

arrangements in relation to the creation and maintenance of security for the Issuer's obligations under or in respect of the Securities. A copy of the Security Trust Deed is set forth in the base prospectus dated 14 May 2010 relating to the issuance of exchange traded notes and exchange traded commodities with a fixed maturity as supplemented pursuant to Section 16(1) of the German Securities Prospectus Act (*Wertpapierprospektgesetz*);

**"Security Trustee"** means BNP Paribas Trust Corporation (UK) Limited or any successor security trustee appointed by the Issuer pursuant to the Security Trust Deed;

**"Securityholder"** has the meaning given in General Condition 2;

**"Series"** means ●;

**"Settlement Currency"** means ●;

**"Settlement Disruption Event"** means an event specified in Product Condition 3[(c)][(d)];<sup>39</sup>

**"Share"** means ●, subject to an adjustment in accordance with Product Condition 4;

**"Share Amount"** means [● Share[s]][one Share multiplied by the Multiplier], subject to an adjustment in accordance with Product Condition 4. If the Share Amount is an amount comprising a fraction of any Share, the Securityholder will receive a Share Amount comprising the nearest whole number (rounded down) of Shares (taking into account that a Securityholder's entire holding may be aggregated at the Issuer's discretion for the purpose of delivering the relevant Share Amount), and an amount in the Settlement Currency [using the Exchange Rate], equal to the value of the outstanding undelivered fraction of such Share, as calculated by the Calculation Agent on the basis of the relevant Reference Price;<sup>40</sup>

**"Share Company"** means ●, subject to an adjustment in accordance with Product Condition 4;

**"Share Performance"** means [an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{(Final Reference Price / Initial Reference Price) - 1} \times \text{(Initial Exchange Rate / Final Exchange Rate)};][●]$$

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

**"Underlying Currency"** means ●;

**"Valuation Date"** means ●. If this day is not a Trading Day, the Valuation Date shall be the first succeeding Trading Day. The Valuation Date shall be subject to a postponement in accordance with Product Condition 3; and

<sup>39</sup> In case of physical settlement.

<sup>40</sup> In case of physical settlement.

“**Valuation Time**” means [the regular close of trading on the Exchange][●] or such other time as the Issuer may determine in its reasonable discretion (*billiges Ermessen*) and notify to the Securityholders in accordance with General Condition 3.

[Insert supplemental or alternative definitions, if applicable]

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

## 2. RIGHTS AND PROCEDURES

- (a) Securityholder’s Right. The Issuer, subject to an early termination, hereby grants the holder of each Security the right to demand [(i)] [payment of the Cash Amount]<sup>41</sup> [or] [delivery of the Share Amount]<sup>42</sup>[, at the sole option of the Issuer,] [●] on the Maturity Date [(a)] upon automatic exercise in accordance with Product Condition 2(b), provided that a certification (a “**Certification**”) has been delivered to the Principal Paying Agent in accordance with Product Condition 2(d) [, (b) upon termination pursuant to an Issuer Call in accordance with Product Condition 2(e), or (c) upon due exercise by the Securityholder in accordance with Product Condition 2(f) and (g)] [, [and] (ii) the Dividend Amount, if any, in accordance with Product Condition 2(i)]<sup>43</sup> [, and [(ii)][(iii)] payment of the Interest Amount on [each][the] Interest Payment Date].
- (b) Automatic Exercise. The Securities shall be deemed to be automatically exercised on the Exercise Date.
- (c) Interest Accrual. [The Securities shall cease to accrue interest from and including the [final] Interest Payment Date. This shall also apply if the [payment of the Cash Amount]<sup>44</sup> [or] [delivery of the Share Amount or payment of any fraction of Share]<sup>45</sup> is postponed due to [a Settlement Disruption Event or]<sup>46</sup> a Market Disruption Event [or an Emerging Market Disruption Event.] [No interest shall accrue if the [payment of the Cash Amount]<sup>47</sup> [or] [delivery of the Share Amount or payment of any fraction of Share]<sup>48</sup> is postponed due to [a Settlement Disruption Event or]<sup>49</sup> a Market Disruption Event [or an Emerging Market Disruption Event].]
- (d) Certification. The form of the Certification may be obtained during normal business hours from the specified office of each Paying Agent.

A Certification shall:

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<sup>41</sup> In case of cash settlement.

<sup>42</sup> In case of physical settlement.

<sup>43</sup> If Dividend Amount is applicable.

<sup>44</sup> In case of cash settlement.

<sup>45</sup> In case of physical settlement.

<sup>46</sup> In case of physical settlement.

<sup>47</sup> In case of cash settlement.

<sup>48</sup> In case of physical settlement.

<sup>49</sup> In case of physical settlement.

- (i) certify that neither the person delivering the Certification nor any person on whose behalf the Certification is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means (A) an individual who is a resident or a citizen of the United States; (B) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (C) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (D) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (E) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (B) above; (F) any entity organised principally for passive investment, 10 per cent or more of the beneficial interests in which are held by persons described in (A) to (E) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission’s regulations by virtue of its participants being non-U.S. persons; or (G) any other “U.S. person” as such term may be defined in Regulation S under the United States Securities Act of 1933, as amended, or in regulations adopted under the United States Commodity Exchange Act; [and]
- (ii) authorise the production of such Certification in any applicable administrative or legal proceedings[;]
- [(iii) include an undertaking to pay all Expenses and an irrevocable authority to the Issuer to debit an account of the Securityholder specified in the Certification with respect thereto]<sup>50</sup>[; and]
- [(iv) specify the Delivery Details]<sup>51</sup>.
- [(e) Issuer Call. The Issuer may terminate, subject to a valid exercise in accordance with Product Condition 2(f) and (g), the Securities, in whole but not in part on any Business Day, by giving notice to the Securityholders not less than the Issuer Call Notice Period, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 3, and shall specify the Issuer Call Date.
- (f) Securityholder’s Exercise and Notice. The Securities are exercisable by delivery of a duly completed notice (a “**Notice**”) which shall be received by the Principal Paying Agent prior to the Exercise Time on the Exercise Date. The form of the Notice may be

<sup>50</sup> In case of physical settlement.

<sup>51</sup> In case of physical settlement.



obtained during normal business hours from the specified office of each Paying Agent.

A Notice shall:

- (i) specify the number of Securities to which it relates;
  - (ii) specify the number of the account relating to the Securities to be debited;
  - (iii) irrevocably instruct and authorise the Principal Paying Agent to debit on or before the Maturity Date such account with such Securities;
  - (iv) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person (as defined in Product Condition 2 (d)(i)) or a person within the United States; [and]
  - (v) authorise the production of such Notice in any applicable administrative or legal proceedings[;]
  - [(vi) specify the number of the account to be credited with [the Cash Amount]<sup>52</sup> [the Dividend Amount]<sup>53</sup> (if any) for such Securities]<sup>54</sup> [;]
  - [(vii) include an undertaking to pay all Expenses and an irrevocable authority to the Issuer to debit an account of the Securityholder specified in the Notice with respect thereto]<sup>55</sup> [; and]
  - [(viii) specify the Delivery Details]<sup>56</sup>.
- (g) Verification. With respect to each Notice, the relevant Securityholder must provide evidence to the Principal Paying Agent of its holding of the respective Securities.]

[(e)][(h)] [Determinations. Subject as set out below, failure properly to complete a Notice in the manner set out above or failure to deliver the Notice up to the time specified in this Product Condition 2 shall result in such notice being treated as null and void. The Principal Paying Agent shall use its best efforts promptly to notify the relevant Securityholder if it has determined that a Notice is incomplete. If such Notice is subsequently completely corrected, it shall be deemed to be a new Notice submitted at the time such correction is delivered to the Principal Paying Agent.] The Principal Paying Agent shall use its best efforts promptly to notify the relevant Securityholder if it has determined that a Certification is incomplete.

[[f)][(i)] Late Delivery of Certification[ or Notice]. If the Certification[ or Notice] is delivered to the Principal Paying Agent after the close of business in the place of receipt on the Exercise Date, then the Share Amount will be delivered as soon as practicable after

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<sup>52</sup> In case of cash settlement.

<sup>53</sup> If Dividend Amount is applicable.

<sup>54</sup> In case of cash settlement or if Dividend Amount is applicable.

<sup>55</sup> In case of physical delivery.

<sup>56</sup> In case of physical delivery.

the Maturity Date (the date of delivery in relation to a Share Amount whether on or after the Maturity Date being the “**Delivery Date**”) in the manner provided below. For the avoidance of doubt, no Securityholder or any other person shall be entitled to any payment, whether of interest or otherwise, by reason of the Delivery Date for such Securities occurring after the Maturity Date due to such Certification[ or Notice] being delivered after close of business on the Exercise Date as provided above. In the event that a Securityholder does not, with respect to a Security which is to be redeemed by delivery of the Share Amount, deliver or procure delivery of a Certification[ or Notice] as set out above prior to the date that is 30 calendar days after the Maturity Date, the Issuer shall have the right but not the obligation to sell the Shares comprised in the Share Amount with respect to such Security in the open market or otherwise at a price determined by the Issuer, in its reasonable discretion (*billiges Ermessen*) as the fair market value of the Shares, and shall hold the proceeds (the “**Realised Share Amount**”) for the account of the Securityholder until presentation of the relevant Certification[ or Notice] and payment of all Expenses. Upon payment of the Realised Share Amount, the Issuer’s obligations with respect to such Security shall be discharged. The Securityholder shall not be entitled to any interest or other payment with respect to such Realised Share Amount.

[(g)][(j)] Late Payment of Expenses. If the content of the Certification[ or Notice] does not fulfil the requirements set forth in Product Condition 2(d)(iii)[ or in Product Condition 2(f)(vii), respectively,] or if the account of the Securityholder specified in the Certification[ or Notice] cannot be debited in the amount due because of a lack of funds on the account or for any other reason prior to the date that is 30 calendar days after the Maturity Date, the Issuer shall sell the Shares comprised in the Share Amount with respect to such Security on the 31st calendar day following the Maturity Date or, if this day is not a Business Day, the first succeeding Business Day in the open market or otherwise at a price determined by the Issuer in its reasonable discretion (*billiges Ermessen*) as the fair market value of the Shares. If the difference between the Realised Share Amount and the Expenses is positive, the Issuer shall pay such difference to the Securityholder and shall be discharged from its obligations under the Securities. If the difference is negative, nothing shall be paid to the Securityholder and the Issuer shall be discharged from its obligations under the Securities. For the avoidance of doubt, no Securityholder or any other person shall be entitled to any payment, whether of interest or otherwise, by reason of a payment for such Securities occurring after the Maturity Date due to a late payment of any Expenses.]<sup>57</sup>

[(h)][(k)] Settlement. The Issuer shall [(i) ][pay the Cash Amount]<sup>58</sup> [or] [deliver or pay the Share Amount]<sup>59</sup> [(a)] for each Security with respect to which a Certification has been

<sup>57</sup> In case of physical settlement.

<sup>58</sup> In case of cash settlement.

delivered to the Clearing Agent for credit to the account of the Securityholder[, (b) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice, and (c) in the event of an Issuer Call to the Clearing Agent for credit to the account of the Securityholder[, and (ii) any Interest Amount to the Clearing Agent for credit to the account of the Securityholder]].

[[i)][l)] Dividend Amount. The Securityholder is entitled to receive the Dividend Amount within [ten][●] Business Days following the receipt by the Issuer of the dividend and/or cash distribution and the person entitled to receive such payment in respect of such Dividend Amount shall be the person who is the Securityholder on the date of receipt by the Issuer. For the avoidance of any doubt, if the ex-dividend date for such dividend on the relevant Exchange occurs before a Valuation Date[ or Issuer Call Date, as the case may be], but the date of receipt of the dividend and/or cash distribution by the Issuer is only on or after such Valuation Date[ or Issuer Call Date], the person entitled to receive the Dividend Amount shall be the Securityholder on such Valuation Date[ or Issuer Call Date]. However, the Issuer shall in no event be obliged to take any action whatsoever in enforcing payment of any dividend and/or cash distribution as a result of the Share Company failing to pay any such dividend and/or cash distribution when due.]<sup>60</sup>

[[j)][m)] Dividends on the Share Amount. The Securityholder shall also be entitled to demand payment of the relevant dividend received by the Issuer with respect to any Share Amount to be delivered, net of applicable withholding taxes at a rate adjusted by application of the [Netherlands][●] tax treaty without regard to any tax credits, less any costs incurred by the Issuer in relation to the receipt of the relevant dividend and less any Expenses, if the ex-dividend date for such dividend on the relevant Exchange occurs between [the Valuation Date][●] (excluding) [or the Issuer Call Date (excluding), as the case may be,] and the Maturity Date (including). Any such dividend shall be delivered to the Clearing Agent for credit to the account of the Securityholder within [ten][●] Business Days following the receipt by the Issuer of the dividend.]<sup>61</sup>

[[k)][n)] Payment Day. If the date for payment of any amount with respect to the Securities is not a Payment Day, the Securityholder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment with respect to such delay.

[[l)][o)] Intervening Period. With respect to the delivery of the Share Amount, for such period of time after the Exercise Date[ or the Issuer Call Date, as the case may be], as the Issuer or any person on behalf of the Issuer shall continue to be the legal owner of

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<sup>59</sup> In case of physical settlement.

<sup>60</sup> If Dividend Amount is applicable.

<sup>61</sup> In case of physical settlement.

the Shares comprising the relevant Share Amount (the “**Intervening Period**”), neither the Issuer nor any other such person shall (i) be under any obligation to deliver, or procure delivery to the Securityholder of, any letter, certificate, notice, circular or any other document or payment [(other than any payment of dividends pursuant to Product Condition 2(h))] whatsoever received by that person in its capacity as the holder of such Shares, (ii) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such Shares during the Intervening Period or (iii) be under any liability to the Securityholder with respect to any loss or damage which the Securityholder may sustain or suffer as a result, whether directly or indirectly, of the Issuer or any other such person being the legal owner of such Shares during such Intervening Period.]<sup>62</sup>

[(m) Delivery of the Share Amount. The delivery of the Share Amount shall be made at the risk of the Securityholder and shall be delivered and evidenced in such manner as customary for the Shares or in such manner as the Issuer determines in its reasonable discretion (*billiges Ermessen*) to be appropriate for such delivery. The Issuer shall be under no obligation to register or procure the registration of the Securityholder or any other person as the registered shareholder, if applicable, with respect to the Shares comprised in any Share Amount in any register of shareholders of the Share Company.]<sup>63</sup>

### 3. MARKET DISRUPTION [AND SETTLEMENT DISRUPTION]<sup>64</sup>

(a) [Market Disruption]<sup>65</sup>

If in the determination of the Calculation Agent, a Market Disruption Event [or an Emerging Market Disruption Event] has occurred on the Valuation Date[ or the Issuer Call Date], then the Valuation Date[ or the Issuer Call Date, as the case may be], shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event [or no Emerging Market Disruption Event], unless the Calculation Agent determines that there is a Market Disruption Event [or an Emerging Market Disruption Event] occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event [or the Emerging Market Disruption Event]) would have been the Valuation Date[ or the Issuer Call Date, as the case may be]. In that case (i) the last day of the Relevant Number of Trading Days shall be deemed to be the Valuation Date[ or the Issuer Call Date, as the case may be] (regardless of the Market Disruption Event [or the Emerging Market Disruption Event]); and (ii) the Calculation Agent shall determine the relevant Reference Price. If a Market Disruption Event [or

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<sup>62</sup> In case of physical settlement.

<sup>63</sup> In case of physical settlement.

<sup>64</sup> In case of physical settlement.

<sup>65</sup> In case of physical settlement.

an Emerging Market Disruption Event] constitutes also an Adjustment Event in accordance with Product Condition 4 and the Calculation Agent makes an adjustment in accordance with Product Condition 4, the provisions relating to the Market Disruption [or the Emerging Market Disruption] shall not be applicable with respect to this event as of the effective date of the adjustment.

(b) **“Market Disruption Event”** means:

- (i) **Moratorium.** A general moratorium is declared with respect to banking activities in the country in which the Exchange or any Related Exchange is located; or
- (ii) **Trading Limitation.** The occurrence or existence on any Trading Day during the one hour period that ends at the official close of trading on the Exchange or any Related Exchange of any suspension of or limitation imposed on trading or the disruption or impairment in the ability of market participants in general to effect transactions (by reason of movements in price reaching or exceeding limits permitted by the relevant exchange or otherwise):
  - (A) in the Shares on the Exchange or any other exchange on which the Shares are listed; or
  - (B) in any options contracts or futures contracts or other derivatives contracts relating to the Shares on any Related Exchange,if, in the determination of the Calculation Agent, such suspension or limitation is material; or
- (iii) **Other Events.** Any other event similar to any of the above which could make it impracticable or impossible for the Issuer to perform its obligations with respect to the Securities.

In any event, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange or any Related Exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange or any Related Exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

*[Insert supplemental or alternative market disruption events, if applicable]*

*[Insert in case the Share is related to one or more emerging market(s):*

- (c) **“Emerging Market Disruption Event”** means:
- (i) **Moratorium.** A general moratorium is declared with respect to banking activities in the principal financial centre of the Relevant Currency (as defined below); or
  - (ii) **Exchange Rate Source Disruption.** It becomes impossible to obtain the Relevant Currency Exchange Rate (as defined below), if relevant, on any relevant date in the inter-bank market; or
  - (iii) **Governmental Default.** With respect to any security issued by, any indebtedness for money borrowed by, or any guarantee given by any Governmental Authority (as defined below), there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) with respect to any such security, indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due with respect to any such security, indebtedness for money borrowed or guarantee, or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due with respect to any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or
  - (iv) **Inconvertibility/Non-transferability.** The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate (if relevant) through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such country or the Relevant Currency between accounts in such country or to a party that is a non-resident of such country; or
  - (v) **Nationalisation.** Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or

- (vi) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate (if relevant) for an amount which the Issuer determines to be necessary to discharge its obligations under the Securities; or
- (vii) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or
- (viii) Imposition of Tax/Levy. The imposition of any tax and/or levy with punitive character in the country of the principal financial centre of the Relevant Currency with respect to (A) any transactions (including derivatives transactions) related to the Relevant Currency, or any transactions denominated in the Relevant Currency related to the Shares (the “**Relevant Transactions**”); or (B) accounts in which the Relevant Transactions are held or are permitted to be held; or (C) any interest income received from Relevant Transactions; or (D) any capital gains resulting from Relevant Transactions; or
- (ix) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency; or
- (x) Other Events. Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations with respect to the Securities.

“**Governmental Authority**” means any *de facto* or *de jure* government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate (if relevant).

“**Relevant Currency**” means the Settlement Currency, the lawful currency in which a Share is denominated from time to time, or the lawful currency of the country in which the Exchange is located, provided that the Relevant Currency shall not include any lawful currency that is a Standard Currency (as defined below).

“**Relevant Currency Exchange Rate**” means each rate of exchange between the Relevant Currency and the Settlement Currency.

“**Standard Currency**” means the lawful currency of [Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, The Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States][●.]

[Insert supplemental or alternative emerging market disruption events, if applicable]

[(c)][(d)] Settlement Disruption. If the Securities provide for the delivery of the Share Amount and prior to the delivery of the Share Amount with respect to any Security, in the determination of the Calculation Agent, a Settlement Disruption Event has occurred, then the Maturity Date shall be postponed to the first following Business Day on which no Settlement Disruption Event is subsisting. If the delivery of the Share Amount is not practicable by reason of a Settlement Disruption Event, then in lieu of delivery of the Share Amount and notwithstanding any other provision hereof the Issuer may determine to satisfy its obligations with respect to the relevant Security by payment of the Disruption Cash Settlement Price not later than on the [third][●] Business Day following the date on which notice of such determination is given to the Securityholders in accordance with General Condition 3. No Securityholder or any other person shall be entitled to any payment (including but not limited to interest) with respect to a Security in the event of any delay in the delivery of the Share Amount relating thereto due to the occurrence of a Settlement Disruption Event and no liability with respect thereto shall attach to the Issuer.

“**Disruption Cash Settlement Price**” means the amount determined by the Issuer as the fair market value of each Security on such day as determined by the Issuer less the cost to the Issuer of unwinding any transaction entered into in order to hedge entirely or in part its obligations under the Securities.

“**Settlement Disruption Event**” means, in the determination of the Issuer, an event beyond the control of the Issuer as a result of which the Issuer cannot make delivery of the Share Amount in accordance with such market method as it determines at the relevant time for delivery of the Share Amount.<sup>66</sup>

[(c)][(d)] Each and any of the Calculation Agent’s [and the Issuer’s]<sup>67</sup> determinations under this Product Condition 3 shall be made exercising reasonable discretion (*billiges Ermessen*) and be notified to the Securityholders in accordance with General Condition 3.

#### 4. ADJUSTMENTS

- (a) Following a declaration by the Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so (in this case an “**Adjustment Event**”), will:
  - (i) make adjustments, if any, to any one or more of the Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative effect; and

<sup>66</sup> In case of physical settlement.

<sup>67</sup> In case of physical settlement.



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

*[Insert supplemental or alternative potential adjustment events, if applicable]*

- (c) De-listing, Merger Event, Nationalisation and Insolvency. If a De-listing, Merger Event, Nationalisation or Insolvency occurs in relation to the Share Company (each also an **“Adjustment Event”**), the Issuer may determine to take the action described in (i) or (ii) below:
- (i) require the Calculation Agent to determine the adjustment, if any, to be made to any terms of these Conditions to account for the De-listing, Merger Event, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment; or
  - (ii) terminate the Securities by giving notice to the Securityholders in accordance with General Condition 3. If the Securities are to be terminated, the Issuer shall pay to each Securityholder with respect to each Security held by such Securityholder an amount determined by the Issuer as the fair market value of the Security immediately prior to such termination (taking into account the De-listing, Merger Event, Nationalisation or Insolvency, as the case may be)

less the cost to the Issuer of unwinding any transaction entered into in order to hedge entirely or in part its obligations under the Securities (including but not limited to any equity options or selling or otherwise realising any Shares or other instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements) (the “**Termination Amount**”). The Termination Amount shall be notified to the Securityholders by the Issuer in accordance with General Condition 3. The Issuer shall pay the Termination Amount for each Security to the Clearing Agent for credit to the account of the Securityholder.

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

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

“**Merger Event**” means any (i) reclassification of or change to the Shares of a Share Company that results in a transfer of or an irrevocable commitment to transfer all outstanding Shares of such Share Company; (ii) consolidation, amalgamation or merger of a Share Company with or into another entity (other than a consolidation, amalgamation or merger in which such Share Company is the continuing entity and which does not result in any such reclassification of or change to all the outstanding Shares of a Share Company); or (iii) other take-over offer for the Shares of a Share Company that results in a transfer of, or an irrevocable commitment to transfer, the Shares of a Share Company (other than any such Shares owned or controlled by the offeror), in each case if the Merger Date is on or before the Valuation Date[ or the Issuer Call Date, as the case may be].

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

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

- (d) Each and any of the Calculation Agent’s and the Issuer’s determinations and adjustments under this Product Condition 4 shall be made exercising reasonable discretion (*billiges Ermessen*) and be notified to the Securityholders in accordance

with General Condition 3. In exercising such reasonable discretion, the Calculation Agent and the Issuer may (but are under no obligation to) take into account the adjustments made by any Related Exchange to options contracts or futures contracts or other derivatives contracts on the Shares traded on such Related Exchange. Furthermore, the occurrence of a Potential Adjustment Event, a De-listing, a Merger Event, a Nationalisation, or an Insolvency (if any) shall be notified to the Securityholders in accordance with General Condition 3, provided that such an event shall trigger any adjustment or termination under this Product Condition 4.

## 5. EARLY TERMINATION AND EVENT OF DEFAULT TERMINATION

- (a) Early Termination. The Issuer shall have the right to terminate the Securities if it has determined in its reasonable discretion (*billiges Ermessen*) that its performance thereunder is or will become unlawful in whole or in part as a result of compliance in good faith by the Issuer with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power (the “**Applicable Law**”). In such circumstances the Issuer shall, however, if and to the extent permitted by the Applicable Law, pay to each Securityholder with respect to each Security held by such Securityholder an amount determined by the Issuer in its reasonable discretion (*billiges Ermessen*) as the fair market value of the Security immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any transaction entered into in order to hedge entirely or in part its obligations under the Securities (the “**Early Termination Amount**”). [*Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert: Any such amount to be paid shall not be less than the present value of the minimum assured return of principal and/or interest, such present value being determined by the Calculation Agent in its reasonable discretion (billiges Ermessen).*] The Early Termination Amount shall be notified to the Securityholders by the Issuer in accordance with General Condition 3. The Issuer shall pay the Early Termination Amount for each Security to the Clearing Agent for credit to the account of the Securityholder.
- (b) Event of Default Termination. Upon the occurrence of an Event of Default, the Securities will terminate automatically and the Security Trustee will give notice to the Securityholders via the relevant Clearing Agents. [An Event of Default termination will override an Issuer Call and/or due exercise if the Event of Default occurs prior to the Issuer Call Date or the Valuation Date, as the case may be. ]In case of an Event of Default the Security Trustee shall make available the proceeds of the sale or other disposal of the Collateral in accordance with clause 11 of the Security Trust Deed to the Default Paying Agent for distribution to the Securityholders via the relevant Clearing Agents in accordance with clause 14 of the Security Trust Deed. Each

Securityholder's right to claim from the Issuer payment of any difference between such distribution and the fair market value of the Security as of the date of the Event of Default shall remain unaffected.

## 6. HEDGING DISRUPTION

- (a) Hedging Disruption Event. A "**Hedging Disruption Event**" shall occur if any of the following or a similar event occurs:
- (i) any material illiquidity in the market with respect to (A) the Shares or (B) instruments related to the Shares used by the Issuer to hedge entirely or in part its obligations under the Securities; or
  - (ii) a change in any Applicable Law (including, without limitation, any tax law) or in the interpretation of any Applicable Law by any court, regulatory authority or other authority with competent jurisdiction under the Applicable Law (including any action taken by a taxing authority) having an impact on the Securities or on a transaction to hedge entirely or in part the obligations of the Issuer under the Securities (a "**Relevant Hedging Transaction**"); or
  - (iii) a material decline in the creditworthiness of a party with whom the Issuer has entered into any Relevant Hedging Transaction; or
  - (iv) the general unavailability of: (A) market participants who will agree to enter into a Relevant Hedging Transaction; or (B) market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.
- (b) Consequences. The Issuer, in the event of a Hedging Disruption Event, may determine to:
- (i) terminate the Securities. In such circumstances the Issuer shall, if and to the extent permitted by the Applicable Law, pay to each Securityholder with respect to each Security held by such Securityholder an amount determined by the Issuer as the fair market value of the Security immediately prior to such termination less the cost to the Issuer of unwinding any transaction entered into in order to hedge entirely or in part its obligations under the Securities (the "**Hedging Disruption Termination Amount**"); *Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert: however, any such amount to be paid shall not be less than the present value of the minimum assured return of principal and/or interest, such present value being determined by the Calculation Agent].* The Issuer shall pay the Hedging Disruption Termination Amount for

each Security to the Clearing Agent for credit to the account of the Securityholder;

- (ii) replace the Share by another share;
  - (iii) make any other adjustment to the Conditions in order to maintain the theoretical value of the Securities after adjusting for the relevant Hedging Disruption Event. [*Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert: Any such adjustment will in no way affect the Issuer's obligations to make payment to the Securityholders not less than the minimum assured return of principal and/or interest.*]
- (c) Each and any of [the Calculation Agent's and] the Issuer's determinations and adjustments under this Product Condition 6 shall be made exercising reasonable discretion (*billiges Ermessen*) and be notified to the Securityholders in accordance with General Condition 3.

## 7. RESIGNATION OR TERMINATION OF APPOINTMENT OF SECURITY TRUSTEE OR CUSTODIAN

- (a) Security Trustee. The Issuer shall give notice of any resignation or termination of appointment of the Security Trustee as well as of the appointment of a successor Security Trustee pursuant to clause 16.1 of the Security Trust Deed to the Securityholders in accordance with General Condition 3 no later than the effective day of such event.
- (b) Custodian. The Issuer shall give notice of any resignation or termination of appointment of the Custodian paragraph to clause 11 of Schedule 5 to the Security Trust Deed to the Securityholders in accordance with General Condition 3 no later than 30 days prior to the effective day of such resignation or termination. Furthermore, it shall give notice to the Securityholders in accordance with General Condition 3 of the appointment of a successor Custodian immediately following appointment thereof, no later than the effective day of such appointment. If a successor Custodian has not been appointed in accordance with paragraph 11 of Schedule 5 to the Security Trust Deed no later than the effective day of the resignation or termination of appointment of the previous Custodian, each Securityholder shall be entitled to terminate its Securities in whole or in part by delivery of a termination notice in accordance with Product Condition 7 (c) and (d) (the "**Termination Notice**") to the Principal Paying Agent (the "**Custodian Related Termination Right**") within the period commencing on the effective day (including) of the resignation or termination of appointment of the Custodian and ending on the 30<sup>th</sup> day (including) following the day on which the Issuer has given notice to the

Securityholders in accordance with General Condition 3 that no Custodian has been appointed in accordance with paragraph 11 of Schedule 5 to the Security Trust Deed. The Custodian Related Termination Right shall cease to exist if a successor Custodian has been appointed in accordance with paragraph 11 of Schedule 5 to the Security Trust Deed prior to the Termination Notice being delivered to the Principal Paying Agent by the Securityholder. In case of a valid exercise of the Custodian Related Termination Right by the Securityholder, the Issuer shall pay the fair market value of the Security immediately prior to the effectiveness of the resignation or termination of appointment of the Custodian, as the case may be, for each Security with respect to which a Termination Notice has been delivered (the “**Custodian Related Termination Amount**”) to the account specified in the relevant Termination Notice. [*Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert: Any such amount to be paid shall not be less than the present value of the minimum assured return of principal and/or interest, such present value being determined by the Calculation Agent in its reasonable discretion (billiges Ermessen).*]

- (c) The form of the Termination Notice may be obtained during normal business hours from the specified office of each Paying Agent.

A Termination Notice shall:

- (i) specify the number of Securities to which it relates;
- (ii) specify the number of the account relating to the Securities to be debited;
- (iii) irrevocably instruct and authorise the Principal Paying Agent to debit such account with such Securities;
- (iv) specify the number of the account to be credited with the Custodian Related Termination Amount (if any) for such Securities;
- (v) certify that neither the person delivering the Termination Notice nor any person on whose behalf the Termination Notice is being delivered is a U.S. person (as defined in Product Condition 2 (d)(i)) or a person within the United States.; and
- (vi) authorise the production of such Termination Notice in any applicable administrative or legal proceedings[;
- [(vii) include an undertaking to pay all Expenses and an irrevocable authority to the Issuer to debit an account of the Securityholder specified in the Termination Notice with respect thereto]<sup>68</sup>[; and]

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<sup>68</sup> In case of physical settlement.

[(viii) specify the Delivery Details]<sup>69</sup>.

- (d) Verification. With respect to each Termination Notice, the relevant Securityholder must provide evidence to the Principal Paying Agent of its holding of the respective Securities.
- (e) Determinations. Subject as set out below, failure properly to complete a Termination Notice in the manner set out above or failure to deliver the Termination Notice in the time specified in this Product Condition 7 shall result in such notice being treated as null and void. The Principal Paying Agent shall use its best efforts promptly to notify the relevant Securityholder if it has determined that a Termination Notice is incomplete. If such Termination Notice is subsequently completely corrected, it shall be deemed to be a new Termination Notice submitted at the time such correction is delivered to the Principal Paying Agent.
- (f) Payment Day. If the date for payment of any amount with respect to the Securities is not a Payment Day, the Securityholder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment with respect to such delay.

## 8. LANGUAGE

The English language of the Conditions shall be binding. Any translations are merely intended for information purposes.

## [9. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

- (a) Redenomination. The Issuer may, without the consent of any Securityholder, on giving notice to the Securityholders in accordance with General Condition 3 elect any or all of the following with effect from the Adjustment Date specified in such notice:
  - (i) where the Settlement Currency is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, such Settlement Currency shall be deemed to be an amount of Euro converted from the original Settlement Currency into Euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide and as may be specified in the notice, and after the Adjustment Date, all payments with respect to the Securities shall be made solely in Euro as though references in the Securities to the Settlement Currency were to Euro;
  - (ii) where the Conditions contain a rate of exchange or any amount in the Conditions is expressed in a National Currency Unit (the “**Original Currency**”) of a country which is participating in the third stage of European

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<sup>69</sup> In case of physical settlement.

Economic and Monetary Union pursuant to the Treaty, such rate of exchange and/or any other terms of the Conditions shall be deemed to be expressed in or, in the case of a rate of exchange, converted into Euro at the Established Rate; and

- (iii) such other changes shall be made to the Conditions as the Issuer may decide to conform them to conventions then applicable to instruments expressed in Euro.
- (b) **Adjustment to Conditions.** The Issuer may, without the consent of the Securityholders, on giving notice to the Securityholders in accordance with General Condition 3 make such adjustments to the Conditions as the Issuer may determine in its reasonable discretion (*billiges Ermessen*) to be appropriate to account for the effect of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Conditions.
- (c) **Euro Conversion Costs.** Notwithstanding Product Condition 9(a) and/or Product Condition 9(b), none of the Issuer, the Calculation Agent nor any Paying Agent shall be liable to any Securityholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of Euro or any currency conversion or rounding effected in connection therewith.
- (d) **Definitions Relating to European Economic and Monetary Union.** In this Product Condition, the following expressions have the meanings set out below.

**“Adjustment Date”** means a date specified by the Issuer in the notice given to the Securityholders pursuant to this Condition which falls on or after the date on which the country of the Original Currency or, as the case may be, the Settlement Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

**“Established Rate”** means the rate for the conversion of the Original Currency or, as the case may be, the Settlement Currency (including compliance with rules relating to rounding in accordance with applicable European community regulations) into Euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

**“National Currency Unit”** means the unit of the currency of a country as those units are defined on the day before the country first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty; and

**“Treaty”** means the treaty establishing the European Community, as amended.]

[9][10]. **APPLICABLE LAW, PLACE OF PERFORMANCE AND PLACE OF JURISDICTION**

- (a) **Applicable Law.** The Conditions, other than the Security Trust Deed, are governed by and shall be construed in accordance with the laws of the [Federal Republic of



Germany][●]. The Security Trust Deed is governed by and shall be construed in accordance with English law.

- (b) Place of Performance. Place of performance shall be [Frankfurt am Main, Germany][●].
- (c) Place of Jurisdiction. To the extent legally possible, the [regional court (*Landgericht*) of Frankfurt am Main][●] shall have jurisdiction to settle any dispute arising from or in connection with the Securities.

#### [10][11]. SEVERABILITY

Should any provision of the Conditions be or become wholly or partly invalid, the remaining provisions shall remain valid. The invalid provision shall be replaced by a valid provision which reflects the economic purpose of the invalid provision as far as legally possible.

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**CONDITIONS: PRODUCT CONDITIONS**  
**RELATING TO STRATEGY EXCHANGE TRADED [COMMODITIES]<sup>70</sup>[NOTES]<sup>71</sup> WITH A FIXED**  
**MATURITY**

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*The Product Conditions which follow relate to the Securities and must be read in conjunction with the General Conditions attached to the Product Conditions. The General Conditions and the Product Conditions together constitute the Conditions of the Securities [and will be attached to the Global Security representing the Securities]<sup>72</sup>.*

1. DEFINITIONS

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

**“Calculation Agent”** means ●, subject to a replacement pursuant to General Condition 8;

**“Cash Amount”** means, subject to an adjustment in accordance with Product Condition 4, an amount [(which shall be deemed to be a monetary value in the Underlying Currency)] calculated by the Calculation Agent in accordance with the following formula, less Expenses (if any):

●.

[The Cash Amount shall not be less than zero. The Cash Amount shall be converted into the Settlement Currency at the Exchange Rate and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards, if necessary][The Cash Amount shall not be less than zero and shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards, if necessary];

**“Clearing Agent”** means ●;

**“Custodian”** means JPMorgan Chase Bank, N.A., London Branch or any successor custodian appointed by the Issuer pursuant to the Security Trust Deed;

**“Day Count Fraction”** means [the number of calendar days from (but excluding) the immediately preceding Trading Day to (and including) the relevant Trading Day, divided by 360][●];]

**“Default Paying Agent”** means BNP Securities Services, Frankfurt Branch;

**“Emerging Market Disruption Event”** means each event specified in Product Condition 3;]

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<sup>70</sup> In case of Securities with a commodity strategy as underlying.

<sup>71</sup> In case of Securities with any strategy other than a commodity strategy as underlying.

<sup>72</sup> In case of Securities represented by a Global Security.

“**Event of Default**” means the occurrence of an Event of Default as defined in clause 10 of the Security Trust Deed;

“**Exchange**” means [each exchange or quotation system from which the Strategy Sponsor takes the prices of the Strategy Components to compute the Strategy or any successor to such exchange or quotation system][●];

[“**Exchange Rate**” means [the rate of exchange between the Underlying Currency and the Settlement Currency as determined by the Calculation Agent [at or about the Valuation Time] [on the Valuation Date [or the Issuer Call Date,] [or the Strategy Early Termination Date,] [as the case may be,]] by reference to [●<sup>73</sup> (or a successor page) or, if the rate of exchange is not published on such page on such day, the exchange rate determined by the Calculation Agent in its reasonable discretion (*billiges Ermessen*) and notified to the Securityholders in accordance with General Condition 3][such sources as the Calculation Agent may determine in its reasonable discretion (*billiges Ermessen*) to be appropriate at such time and notifies to the Securityholders in accordance with General Condition 3]] [●];]

“**Exercise Date**” means ● or, if this day is not a Business Day, the first succeeding Business Day;

[“**Exercise Time**” means ●;]

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise with respect to such Security;

[“**Final Reference Price**” means, subject to Product Conditions 3 and 4, [the Reference Price on the Valuation Date[ or the Issuer Call Date, as the case may be,] [or the Strategy Early Termination Date, as the case may be]][●];]

[“**Global Security**” has the meaning given in General Condition 2;]<sup>74</sup>

[“**Initial Reference Price**” means ●, subject to an adjustment in accordance with Product Condition 4;]

[“**Interest Amount**” means with respect to an Interest Period an amount calculated by the Calculation Agent in accordance with the following formula:

$$\text{Nominal Amount} \times \text{Interest Rate} \times \text{Interest Rate Day Count Fraction};]$$

[“**Interest Payment Date**” means ●<sup>75</sup>;]

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<sup>73</sup> Insert relevant page.

<sup>74</sup> In case of Securities represented by a Global Security.

<sup>75</sup> Do not specify “Maturity Date” as final Interest Payment Date.

["**Interest Period**" means the period commencing on (and including) the Issue Date until (and excluding) the first Interest Payment Date and each period commencing on (and including) an Interest Payment Date until (and excluding) the next following Interest Payment Date;]

["**Interest Rate**" means  $\bullet$ <sup>76</sup>];

["**Interest Rate Day Count Fraction**" means  $\bullet$ ];

"**Issue Date**" means  $\bullet$ ;

"**Issuer**" means The Royal Bank of Scotland N.V., a bank incorporated in The Netherlands with its statutory seat in Amsterdam acting through its [principal office in The Netherlands][branch in  $\bullet$ ];

["**Issuer Call**" means the termination of the Securities by the Issuer in accordance with Product Condition 2;]

["**Issuer Call Commencement Date**" means  $\bullet$ ];

["**Issuer Call Date**" means the day specified in the notice delivered by the Issuer in accordance with Product Condition 2 or, if such day is not a Trading Day, the first succeeding Trading Day, subject to a postponement in accordance with Product Condition 3;]

["**Issuer Call Notice Period**" means  $\bullet$ ];

["**Launch Date**" means  $\bullet$ ];

"**Market Disruption Event**" means each event specified in Product Condition 3;

"**Maturity Date**" means  $\bullet$ ;

["**Multiplier**" means  $\bullet$ , subject to an adjustment in accordance with Product Condition 4;]

"**Nominal Amount**" means  $\bullet$ ;

"**Paying Agent**" means  $\bullet$  and shall include any other Paying Agent appointed pursuant to the provisions of General Condition 8 as well as the Principal Paying Agent;

"**Payment Day**" means [a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is Euro, any day on which the Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) is open][ $\bullet$ ];

["**Pricing Date**" means  $\bullet$ . In the event the Issuer determines that due to adverse market conditions a commercially reasonable pricing (the "Pricing") is not possible on such day, the Pricing Date shall be postponed to such day on which the Issuer determines that a Pricing is possible. Each and any of the Issuer's determinations with respect to the Pricing Date shall be

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<sup>76</sup> Specify fixed interest rate, floating interest rate, or structured interest rate.

made exercising reasonable discretion (*billiges Ermessen*) and be notified to the Securityholders in accordance with General Condition 3;]

**“Principal Paying Agent”** means •, subject to a replacement pursuant to General Condition 8;

**“Reference Price”** means, with respect to any day (a **“Reference Day”**), an amount (which shall be deemed to be a monetary value in the Underlying Currency) equal to the level of the Strategy published on [• page • (or on a page replacing such page)][•] at or about the Valuation Time on such Reference Day without regard to any subsequently published correction or (if no such level is published and no Market Disruption Event [and no Emerging Market Disruption Event] has occurred and is continuing) an amount corresponding to the level determined by the Calculation Agent in its reasonable discretion (*billiges Ermessen*) as the level of the Strategy at or about the Valuation Time on such Reference Day and notified to the Securityholders in accordance with General Condition 3. [[If, with respect to a Valuation Date[ or the Issuer Call Date,][or the Strategy Early Termination Date,] [as the case may be,] only, any Strategy Component closes “limit up” or “limit down” on the Exchange on such Valuation Date[ or the Issuer Call Date,][or the Strategy Early Termination Date,] [as the case may be], the level of the Strategy for the relevant Valuation Date[ or the Issuer Call Date,][or the Strategy Termination Date,] [as the case may be,] will be adjusted to reflect the first succeeding non-limit closing price of the relevant Strategy Component on the Exchange.] [•]]<sup>77</sup> If a Market Disruption Event [or an Emerging Market Disruption Event] occurs on any Reference Day other than on a Valuation Date[ or an Issuer Call Date] [or an Strategy Early Termination Date], Product Condition 3 shall apply accordingly with respect to such Reference Day;

**“Related Exchange”** means each options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Strategy Components are traded;

**“Relevant Number of Trading Days”** means •;

**“Securities”** means •, collateralised in accordance with the Security Trust Deed;

**“Security Trust Deed”** means the debenture and security trust deed dated 18 February 2010 entered into, among others, the Issuer, the Security Trustee, the Default Paying Agent and the Custodian, as amended, supplemented or novated from time to time before the Issue Date. The Security Trust Deed is incorporated by reference into the Product Conditions and forms an integral part of the Product Conditions. The Security Trust Deed sets out the arrangements in relation to the creation and maintenance of security for the Issuer's obligations under or in respect of the Securities. A copy of the Security Trust Deed is set forth in the base prospectus dated 14 May 2010 relating to the issuance of exchange traded notes

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<sup>77</sup> In case of Securities where any of the strategy components is a commodity future contract.

and exchange traded commodities with a fixed maturity as supplemented pursuant to Section 16(1) the German Securities Prospectus Act (*Wertpapierprospektgesetz*);

“**Security Trustee**” means BNP Paribas Trust Corporation (UK) Limited or any successor security trustee appointed by the Issuer pursuant to the Security Trust Deed;

“**Securityholder**” has the meaning given in General Condition 2;

“**Series**” means •;

“**Settlement Currency**” means •;

“**Strategy**” means •, subject to an adjustment in accordance with Product Condition 4;

“**Strategy Components**” means [the securities or other financial instruments that comprise the basket as specified in the strategy rules attached to the Product Conditions][•], subject to an adjustment in accordance with Product Condition 4;

[“**Strategy Early Termination Date**” means the day on which the Strategy Early Termination Event occurs or, if such day is not a Trading Day, the first succeeding Trading Day, subject to a postponement in accordance with Product Condition 3;]

[“**Strategy Early Termination Event**” means [the occurrence of the event that the total number of Strategy Components comprised in the Strategy is less than the minimum number of Strategy components, as specified in the strategy rules attached to the Product Conditions][•];]

“**Strategy Sponsor**” means [the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Strategy and (b) announces (directly or through an agent) the level of the Strategy on a regular basis during each Trading Day][•] and references to the Strategy Sponsor shall include any successor Strategy sponsor pursuant to Product Condition 4;

“**Trading Day**” means [any day on which the Strategy Sponsor should calculate and announce the closing level of the Strategy according to its rules][•];

“**Underlying Currency**” means •;

“**Valuation Date**” means •. If this day is not a Trading Day, the Valuation Date shall be the first succeeding Trading Day. The Valuation Date shall be subject to a postponement in accordance with Product Condition 3; and

“**Valuation Time**” means the time with reference to which the Strategy Sponsor calculates the [closing level][•] of the Strategy, or such other time as the Issuer may determine in its reasonable discretion (*billiges Ermessen*) and notify to the Securityholders in accordance with General Condition 3.

[Insert supplemental or alternative definitions, if applicable]

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

## 2. RIGHTS AND PROCEDURES

- (a) Securityholder's Right. The Issuer, subject to an early termination [other than in accordance with Product Condition 5(b)], hereby grants the holder of each Security the right to demand [(i)] payment of the Cash Amount on the Maturity Date [either (A)] [(a)] upon automatic exercise in accordance with Product Condition 2(b), provided that a certification (a "**Certification**") has been delivered to the Principal Paying Agent in accordance with Product Condition 2(d) [, (b) upon termination pursuant to an Issuer Call in accordance with Product Condition 2(e), or (c) upon due exercise by the Securityholder in accordance with Product Condition 2(f) and (g)] [, or (B) in case of an Strategy Early Termination Event in accordance with Product Condition 5(b)] [and (ii) payment of the Interest Amount on [each][the] Interest Payment Date].
- (b) Automatic Exercise. The Securities shall be deemed to be automatically exercised on the Exercise Date.
- (c) Interest Accrual. [The Securities shall cease to accrue interest from and including the [final] Interest Payment Date. This shall also apply if the payment of the Cash Amount is postponed due to a Market Disruption Event [or an Emerging Market Disruption Event.] [No interest shall accrue if the payment of the Cash Amount is postponed due to a Market Disruption Event [or an Emerging Market Disruption Event].]
- (d) Certification. The form of the Certification may be obtained during normal business hours from the specified office of each Paying Agent.

A Certification shall:

- (i) certify that neither the person delivering the Certification nor any person on whose behalf the Certification is being delivered is a U.S. person or a person within the United States. As used herein, "**U.S. person**" means (A) an individual who is a resident or a citizen of the United States; (B) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (C) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (D) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (E) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (B) above; (F) any entity organised principally for passive investment, 10 per cent or more of the beneficial interests in which are held by persons described in (A) to (E) above

if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. persons; or (G) any other "U.S. person" as such term may be defined in Regulation S under the United States Securities Act of 1933, as amended, or in regulations adopted under the United States Commodity Exchange Act; and

- (ii) authorise the production of such Certification in any applicable administrative or legal proceedings.
- [(e) Issuer Call. The Issuer may terminate, subject to a valid exercise in accordance with Product Condition 2(f) and (g), the Securities, in whole but not in part on any Business Day, by giving notice to the Securityholders not less than the Issuer Call Notice Period, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 3, and shall specify the Issuer Call Date.
- (f) Securityholder's Exercise and Notice. The Securities are exercisable by delivery of a duly completed notice (a "**Notice**") which shall be received by the Principal Paying Agent prior to the Exercise Time on the Exercise Date. The form of the Notice may be obtained during normal business hours from the specified office of each Paying Agent.
- (i) A Notice shall:
  - (ii) specify the number of Securities to which it relates;
  - (iii) specify the number of the account relating to the Securities to be debited;
  - (iv) irrevocably instruct and authorise the Principal Paying Agent to debit on or before the Maturity Date such account with such Securities;
  - (v) specify the number of the account to be credited with any amounts due under the Product Conditions for such Securities;
  - (vi) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person (as defined in Product Condition 2 (d)(i)) or a person within the United States; and
  - (vii) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (g) Verification. With respect to each Notice, the relevant Securityholder must provide evidence to the Principal Paying Agent of its holding of the respective Securities.]
- [(e)][(h)] [Determinations. Subject as set out below, failure properly to complete a Notice in the manner set out above or failure to deliver the Notice up to the time specified in



this Product Condition 2 shall result in such notice being treated as null and void. The Principal Paying Agent shall use its best efforts promptly to notify the relevant Securityholder if it has determined that a Notice is incomplete. If such Notice is subsequently completely corrected, it shall be deemed to be a new Notice submitted at the time such correction is delivered to the Principal Paying Agent.] The Principal Paying Agent shall use its best efforts promptly to notify the relevant Securityholder if it has determined that a Certification is incomplete.

[(f)][(i)] Settlement. The Issuer shall pay the [(i)]Cash Amount [(a)] for each Security with respect to which a Certification has been delivered to the Clearing Agent for credit to the account of the Securityholder[, (b) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice, and (c) in the event of an Issuer Call to the Clearing Agent for credit to the account of the Securityholder[, and (ii) any Interest Amount to the Clearing Agent for credit to the account of the Securityholder]].

[(g)][(j)] Payment Day. If the date for payment of any amount with respect to the Securities is not a Payment Day, the Securityholder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment with respect to such delay.

### 3. MARKET DISRUPTION

(a) If in the determination of the Calculation Agent a Market Disruption Event [or an Emerging Market Disruption Event] has occurred on the Valuation Date[, or the Issuer Call Date,] [or the Strategy Early Termination Date,] then the Valuation Date[ , or the Issuer Call Date,] [or the Strategy Early Termination Date,] [as the case may be,] shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event [or no Emerging Market Disruption Event], unless the Calculation Agent determines that there is a Market Disruption Event [or an Emerging Market Disruption Event] occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event [or the Emerging Market Disruption Event]) would have been the Valuation Date[ , or the Issuer Call Date,] [or the Strategy Early Termination Date,] [as the case may be]. In that case (i) the last day of the Relevant Number of Trading Days shall be deemed to be the Valuation Date[ or the Issuer Call Date] [or the Strategy Early Termination Date,] [as the case may be] (regardless of the Market Disruption Event [or the Emerging Market Disruption Event]); and (ii) the Calculation Agent shall determine the relevant Reference Price. If a Market Disruption Event [or an Emerging Market Disruption Event] constitutes also an adjustment event in accordance with Product Condition 4 and the Calculation Agent makes an adjustment in accordance with Product Condition 4, the provisions relating to the Market

Disruption [or the Emerging Market Disruption] shall not be applicable with respect to this event as of the effective date of the adjustment.

(b) **“Market Disruption Event”** means:

- (i) Moratorium. A general moratorium is declared with respect to banking activities in the country in which any Exchange or any Related Exchange is located; or
- (ii) Trading Limitation. The occurrence or existence on any Trading Day during the one hour period that ends at the official close of trading on any Exchange or any Related Exchange of any suspension of or limitation imposed on trading (by reason of movements in price reaching or exceeding limits permitted by the relevant exchange or otherwise) [on any Exchange(s) in Strategy Components that comprise 20 per cent or more of the level of the Strategy (as determined by the Calculation Agent) if, in the determination of the Calculation Agent, such suspension or limitation is material. For the purpose of determining whether such suspension or limitation is material, if trading in an Strategy Component is suspended or limited at that time, then the relevant percentage contribution of that Strategy Component to the level of the Strategy shall be based on a comparison of (x) the portion of the level of the Strategy attributable to that Strategy Component relative to (y) the overall level of the Strategy, in each case immediately before that suspension or limitation][●],

In any event, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of any Exchange or Related Exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by any Exchange or Related Exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

*[Insert supplemental or alternative market disruption events, if applicable]*

*[Insert in case the Strategy or any Strategy Component is related to one or more emerging market(s):*

(c) **“Emerging Market Disruption Event”** means:

- (i) Moratorium. A general moratorium is declared with respect to banking activities in the principal financial centre of the Relevant Currency (as defined below); or

- (ii) Exchange Rate Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate (as defined below), if relevant, on any relevant date in the inter-bank market; or
- (iii) Governmental Default. With respect to any security issued by, any indebtedness for money borrowed by, or any guarantee given by any Governmental Authority (as defined below), there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) with respect to any such security, indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due with respect to any such security, indebtedness for money borrowed or guarantee, or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due with respect to any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or
- (iv) Inconvertibility/Non-transferability. The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate (if relevant) through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such country or the Relevant Currency between accounts in such country or to a party that is a non-resident of such country; or
- (v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or
- (vi) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate (if relevant) for an amount which the Issuer determines to be necessary to discharge its obligations under the Securities; or

- (vii) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or
- (viii) Imposition of Tax/Levy. The imposition of any tax and/or levy with punitive character in the country of the principal financial centre of the Relevant Currency with respect to (A) any transactions (including derivatives transactions) related to the Relevant Currency, or any transactions denominated in the Relevant Currency related to the Strategy or any Strategy Component (the “**Relevant Transactions**”); or (B) accounts in which the Relevant Transactions are held or are permitted to be held; or (C) any interest income received from Relevant Transactions; or (D) any capital gains resulting from Relevant Transactions; or
- (ix) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency; or
- (x) Other Events. Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations with respect to the Securities.

“**Governmental Authority**” means any *de facto* or *de jure* government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate (if relevant).

“**Relevant Currency**” means the Settlement Currency, the lawful currency in which the Strategy or any Strategy Component is denominated from time to time, or the lawful currency of the country in which an Exchange is located, provided that the Relevant Currency shall not include any lawful currency that is a Standard Currency (as defined below).

“**Relevant Currency Exchange Rate**” means each rate of exchange between the Relevant Currency and the Settlement Currency.

“**Standard Currency**” means the lawful currency of [Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, The Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States][•.]

[Insert supplemental or alternative emerging market disruption events, if applicable]

[(c)][(d)] Each and any of the Calculation Agent's determinations under this Product Condition 3 shall be made exercising reasonable discretion (*billiges Ermessen*) and be notified to the Securityholders in accordance with General Condition 3.

#### 4. ADJUSTMENTS

- (a) If the Strategy is (A) not calculated and announced by the Strategy Sponsor but is calculated and announced by a successor to the Strategy Sponsor (the "**Successor Sponsor**") acceptable as determined by the Calculation Agent; or (B) replaced by a successor strategy using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Strategy, then (in either case) the Strategy will be deemed to be the Strategy so calculated and announced by such Successor Sponsor or that successor strategy, as the case may be.
- (b) If (A) on or prior to the Valuation Date[, or the Issuer Call Date,] [or the Strategy Early Termination Date,] [as the case may be,] the Strategy Sponsor or, if applicable, the Successor Sponsor, makes a material change in the formula for, or the method of, calculating the Strategy or in any other way materially modifies the Strategy (other than a modification prescribed in that formula or method to maintain the Strategy in the event of changes in Strategy Components and other routine events); or (B) on the Valuation Date[, or the Issuer Call Date,] [or the Strategy Early Termination Date,] [as the case may be,] the Strategy Sponsor or, if applicable, the Successor Sponsor fails to calculate and/or announce the Strategy, then (in either case) the Calculation Agent shall determine the relevant Reference Price using, in lieu of an announced level for the Strategy on the Valuation Date[, or the Issuer Call Date,] [or the Strategy Early Termination Date,] [as the case may be,] the level for the Strategy as determined by the Calculation Agent in accordance with the formula for and method of calculating the Strategy last in effect prior to the change or failure, but using only those Strategy Components that comprised the Strategy immediately prior to the change or failure (other than those Strategy Components that have since ceased to be listed on the relevant Exchange or any other exchange on which the Strategy Components are listed) or, in the case of a material modification of the Strategy only, the Calculation Agent shall deem such modified Strategy to be the Strategy so calculated and announced or shall terminate the Securities by giving notice in accordance with General Condition 3.
- (c) If, at any time, any event which is material to the calculation of the Strategy occurs and the Strategy Sponsor or, if applicable, the Successor Sponsor has (as determined by the Calculation Agent) not made an appropriate adjustment to the level of the Strategy in order to account fully for such event, notwithstanding that the rules announced or applied by the Strategy Sponsor or, if applicable, the Successor Sponsor pertaining to the Strategy have been applied, the Calculation Agent shall

make an adjustment to the level of the Strategy. [Where the Strategy Components consist of shares, the occurrence of one of the following events may trigger such an adjustment in accordance with this Product Condition 4(c): (A) a distribution or dividend to existing holders of the shares of (i) shares; or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the issuer of the shares equally or proportionately with such payments to holders of shares or (iii) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price; (B) a free distribution or dividend of any shares to existing holders by way of bonus, capitalisation or similar issue; (C) an extraordinary dividend; (D) any cash dividends declared on the shares at a time when the relevant issuer has not previously declared or paid dividends on such shares for the prior four quarterly periods; (E) any non-cash dividends declared on the shares at a time when the relevant issuer has not previously declared or paid dividends on such shares for the prior four quarterly periods; (F) any other extraordinary cash or non-cash dividend on, or distribution with respect to, the shares which is, by its terms or declared intent, declared and paid outside the normal operations or normal dividend procedures of the relevant issuer, provided that, in all cases, the related ex-dividend date occurs during the period from and including the Issue Date up to but excluding the Valuation Date[, or the Issuer Call Date,] [or the Strategy Early Termination Date,] [as the case may be]; (G) a distribution of cash dividends on the shares equal to or greater than 8 per cent per annum of the then current market value of the shares; (H) any other similar event having dilutive or concentrative effect on the theoretical value of the shares.]<sup>78</sup>

- (d) If in the determination of the Calculation Agent any other event has occurred which could make it impracticable or impossible for the Issuer to perform its obligations with respect to the Securities, the Calculation Agent may make adjustments to the Conditions.

*[Insert supplemental or alternative adjustment events, if applicable]*

- (e) Each and any of the Calculation Agent's determinations and adjustments under this Product Condition 4 shall be made exercising reasonable discretion (*billiges Ermessen*) and be notified to the Securityholders in accordance with General Condition 3.

## 5. EARLY TERMINATION AND EVENT OF DEFAULT TERMINATION

- [(a)] Early Termination. The Issuer shall have the right to terminate the Securities if it has determined in its reasonable discretion (*billiges Ermessen*) that its performance thereunder is or will become unlawful in whole or in part as a result of compliance in good faith by the Issuer with any applicable present or future law, rule, regulation,

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<sup>78</sup> Where the Strategy Components are shares.

judgement, order or directive of any governmental, administrative, legislative or judicial authority or power (the “**Applicable Law**”). In such circumstances the Issuer shall, however, if and to the extent permitted by the Applicable Law, pay to each Securityholder with respect to each Security held by such Securityholder an amount determined by the Issuer in its reasonable discretion (*billiges Ermessen*) as the fair market value of the Security immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any transaction entered into in order to hedge entirely or in part its obligations under the Securities (the “**Early Termination Amount**”). [*Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert: Any such amount to be paid shall not be less than the present value of the minimum assured return of principal and/or interest, such present value being determined by the Calculation Agent in its reasonable discretion (billiges Ermessen).*] The Early Termination Amount shall be notified to the Securityholders by the Issuer in accordance with General Condition 3. The Issuer shall pay the Early Termination Amount for each Security to the Clearing Agent for credit to the account of the Securityholder.

[(b) Strategy Early Termination. Upon the occurrence of a Strategy Early Termination Event, the Securities will terminate automatically and the Issuer will give notice to the Securityholders in accordance with General Condition 3. [A Strategy Early Termination Event will override an Issuer Call and/or due exercise if the Strategy Early Termination Event occurs prior to the Issuer Call Date or the Valuation Date, as the case may be. ]In case of an Strategy Early Termination Event the Issuer shall pay the Cash Amount for each Security on the Maturity Date to the Clearing Agent for credit to the account of the Securityholder.]

[(b)] [(c)] Event of Default Termination. Upon the occurrence of an Event of Default, the Securities will terminate automatically and the Security Trustee will give notice to the Securityholders via the relevant Clearing Agents. [An Event of Default termination will override an Issuer Call and/or due exercise if the Event of Default occurs prior to the Issuer Call Date or the Valuation Date, as the case may be. ]In case of an Event of Default the Security Trustee shall make available the proceeds of the sale or other disposal of the Collateral in accordance with clause 11 of the Security Trust Deed to the Default Paying Agent for distribution to the Securityholders via the relevant Clearing Agents in accordance with clause 14 of the Security Trust Deed. Each Securityholder's right to claim from the Issuer payment of any difference between such distribution and the fair market value of the Security as of the date of the Event of Default shall remain unaffected.

## 6. HEDGING DISRUPTION

- (a) Hedging Disruption Event. A “**Hedging Disruption Event**” shall occur if any of the following or a similar event occurs:
- (i) any material illiquidity in the market with respect to (A) the Strategy or any Strategy Components or (B) instruments related to the Strategy or any Strategy Components used by the Issuer to hedge entirely or in part its obligations under the Securities; or
  - (ii) a change in any Applicable Law (including, without limitation, any tax law) or in the interpretation of any Applicable Law by any court, regulatory authority or other authority with competent jurisdiction under the Applicable Law (including any action taken by a taxing authority) having an impact on the Securities or on a transaction to hedge entirely or in part the obligations of the Issuer under the Securities (a “**Relevant Hedging Transaction**”); or
  - (iii) a material decline in the creditworthiness of a party with whom the Issuer has entered into any Relevant Hedging Transaction; or
  - (iv) the general unavailability of: (A) market participants who will agree to enter into a Relevant Hedging Transaction; or (B) market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.
- (b) Consequences. The Issuer, in the event of a Hedging Disruption Event, may determine to:
- (i) terminate the Securities. In such circumstances the Issuer shall if and to the extent permitted by the Applicable Law, pay to each Securityholder with respect to each Security held by such Securityholder an amount determined by the Issuer as the fair market value of the Security immediately prior to such termination less the cost to the Issuer of unwinding any transaction entered into in order to hedge entirely or in part its obligations under the Securities (the “**Hedging Disruption Termination Amount**”); *Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert: however, any such amount to be paid shall not be less than the present value of the minimum assured return of principal and/or interest, such present value being determined by the Calculation Agent].* The Issuer shall pay the Hedging Disruption Termination Amount for each Security to the Clearing Agent for credit to the account of the Securityholder;



- (ii) make an adjustment to the composition of the Strategy or replace the Strategy by another strategy;
  - (iii) make any other adjustment to the Conditions in order to maintain the theoretical value of the Securities after adjusting for the relevant Hedging Disruption Event. [*Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert: Any such adjustment will in no way affect the Issuer's obligations to make payment to the Securityholders not less than the minimum assured return of principal and/or interest.*]
- (c) Each and any of [the Calculation Agent's and] the Issuer's determinations and adjustments under this Product Condition 6 shall be made exercising reasonable discretion (*billiges Ermessen*) and be notified to the Securityholders in accordance with General Condition 3.

## 7. RESIGNATION OR TERMINATION OF APPOINTMENT OF SECURITY TRUSTEE OR CUSTODIAN

- (a) Security Trustee. The Issuer shall give notice of any resignation or termination of appointment of the Security Trustee as well as of the appointment of a successor Security Trustee pursuant to clause 16.1 of the Security Trust Deed to the Securityholders in accordance with General Condition 3 no later than the effective day of such event.
- (b) Custodian. The Issuer shall give notice of any resignation or termination of appointment of the Custodian paragraph to clause 11 of Schedule 5 to the Security Trust Deed to the Securityholders in accordance with General Condition 3 no later than 30 days prior to the effective day of such resignation or termination. Furthermore, it shall give notice to the Securityholders in accordance with General Condition 3 of the appointment of a successor Custodian immediately following appointment thereof, no later than the effective day of such appointment. If a successor Custodian has not been appointed in accordance with paragraph 11 of Schedule 5 to the Security Trust Deed no later than the effective day of the resignation or termination of appointment of the previous Custodian, each Securityholder shall be entitled to terminate its Securities in whole or in part by delivery of a termination notice in accordance with Product Condition 7 (c) and (d) (the "**Termination Notice**") to the Principal Paying Agent (the "**Custodian Related Termination Right**") within the period commencing on the effective day (including) of the resignation or termination of appointment of the Custodian and ending on the 30<sup>th</sup> day (including) following the day on which the Issuer has given notice to the Securityholders in accordance with General Condition 3 that no Custodian has been appointed in accordance with paragraph 11 of Schedule 5 to the Security Trust Deed.

The Custodian Related Termination Right shall cease to exist if a successor Custodian has been appointed in accordance with paragraph 11 of Schedule 5 to the Security Trust Deed prior to the Termination Notice being delivered to the Principal Paying Agent by the Securityholder. In case of a valid exercise of the Custodian Related Termination Right by the Securityholder, the Issuer shall pay the fair market value of the Security immediately prior to the effectiveness of the resignation or termination of appointment of the Custodian, as the case may be, for each Security with respect to which a Termination Notice has been delivered (the “**Custodian Related Termination Amount**”) to the account specified in the relevant Termination Notice. [*Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, insert: Any such amount to be paid shall not be less than the present value of the minimum assured return of principal and/or interest, such present value being determined by the Calculation Agent in its reasonable discretion (billiges Ermessen).*]

- (c) The form of the Termination Notice may be obtained during normal business hours from the specified office of each Paying Agent.

A Termination Notice shall:

- (i) specify the number of Securities to which it relates;
  - (ii) specify the number of the account relating to the Securities to be debited;
  - (iii) irrevocably instruct and authorise the Principal Paying Agent to debit such account with such Securities;
  - (iv) specify the number of the account to be credited with the Custodian Related Termination Amount (if any) for such Securities;
  - (v) certify that neither the person delivering the Termination Notice nor any person on whose behalf the Termination Notice is being delivered is a U.S. person (as defined in Product Condition 2 (d)(i)) or a person within the United States.; and
  - (vi) authorise the production of such Termination Notice in any applicable administrative or legal proceedings.
- (d) Verification. With respect to each Termination Notice, the relevant Securityholder must provide evidence to the Principal Paying Agent of its holding of the respective Securities.
- (e) Determinations. Subject as set out below, failure properly to complete a Termination Notice in the manner set out above or failure to deliver the Termination Notice in the time specified in this Product Condition 7 shall result in such notice being treated as null and void. The Principal Paying Agent shall use its best efforts promptly to notify

the relevant Securityholder if it has determined that a Termination Notice is incomplete. If such Termination Notice is subsequently completely corrected, it shall be deemed to be a new Termination Notice submitted at the time such correction is delivered to the Principal Paying Agent.

- (f) Payment Day. If the date for payment of any amount with respect to the Securities is not a Payment Day, the Securityholder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment with respect to such delay.

## 8. LANGUAGE

The English language of the Conditions shall be binding. Any translations are merely intended for information purposes.

## [9. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

- (a) Redenomination. The Issuer may, without the consent of any Securityholder, on giving notice to the Securityholders in accordance with General Condition 3 elect any or all of the following with effect from the Adjustment Date specified in such notice:
  - (i) where the Settlement Currency is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, such Settlement Currency shall be deemed to be an amount of Euro converted from the original Settlement Currency into Euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide and as may be specified in the notice, and after the Adjustment Date, all payments with respect to the Securities shall be made solely in Euro as though references in the Securities to the Settlement Currency were to Euro;
  - (ii) where the Conditions contain a rate of exchange or any amount in the Conditions is expressed in a National Currency Unit (the “**Original Currency**”) of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, such rate of exchange and/or any other terms of the Conditions shall be deemed to be expressed in or, in the case of a rate of exchange, converted into Euro at the Established Rate; and
  - (iii) such other changes shall be made to the Conditions as the Issuer may decide to conform them to conventions then applicable to instruments expressed in Euro.
- (b) Adjustment to Conditions. The Issuer may, without the consent of the Securityholders, on giving notice to the Securityholders in accordance with General Condition 3 make such adjustments to the Conditions as the Issuer may determine in its reasonable

discretion (*billiges Ermessen*) to be appropriate to account for the effect of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Conditions.

- (c) Euro Conversion Costs. Notwithstanding Product Condition 9(a) and/or Product Condition 9(b), none of the Issuer, the Calculation Agent nor any Paying Agent shall be liable to any Securityholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of Euro or any currency conversion or rounding effected in connection therewith.
- (d) Definitions Relating to European Economic and Monetary Union. In this Product Condition, the following expressions have the meanings set out below.

**“Adjustment Date”** means a date specified by the Issuer in the notice given to the Securityholders pursuant to this Condition which falls on or after the date on which the country of the Original Currency or, as the case may be, the Settlement Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

**“Established Rate”** means the rate for the conversion of the Original Currency or, as the case may be, the Settlement Currency (including compliance with rules relating to rounding in accordance with applicable European community regulations) into Euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

**“National Currency Unit”** means the unit of the currency of a country as those units are defined on the day before the country first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty; and

**“Treaty”** means the treaty establishing the European Community, as amended.]

[9][10]. APPLICABLE LAW, PLACE OF PERFORMANCE AND PLACE OF JURISDICTION

- (a) Applicable Law. The Conditions, other than the Security Trust Deed, are governed by and shall be construed in accordance with the laws of the [Federal Republic of Germany][●]. The Security Trust Deed is governed by and shall be construed in accordance with English law.
- (b) Place of Performance. Place of performance shall be [Frankfurt am Main, Germany][●].
- (c) Place of Jurisdiction. To the extent legally possible, the [regional court (*Landgericht*) of Frankfurt am Main][●] shall have jurisdiction to settle any dispute arising from or in connection with the Securities.

[10][11]. SEVERABILITY

Should any provision of the Conditions be or become wholly or partly invalid, the remaining provisions shall remain valid. The invalid provision shall be replaced by a valid provision which reflects the economic purpose of the invalid provision as far as legally possible.

[STRATEGY RULES

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**SECURITY TRUST DEED**

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**DATED 18 FEBRUARY 2010**

**THE ROYAL BANK OF SCOTLAND N.V., LONDON BRANCH**

as Issuer

**BNP PARIBAS TRUST CORPORATION (UK) LIMITED**

as Security Trustee

**BNP PARIBAS SECURITIES SERVICES, LONDON BRANCH**

as Valuation Agent

**BNP PARIBAS SECURITIES SERVICES, FRANKFURT BRANCH**

as Default Paying Agent

**BNP PARIBAS SECURITIES SERVICES, FRANKFURT BRANCH**

as Notification Agent

**JPMORGAN CHASE BANK, N.A., LONDON BRANCH**

as Custodian

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**DEBENTURE  
and  
SECURITY TRUST DEED**

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**THIS DEBENTURE AND SECURITY TRUST DEED** (the "**Deed**") is dated 18 February 2010 and made between:

- (1) **THE ROYAL BANK OF SCOTLAND N.V., LONDON BRANCH** (the "**Issuer**");
- (2) **BNP PARIBAS TRUST CORPORATION (UK) LIMITED** (the "**Security Trustee**");
- (3) **BNP PARIBAS SECURITIES SERVICES, LONDON BRANCH** (the "**Valuation Agent**");
- (4) **BNP PARIBAS SECURITIES SERVICES, FRANKFURT BRANCH** (the "**Default Paying Agent**");
- (5) **BNP PARIBAS SECURITIES SERVICES, FRANKFURT BRANCH** (the "**Notification Agent**"); and
- (6) **JPMORGAN CHASE BANK, N.A., LONDON BRANCH** (the "**Custodian**").

**Background:**

- (A) The Issuer intends to issue collateralised Certificates.
- (B) The Issuer, the Security Trustee, the Valuation Agent, the Default Paying Agent, the Notification Agent and the Custodian wish to record certain arrangements which they have made in relation to the creation and maintenance of security for the Issuer's obligations under or in respect of the Certificates.

**IT IS AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1** In this Deed (including its Schedules):

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**Aggregate Certificates Value**" has the meaning given to it in Clause 9.1(d).

"**Authorised Person**" means any person whether or not any such person is an officer or employee of the Security Trustee authorised to give instructions on behalf of the Security Trustee, such persons, their names and specimen signatures, and their telephone contact details having previously been given to the Custodian and as may be updated from time to time.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

"**Certificates**" means the certificates and other securities issued by the Issuer from time to time and which are set out in Schedule 1, as such Schedule is amended from time to time and as notified to the Security Trustee to include further certificates and other securities identified thereunder and which each make reference to a collateralisation pursuant to this Deed and on a pari passu basis with all other certificates and securities set forth in Schedule 1, as amended.

"**Certificates Value**" has the meaning given to it in Clause 9.1(d).

"**Clearing Agent**" means the clearing agent specified in the terms and conditions of the respective Certificates.

"**Close of Business**" means 4 p.m. New York time.

"**Collateral**" means, at any time, (i) all Eligible Securities which then stand to the credit of the Securities Account or have been delivered to or received and accepted by the Custodian for deposit in the Securities Account and (ii) any Equivalent Collateral.

"**Collateral Call**" has the meaning given to it in Clause 9.3(b).

"**Collateral Release Request**" has the meaning given to it in Clause 9.4(a).

"**Collateral Rights**" means all rights, powers and remedies of the Security Trustee provided by this Deed or by law.

"**Collateral Value**" means the total value of the Collateral standing to the credit of the Securities Account as determined by the Custodian in accordance with Clause 9.2.

"**Default Paying Agent Notice**" has the meaning given to it in Clause 9.7.

"**Delegate**" means any delegate, agent, attorney or co-trustee appointed by the Security Trustee pursuant to Clause 16.2 and includes the Liquidation Agent.

"**Dispute**" has the meaning given to it in Clause 25.1.

"**Eligible Securities**" means all debt and equity securities and other instruments described in Schedule 2 hereto.

"**Enforcement Date**" means the date on which an Event of Default occurs in accordance with Clause 10.

"**Enforcement Notice**" means a notice served by the Security Trustee, and signed by an Authorised Person in the form set out in Schedule 6.

"**Equivalent Collateral**" means:

- (a) in the case of conversion, subdivision or consolidation of all or any part of the Collateral, the securities into which the relevant Collateral has been converted, subdivided or consolidated;
- (b) in the case of redemption of all or any part of the Collateral, a sum of money equivalent to the proceeds of the redemption;
- (c) in the case of a takeover of all or any part of the Collateral, a sum of money or securities, being the consideration thereunder;
- (d) in the case of a call on partly paid securities of all or any part of the Collateral, the paid-up securities provided that the Issuer shall have paid to the Custodian an amount of money equal to the sum due in respect of the call;
- (e) in the case of a capitalisation issue of all or any part of the Collateral, the relevant Collateral together with the securities allotted by way of a bonus thereon;

- (f) in the case of a rights issue of all or any part of the Collateral, the relevant Collateral together with the securities allotted thereon provided that the Issuer shall have paid to the Custodian all and any sums due in respect thereof;
- (g) in the event that a payment or delivery of Income is made in respect of the relevant Collateral in the form of securities which may at a future date be exchanged for securities or in the event of an option to take Income in the form of securities which may at a future date be exchanged for securities, the relevant Collateral together with securities equivalent to those allotted;
- (h) in the case of any event similar to any of the foregoing, the relevant Collateral together with or replaced by a sum of money or securities equivalent to that received in respect of such Collateral resulting from such event,

provided that, if appropriate, notice or instruction has been given to the Custodian in accordance with Paragraph 5.1 or 5.2 (as relevant) of Schedule 5.

**"Event of Default"** means each of the events described in Clause 10.

**"Exceptional Circumstances"** means:

- (a) a material disruption to those communications or other systems or to those financial markets which are, in each case, required to operate in order for the transactions contemplated by this Deed to be carried out, which disruption is not caused by, and is beyond the control of, the Issuer; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the operations of any Party preventing the Issuer:
  - (i) from performing its obligations under this Deed; or
  - (ii) from communicating with other Parties in accordance with the terms of this Deed,

and which (in either such case) is not caused by, and is beyond the control of, the Issuer.

**"Frankfurt Business Day"** means a day (other than a Saturday or Sunday) on which banks are open for general business in Frankfurt.

**"Gross Proceeds"** has the meaning given to it in Clause 14.1.

**"Holding Company"** means in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

**"Income"** means any interest, dividends or other distributions of any kind whatsoever with respect to any Collateral.

**"Indirect Tax"** means any goods and services tax, value added tax or any tax of a similar nature.

**"Insolvency Event"** means each of the following events or circumstances:

- (a) a declaration in respect of the Issuer is made under Chapter 3.5.5 of the Dutch Act on financial supervision (*Wet op het financieel toezicht*); or

- (b) a moratorium (*surséance van betaling*) of the Issuer or a petition for bankruptcy (*faillissement*) of the Issuer is granted by the competent court; or
- (c) any analogous procedure or step is taken in any jurisdiction.

"**Insolvency Notice**" has the meaning given to it in Clause 9.7.

"**Issuer Held Certificates**" means, at any time, those Certificates which are then being held by the Issuer (or any of its Subsidiaries) or by any person for the benefit of the Issuer or any of its Subsidiaries which would be excluded by the Clearing Agents from any distribution of the Net Proceeds.

"**Issuer Liabilities**" means any amount owed by the Issuer under the Outstanding Certificates to the Securityholders.

"**Liquidation Agent**" means a liquidation agent appointed by the Security Trustee upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Trustee may think fit.

"**List of Collateral**" has the meaning given to it in Clause 11.2(b).

"**Net Proceeds**" has the meaning given to it in Clause 14.1.

"**Notification Agent Notice**" has the meaning given to it in Clause 9.3(e).

"**Outstanding Certificates**" means the Certificates other than (i) the Issuer Held Certificates and (ii) those Certificates which have been redeemed.

"**Party**" means a party to this Deed.

"**Parallel Obligations**" has the meaning given to it in Clause 2.4(a).

"**Price Unavailability Event**" has the meaning given to it in Clause 9.1(d)(iii)(B).

"**Principal Obligations**" has the meaning given to it in Clause 2.1.

"**Reduced Amount**" has the meaning given to it in Clause 14.1.

"**Regulations**" means the (i) UK Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) and (ii) Dutch Civil Code (*burgerlijk wetboek*), in each case implementing Directive 2002/47/EC on financial collateral arrangements.

"**Relevant Page**" means the page set out in Schedule 1 applicable to the corresponding Certificates.

"**Report**" has the meaning given to it in Clause 9.1(a).

"**Secured Obligations**" means the Parallel Obligations and the Principal Obligations secured by the Security pursuant to Clause 3.

"**Securities Account**" means one or more securities accounts maintained by the Custodian in the name of the Issuer in accordance with Schedule 5.

"**Security**" means the security created pursuant to Clause 3.

**"Securityholders"** means the holders of the Certificates as defined in the general or product terms and conditions of the Certificates, as applicable, but for the purposes of this Deed excluding holders of the Issuer Held Certificates.

**"Shortfall"** has the meaning given to it in Clause 9.3(b).

**"Subsidiary"** means, in relation to any company, corporation or other legal entity (a **"holding company"**), a company, corporation or other legal entity:

- (a) which is controlled, directly or indirectly, by the holding company;
- (b) more than half the issued share capital of which is beneficially owned directly or indirectly by the holding company; or
- (c) which is a subsidiary of another Subsidiary of the holding company.

For the purpose of this definition, a company or corporation shall be treated as being controlled by another entity if the latter (whether by way of ownership of shares, proxy, contract, agency or otherwise) has the power to (a) appoint or remove all, or the majority, of its directors or other equivalent officers or (b) direct its operating and financial policies.

**"Tax"** or **"Taxes"** means any present and future tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

**"Transaction Documents"** means this Deed, the terms and conditions of the Certificates and any fee letter between the Issuer and the Security Trustee and/or the Custodian.

**"Valuation Agent Notice"** has the meaning given to it in Clause 9.1(c).

**"Valuation Time"** has the meaning given to it in Clause 9.1(d).

**"VAT"** means value added tax or any tax of similar nature.

1.2 In this Deed a reference to:

- (a) a singular includes the plural and vice versa (unless the context otherwise requires);
- (b) a person includes a reference to a government, state, state agency, corporation, body corporate, association or partnership;
- (c) words imputing the masculine gender shall include the feminine gender and vice versa;
- (d) a clause, paragraph, exhibit or schedule, unless stated otherwise, is a reference to a clause or paragraph of, or exhibit or schedule to, this Deed;
- (e) a statutory provision includes a reference to the statutory provision as modified or re-enacted or both from time to time whether before or after the date of this Deed and any subordinate legislation made or other thing done under the statutory provision whether before or after the date of this Deed;
- (f) a document is a reference to that document as modified, amended or replaced from time to time;

- (g) a time of day is a reference to London time; and
- (h) a person includes a reference to that person's successors or permitted assigns.

1.3 The headings in this Deed do not affect its interpretation.

1.4 This Deed includes, without limitation, the Schedules hereto.

## 2. SECURED OBLIGATIONS, COVENANT TO PAY AND PARALLEL DEBT

### 2.1 Covenant to pay

The Issuer acknowledges to the Security Trustee (for its own account and as trustee for the Securityholders) the Issuer's liability in respect of the amounts specified in this Clause 2 and further covenants with and undertakes to the Security Trustee that it shall duly and punctually pay and discharge all moneys and liabilities whatsoever which from time to time become due or payable by the Issuer (other than the Parallel Obligations):

- (a) to the order of the Security Trustee under this Deed or any other Transaction Document at the times and in the manner provided herein or therein;
- (b) under or in respect of the Outstanding Certificates.

(the "**Principal Obligations**").

### 2.2 Benefit of undertaking

The Security Trustee shall hold the benefit of the undertaking in Clause 2.1 on trust for itself and the Securityholders.

### 2.3 Trustee's claims

The Security Trustee shall have a claim against the Issuer for any non-payment under Clause 2.1 and shall be entitled to claim performance for its own account and as trustee for the Securityholders.

### 2.4 Parallel debt

- (a) Without prejudice to the provisions of the Transaction Documents and for the purpose of ensuring and preserving the validity and enforceability of the Security, the Issuer hereby irrevocably and unconditionally agrees and covenants with the Security Trustee to pay directly to the Security Trustee, as creditor in its own right and not as agent, trustee or representative of the Securityholders, on the Security Trustee's first demand, amounts equal to, and in the currency of, the Principal Obligations as and when such amounts fall due in accordance with the terms and conditions of any of the Transaction Documents (the obligations of the Issuer under this Clause, the "**Parallel Obligations**").
- (b) The Issuer and the Security Trustee agree and acknowledge that (i) the Parallel Obligations are separate and independent from and without prejudice to the Principal Obligations and (ii) the Security Trustee's claim to receive payment of the Parallel Obligations represents the Security Trustee's own claim, separate and independent from the claims of the Securityholders under the Principal Obligations, provided that the total amount due under the Parallel Obligations shall never exceed the total amount due under the Principal Obligations.

- (c) Any amount unconditionally and irrevocably received or applied by the Security Trustee in payment of the Parallel Obligations, shall (conditionally upon such payment not subsequently being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency, liquidation or similar laws of general application) equally reduce the total amount due under the Principal Obligations, and any amount unconditionally and irrevocably received or applied by the Security Trustee in payment of the Principal Obligations, shall (conditionally upon such payment not subsequently being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency, liquidation or similar laws of general application) equally reduce the total amount due under the Parallel Obligations.
- (d) If, after enforcement of the Security created or purported to be created under this Deed, the proceeds are not sufficient to satisfy and discharge the Parallel Obligations in full, the unpaid balance of the Parallel Obligations shall then cease to exist, without prejudice however to (i) any other obligations of the Issuer under any of the Transaction Documents and (ii) any remedies of the Security Trustee and the Securityholders or any one of them under the Transaction Documents.

### 3. **FLOATING CHARGE**

3.1 The Issuer as beneficial owner of the Collateral hereby (and to the intent that the security so constituted shall be a continuing security in favour of the Security Trustee) charges with the payment and discharge of the Secured Obligations by way of first floating charge all Collateral.

3.2 The Security from time to time constituted by or pursuant to this Deed shall:

- (a) be in addition to and shall be independent of every bill, note, guarantee, mortgage or other security which the Security Trustee may at any time hold for any of the Secured Obligations and it is hereby declared that no prior security held by the Security Trustee over the Collateral or any part thereof shall merge in the security created hereby or pursuant hereto; and
- (b) remain in full force and effect as a continuing security until discharged by the Security Trustee.

3.3 Any disposition by the Issuer of the Collateral pursuant to this Deed shall be made with full title guarantee.

3.4 The Security secures the Secured Obligations in the priorities as set forth in Clause 14.1.

### 3.5 **Principal Obligations as Secured Obligations**

If at the time of execution of this Deed or at any time thereafter it is not possible to validly secure all or any Parallel Obligations by means of this Security, the corresponding Principal Obligations shall be Secured Obligations.

## 4. **SECURITY FINANCIAL COLLATERAL ARRANGEMENT**

4.1 For the purpose of this Deed:

- (a) the floating charge created in Clause 3.1 above is to secure the Secured Obligations;



- (b) the Issuer created a security interest in financial collateral to secure those obligations;
  - (c) the financial collateral is held and designated, under or pursuant to the terms of Schedule 5, so as to be under the control of the Custodian or a person acting on its behalf; and
  - (d) no party to this Deed is a natural person.
- 4.2 Without prejudice to the effectiveness of any security conferred on the Security Trustee under this Deed, this Deed constitutes a security financial collateral arrangement for the purposes of the Regulations, and the charge created by this Deed should take effect to the extent that it may do so as a security interest in financial collateral for the purposes thereof.
- 4.3 On an Event of Default, the Security Trustee shall have the right to appropriate all or any part of the Collateral constituting financial collateral for the purposes of the Regulations in or towards discharge of the Secured Obligations, and the value of such Collateral so appropriated shall be the Reference Price (as defined in Schedule 5).

**5. RESTRICTIONS ON OTHER SECURITY**

The Issuer shall not at any time without the prior written consent or agreement of the Security Trustee create, extend or permit to subsist any mortgage or other fixed security, floating charge, pledge, hypothecation or lien (other than a lien arising by operation of law) or other security interest of any kind over the Collateral, whether in any such case ranking in priority to or *pari passu* with or after the floating charge created by the Issuer under Clause 3.1.

**6. PERFECTION OF THE SECURITY TRUSTEE'S SECURITY**

The Issuer shall (at its own cost) promptly upon notice from the Security Trustee execute all documents and do all things (including the delivery, transfer, assignment of all or part of the Collateral to the Custodian) that the Security Trustee may reasonably specify for the purpose of (a) exercising the Collateral Rights; or (b) securing and perfecting its security over or title to all or any part of the Collateral; or (c) enabling the Security Trustee to vest all or part of the Collateral in its name or in the name(s) of its nominee(s), agent or any purchaser.

**7. ACTION BY THE SECURITY TRUSTEE TO PROTECT ITS SECURITY**

The Security Trustee shall be entitled at any time following the occurrence of an Event of Default by notice in writing to the Issuer to convert the floating charge created by Clause 3.1 above into a fixed charge affecting all the Collateral which is for the time being the subject of such floating charge or, as the case may be, such of the Collateral as is specified by such notice and following receipt of such notice, the Issuer shall not at any time without the prior written consent or agreement of the Security Trustee, sell, transfer, lease, lend or otherwise dispose of any such Collateral or enter into an agreement for any such sale, transfer, lease, loan or other disposal.

**8. REPRESENTATIONS AND UNDERTAKINGS**

- 8.1 On the date of this Deed, each Party hereby represents to each other Party that:
- (a) it is duly incorporated, established or constituted (as the case may be) and validly existing under the laws of its jurisdiction of incorporation, establishment or constitution (as the case may be);

- (b) it is duly authorised and empowered to perform its duties and obligations under this Deed; and
- (c) it is not restricted under the terms of its constitution or in any other manner from performing its obligations hereunder.

8.2 On the date of this Deed, the Issuer hereby represents to each other Party that:

- (a) in entering into this Deed, it is not relying upon any representations (whether written or oral) of any other Party other than the representations expressly set forth in this Deed;
- (b) it has consulted with its respective legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary and it has made its own investment and trading decisions based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by any other Party;
- (c) it has a full understanding of all the terms, conditions and risks (economic and otherwise) of this Deed and is capable of assuming and willing to assume (financially and otherwise) those risks; and
- (d) it is entering into this Deed as principal and not as agent or in any other capacity, fiduciary or otherwise.

8.3 The Issuer hereby undertakes with the Security Trustee that the Issuer will at all times while there shall subsist any security constituted by or pursuant to this Deed:

- (a) provide the Security Trustee, its employees, professional advisers and agents with all such information relating to the Issuer's business and affairs as the Security Trustee may from time to time reasonably require; and
- (b) indemnify the Security Trustee against all existing and future taxes, duties, fees, charges, assessments, impositions and outgoings whatsoever (whether imposed by deed or statute or otherwise and whether in the nature of capital or revenue and even though of a wholly novel character) which now or at any time during the continuance of the security constituted by or pursuant to this Deed are payable in respect of the Collateral or any part thereof or by the owner or occupier thereof.

## 9. **CERTIFICATES VALUE, COLLATERAL CALLS, RELEASE AND SUBSTITUTION OF COLLATERAL, CUSTODY ARRANGEMENTS AND INSOLVENCY EVENT**

### 9.1 **Valuation of Certificates**

- (a) The Issuer shall no later than 9 a.m. (London time) on each Business Day report to the Valuation Agent the numbers of Outstanding Certificates at the close of business in London on the preceding Business Day (the "**Report**").
- (b) The Valuation Agent shall notify the Issuer by 5.00 p.m. (London time) on the Business Day on which the Report was due if the Issuer failed to provide the Report in accordance with paragraph (a) above.
- (c) The Valuation Agent shall notify the Security Trustee in the form set out at Schedule 4 to this Deed (the "**Valuation Agent Notice**") (with a copy to the Issuer and the Notification Agent) on the fourth Business Day following the day

on which the Valuation Agent has first notified the Issuer in accordance with Clause 9.1(b) but excluding each Business Day on which the Issuer has notified the Valuation Agent as follows:

- (i) on the Business Day on which the Report is due, the Issuer has notified the Valuation Agent that it was unable to provide the Report due to Exceptional Circumstances giving reasonable detail of the applicable Exceptional Circumstances; and
- (ii) if applicable, on each Business Day following the Business Day on which the Report is due, the Issuer has notified the Valuation Agent that such Exceptional Circumstances continue to apply,

provided that the Valuation Agent shall be at liberty to accept the relevant notices by the Issuer pursuant to paragraph (c)(i) and (ii) as sufficient evidence of any fact set out therein and the Valuation Agent shall not be bound to call for further evidence or be responsible for any loss that may be occasioned by its failing to do so.

- (d) On each Business Day by 11 a.m. (London time) (the "**Valuation Time**"), the Valuation Agent shall calculate the value of the Outstanding Certificates of each series (the "**Certificates Value**") in accordance with the following formula:

$$CV = N \times P,$$

whereby:

- (i) CV means the Certificates Value;
- (ii) N means the number of Outstanding Certificates of a series as shown in the latest available Report;
- (iii) P means:
  - (A) the last bid price published by the Issuer on the Relevant Page at or before the Valuation Time on such Business Day; or
  - (B) if no price in accordance with (A) exists, the last bid price of the respective Certificates published by the Issuer on the Relevant Page before such Business Day, plus a surcharge of 1% per Business Day on which no such price exists up to and including such Business Day, provided, however, that no such surcharge shall accrue for each Business Day (x) on which it is impossible or unreasonable for the Issuer to supply such a price (taking into account all circumstances of the specific case and weighing the interests of the Issuer and the Securityholders), including but not limited to the following circumstances: (a) exceptional circumstances of a technical nature on the part of the Issuer (e.g. disruption to telephone services, technical disruption, power cut), or (b) unusual market situations, or (c) extraordinary market movements or suspension of the underlying of the respective Certificates, or (d) serious disruptions to the economic or political situations (e.g. terror attacks, escalation of hostilities, market crashes), or (e) implementation of any monetary, fiscal or exchange-related

measures by the governmental, administrative, legislative, or judicial authorities of the country in which the Issuer is domiciled or to which the underlying of the respective Certificates is related, and which have a material adverse effect on the financial markets (the "**Price Unavailability Event**") and (y) on which the Issuer has notified the Security Trustee of the details of the Price Unavailability Event and the expected duration of such Price Unavailability Event and has notified the same to the Securityholders in accordance with the terms and conditions of the respective Certificates.

and the Certificates Values added up shall be the aggregate value of all Outstanding Certificates (the "**Aggregate Certificates Value**").

- (e) The Valuation Agent shall notify the Issuer and the Custodian no later than 2 p.m. (London time) on each Business Day of the Certificates Value for each series and of the Aggregate Certificates Value, in case of the Custodian in accordance with Clause 20.3(b).

## 9.2 Valuation of Collateral

The Custodian shall on each Business Day calculate the value of the Collateral by using the Reference Price (as defined in Schedule 5) (the "**Collateral Value**") and notify the Issuer and the Notification Agent of the Collateral Value no later than Close of Business on the same day.

## 9.3 Collateral Calls

- (a) On each Business Day, the Custodian shall compare the Aggregate Certificates Value provided to it by the Valuation Agent in accordance with Clause 9.1(e) on such Business Day with the Collateral Value on that Business Day (calculated in accordance with Clause 9.2) and satisfy itself that the Collateral Value is at least equal to or in excess of 110% of the Aggregate Certificates Value (the "**Required Collateral Value**").
- (b) If the Collateral Value is on any Business Day below the Required Collateral Value (a "**Shortfall**"), the Custodian shall inform the Issuer and the Notification Agent no later than Close of Business on such Business Day and request in accordance with the procedure agreed between the Custodian and the Issuer from time to time that the Issuer deposits further Collateral in the Securities Account (a "**Collateral Call**") to cover such Shortfall.
- (c) The Issuer shall deposit further Collateral into the Securities Account without undue delay following a Collateral Call, so that following such further deposit the Collateral Value shall not be less than the Required Collateral Value.
- (d) The Custodian shall notify the Issuer and the Notification Agent no later than Close of Business on each Business Day following the day of a Collateral Call if the Issuer failed to deposit sufficient Collateral to meet the Shortfall as required pursuant to Clause 9.3(c) and the Shortfall remains at that time.
- (e) The Notification Agent shall (A) monitor the notices provided by the Custodian pursuant to Clause 9.3(d) and (B) notify the Security Trustee in the form set out at Schedule 3 to this Deed (the "**Notification Agent Notice**") (with a copy to the Issuer and the Valuation Agent) on the fourth Business Day (or if such Business Day is not a Frankfurt Business Day, the next Frankfurt Business

Day) following the day on which the Custodian has first notified the Issuer and the Notification Agent in accordance with Clause 9.3(d) but excluding each Business Day on which the Issuer has notified the Notification Agent as follows:

- (i) on the Business Day on which further Collateral is required to be deposited, the Issuer has notified the Custodian and the Notification Agent that it was unable to post further Collateral due to Exceptional Circumstances giving reasonable detail of the applicable Exceptional Circumstances; and
- (ii) if applicable, on each Business Day following the Business Day on which further Collateral is required to be deposited, the Issuer has notified the Custodian and the Notification Agent that such Exceptional Circumstances continue to apply,

provided that the Notification Agent shall be at liberty to accept the relevant notices by the Issuer and the Custodian pursuant to Clause 9.3 as sufficient evidence of any fact set out therein and the Notification Agent shall not be bound to call for further evidence or be responsible for any loss that may be occasioned by its failing to do so.

#### 9.4 **Release of Collateral**

- (a) If, on any Business Day, the Collateral Value exceeds the Required Collateral Value, the Issuer may request by giving notice to the Custodian that the Custodian releases the excess Collateral from the Securities Account (the "**Collateral Release Request**"), provided that, following such release, the Collateral Value shall not be less than the Required Collateral Value.
- (b) Provided that the Custodian is satisfied that immediately following a release of Collateral pursuant to the Collateral Release Request, the Collateral Value shall not fall below the Required Collateral Value, the Custodian shall release the specified Collateral no later than Close of Business on the same Business Day.

#### 9.5 **Substitution of Collateral**

The Issuer shall have the right to substitute the Collateral with other Eligible Securities in accordance with Paragraph 4 of Schedule 5, provided that the Collateral Value does not fall below the Required Collateral Value following such substitution.

#### 9.6 **Custody arrangements**

- (a) In performing its duties the Custodian shall be entitled to rely on the Aggregate Certificates Value as most recently advised to the Custodian in accordance with Clause 9.1(e).
- (b) The custody arrangements set out in this Deed shall supersede any other custody agreement or arrangement which may apply to the Collateral.

#### 9.7 **Insolvency Event notification**

- (a) The Default Paying Agent shall, following the receipt by it of a notice from one or more Securityholders via its/their depository bank(s) that an Insolvency Event has occurred (the "**Insolvency Notice**"), promptly notify the Issuer of such Insolvency Notice and request confirmation as to the occurrence of such

Insolvency Event within three Business Days of receipt by the Issuer of the request in accordance with Clause 20.3(c).

- (b) If the Default Paying Agent has not received confirmation from the Issuer within three Business Days of receipt by the Issuer of the request in accordance with paragraph (a) above, the Default Paying Agent shall resend the request for confirmation as to the occurrence of an Insolvency Event to the Issuer in accordance with Clause 20.3(c).
- (c) The Issuer (or the insolvency administrator, as the case may be) shall promptly upon receipt of the request for confirmation from the Default Paying Agent pursuant to paragraph (a) above, but in any event within five Business Days from receipt of the Default Paying Agent's request pursuant to paragraph (b) above, confirm to the Default Paying Agent whether or not an Insolvency Event has occurred.
- (d) If the Issuer (or the insolvency administrator, as the case may be) fails to respond to the Default Paying Agent's request or confirms the occurrence of an Insolvency Event in each case within five Business Days of receipt of the resent request pursuant to paragraph (b) above, the Default Paying Agent shall promptly notify the Security Trustee in the form set out at Schedule 7 (the "**Default Paying Agent Notice**") that an Insolvency Event has occurred.
- (e) The Default Paying Agent shall be at liberty to accept (i) an Insolvency Notice or (ii) any notice or confirmation or absence of confirmation pursuant to Clause 9.7(c) above, as sufficient evidence of any fact therein and the Default Paying Agent should not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by its failing to do so.

## 10. **EVENTS OF DEFAULT**

Each of the events or circumstances set out in this Clause is an Event of Default:

### 10.1 **Notification Agent Notice regarding Collateral Calls**

The Notification Agent gives to the Security Trustee the Notification Agent Notice in accordance with Clause 9.3(e) that the Issuer has failed to deposit sufficient Collateral to meet a Shortfall.

### 10.2 **Valuation Agent Notice regarding reporting of number of Outstanding Certificates**

The Valuation Agent gives to the Security Trustee the Valuation Agent Notice in accordance with Clause 9.1(c) that the Issuer failed to provide to the Valuation Agent the Report required pursuant to Clause 9.1(a).

### 10.3. **Default Paying Agent Notice regarding Insolvency Event**

The Default Paying Agent gives to the Security Trustee the Default Paying Agent Notice in accordance with Clause 9.7(d) that an Insolvency Event has occurred.

## 11. **ENTITLEMENT TO ENFORCE**

- 11.1 Only the Security Trustee may enforce the Security. The Security Trustee shall enforce the Security by giving instruction to the Custodian pursuant to Clause 11.2(d) below. No Securityholder shall be entitled to enforce the said Security or to proceed directly against the Issuer to enforce the performance of any of the provisions of the Transaction Documents with respect to the Security.

- 11.2 Promptly after the Enforcement Date, the Security Trustee shall:
- (a) request from the Valuation Agent (i) the latest available Report together with the Certificates Value of each series of Certificates and the Aggregate Certificates Value as at the Enforcement Date or, if not available, the latest available date, and (ii) the value of the Issuer Liabilities as at the Enforcement Date;
  - (b) request from the Custodian the latest available list of Collateral (the "**List of Collateral**");
  - (c) without prior authorisation from any court, at the expense of the Issuer inform the Securityholders via notice to the relevant Clearing Agents that an Event of Default has occurred;
  - (d) deliver an Enforcement Notice to the Custodian in accordance with Clause 20.3(d) with a copy to the Issuer; and
  - (e) appoint a Liquidation Agent to (i) sell or otherwise dispose of the Collateral or any part of the Collateral and (ii) pay any proceeds of such sale or other disposal to the Security Trustee for application by the Security Trustee in accordance with Clause 14.1.
- 11.3 Promptly after the request from the Security Trustee pursuant to Clause 11.2(a) and Clause 11.2(b) respectively, the Valuation Agent shall provide to the Security Trustee and the Default Paying Agent the latest Report, the Certificates Values for each series of Certificates, the Aggregate Certificates Value and the value of the Issuer Liabilities as at the Enforcement Date or, if not available, the latest available date, and the Custodian shall provide to the Security Trustee the latest available List of Collateral.
- 11.4 On receipt of the Enforcement Notice from the Security Trustee pursuant to Clause 11.2(d) above, the Custodian shall:
- (a) promptly deliver to the Security Trustee the Acknowledgment of Receipt in accordance with Clause 20.3(d);
  - (b) no longer accept any instructions from the Issuer; and
  - (c) deliver the Collateral to such account and to such person as specified by the Security Trustee in the Enforcement Notice or any subsequent notice for the purpose of selling or otherwise disposing of all of the Collateral. Until the Custodian receives details of the account to which the Collateral is to be delivered, the Collateral shall continue to be held by the Custodian pursuant to and in accordance with the Trust Deed and, subject to Clause 11.4(b) above, with no liability of the Custodian to the Security Trustee.
- 11.5 The power of sale or other disposal in this Clause 11 shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property 1925 (the "**Act**"). The restrictions contained in Section 93 and 103 of the Act shall not apply to this Deed or to any exercise by the Security Trustee of its right to consolidate mortgages or its power of sale.
- 11.6 The Security Trustee shall be at liberty to accept a Notification Agent Notice, Valuation Agent Notice or Default Paying Agent Notice as sufficient evidence of any fact therein and the Security Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by its failing to do so.

12. **POWER OF ATTORNEY**

12.1 The Issuer hereby irrevocably appoints the following, namely:

- (a) the Security Trustee, and
- (b) each and every person to whom the Security Trustee shall from time to time have delegated the exercise of the power of attorney conferred by Clause 12.1,

jointly and also severally to be the attorney or attorneys of the Issuer and in its name and otherwise on its behalf to sign, seal, execute, deliver, perfect and do all deeds, instruments, acts and things which may be required (or which the Security Trustee shall consider requisite) for carrying out any obligation imposed on the Issuer by or pursuant to this Deed (including but not limited to the obligations of the Issuer under Clause 2.1 above), for carrying out any sale, or other dealing by the Security Trustee into effect, for getting in the Collateral, and generally for enabling the Security Trustee to exercise the respective powers conferred on it by or pursuant to this Deed or by law. The Security Trustee shall have full power to delegate the power conferred on it by Clause 12.1, but no such delegation shall preclude the subsequent exercise of such power by the Security Trustee itself or preclude the Security Trustee from making a subsequent delegation thereof to some other person. Any such delegation may be revoked by the Security Trustee at any time.

12.2 The Issuer shall ratify and confirm all transactions entered into by the Security Trustee or Delegate in the exercise or purported exercise of the Security Trustee's powers and all transactions entered into, documents executed and things done by the Security Trustee or Delegate by virtue of the power of attorney given by Clause 12.1.

12.3 The power of attorney hereby granted is as regards the Security Trustee, its Delegate (and as the Issuer hereby acknowledges) granted irrevocably and for value as part of the security constituted by this Deed to secure proprietary interests of and the performance of obligations owed to the respective donees within the meaning of the Powers of Attorney Act 1971.

13. **PROTECTION OF PURCHASERS**

No purchaser or other person dealing with the Security Trustee or its Delegate appointed hereunder shall be bound to see or inquire whether the right of the Security Trustee to exercise any of its or his powers has arisen or become exercisable or be concerned with notice to the contrary, or be concerned to see whether any such delegation by the Security Trustee shall have lapsed for any reason or been revoked.

14. **PAYMENT MECHANICS**

14.1 **Distributions by the Security Trustee and order of application**

Following receipt of the proceeds from the sale or disposal of any Collateral pursuant to Clause 11.2(e) (the "**Gross Proceeds**") the Security Trustee shall:

- (a) deduct from the Gross Proceeds:
  - (i) firstly, any sums owing to the Security Trustee (in its capacity as security trustee for the Securityholders) or any Delegate (including the Liquidation Agent) and



- (ii) secondly, after payment in full of all sums referred to in paragraph (i) above, any sums owing to the Valuation Agent, the Custodian, the Notification Agent and the Default Paying Agent on a pari passu basis,

(the remainder of the Gross Proceeds (if any), being the "**Net Proceeds**"); and

(b) then

- (i) if the Net Proceeds are equal to or exceed the Aggregate Certificates Value as provided to the Security Trustee by the Valuation Agent pursuant to Clause 11.3,

- (A) transfer the amount corresponding to such Aggregate Certificates Value to the Default Paying Agent who shall transfer such amount to the relevant Clearing Agent(s), provide it/them with the Certificates Values of each series of Certificates as at the Enforcement Date and instruct it/them to apply each such Certificates Value pro rata to the holders of the Outstanding Certificates of the respective series towards the discharge of the Issuer Liabilities as at the Enforcement Date; and

- (B) transfer the balance, if any, to the Issuer; or

- (ii) if the Net Proceeds are lower than the Aggregate Certificates Value as at the Enforcement Date, transfer the Net Proceeds to the Default Paying Agent who shall (A) allocate to each series of Certificates an amount of the Net Proceeds based on the ratio between the Certificates Value of the respective series of Certificates and the Aggregate Certificates Value as at the Enforcement Date (the "**Reduced Amounts**") and (B) transfer the Net Proceeds to the relevant Clearing Agent(s), provide it/them with the Reduced Amounts for each series of Certificates and instruct it/them to apply each such Reduced Amount pro rata to the holders of the Outstanding Certificates of the respective series towards the discharge of the Issuer Liabilities as at the Enforcement Date.

#### 14.2 Permitted deductions

The Security Trustee shall be entitled to set aside by way of reserve amounts required to meet, to make and pay, any deductions and withholdings (on account of taxes or otherwise) which it is or may be required by an applicable law to make from any distribution or payment made by it under this Deed, and to pay all taxes which may be assessed against it in respect of any of the Collateral, or as a consequence of performing its duties, or by virtue of its capacity as Security Trustee or otherwise (in particular in connection with its remuneration for performing its duties under this Deed).

#### 14.3 Business Days

Any payment which is due to be made under a Transaction Document on a day that is not a Business Day shall be made on the next Business Day. No additional interest or other payment shall be due with respect of such delay.

#### 14.4 **Consolidation of accounts and set-off**

As of the Enforcement Date, the Security Trustee shall have the right at any time and without notice to the Issuer (as well before as after making any demand hereunder) to combine or consolidate all or any of the Securities Accounts and the Issuer's liabilities to the Security Trustee and set-off or transfer any sum or sums standing to the credit of any one or more of such Securities Accounts in or towards satisfaction of any of the Secured Obligations. The liabilities referred to in this Clause may be actual, contingent, primary, collateral, several or joint liabilities, and the Securities Accounts, sums and liabilities referred to in this Clause may be denominated in any currency.

#### 14.5 **Change of currency**

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
  - (i) any reference in this Deed to, and any obligations arising under this Deed in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country; and
  - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Security Trustee (acting reasonably).
- (b) If a change in any currency of a country occurs, this Deed will be amended to comply with any generally accepted conventions and market practice in the London interbank market and otherwise to reflect the change in currency.

#### 14.6 **Suspense account**

All monies received, recovered or realised by the Security Trustee under this Deed (including the proceeds of any conversion of currency) may in the discretion of the Security Trustee be credited to any suspense or impersonal account and may be held in such account for so long as the Security Trustee may think fit (with interest accruing thereon at such rate, if any, as the Security Trustee may deem fit) pending their application from time to time (as the Security Trustee shall be entitled to do in its discretion) in or towards the discharge of any of the Secured Obligations.

### 15. **THE SECURITY TRUSTEE**

#### 15.1 **Appointment of the Security Trustee**

- (a) The Issuer appoints the Security Trustee to act as security trustee under and in connection with the Transaction Documents.
- (b) The Security Trustee declares that it shall hold the Security on trust for the Securityholders on the terms contained in this Deed.
- (c) The Issuer authorises the Security Trustee to exercise the rights, powers, authorities and discretions specifically given to the Security Trustee under or in connection with the Transaction Documents together with any other incidental rights, powers, authorities and discretions.

## 15.2 **No fiduciary duties**

- (a) Nothing in this Deed constitutes the Security Trustee as a trustee or fiduciary of any other person, except to the extent expressly provided in Clause 2.2 (*Benefit of Undertaking*) and Clause 15.1 (*Appointment of the Security Trustee*).
- (b) The Security Trustee shall not be bound to account to any Securityholder for any sum or the profit element of any sum received by it for its own account.

## 15.3 **Business with the group**

The Security Trustee and any Affiliate of the Security Trustee may render advisory and related services to, accept deposits from, lend money to and/or generally engage in any kind of banking or other business (together, the "**Other Business**") with the Issuer or any Affiliate thereof and it is acknowledged and agreed that, without prejudice to the generality of the foregoing:

- (a) the Security Trustee shall not be obliged to disclose to the Securityholders the existence of or details of any actual or proposed Other Business or any information or documentation relating thereto (including, without limitation, any and all non-public information); and
- (b) the Security Trustee may possess material information not known to the Securityholders and the Security Trustee shall not have any liability with respect to any non-disclosure of such information, whether prior to, on or after the date of this Deed.

## 15.4 **Rights and discretions of the Security Trustee**

- (a) The Security Trustee may rely on:
  - (i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and
  - (ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.
- (b) The Security Trustee may engage and pay for the advice or services of any lawyers, accountants, surveyors or other experts where it determines that such advice or services are necessary. The Security Trustee may rely upon any advice so obtained and shall be protected and shall incur no liability even if such advice contains monetary or other limitation on expert's liability.
- (c) The Security Trustee may act in relation to the Transaction Documents through its personnel and agents.
- (d) Notwithstanding any other provision of any Transaction Document to the contrary, the Security Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality or cause the Security Trustee to expend or risk its own funds.

## 15.5 **Responsibility for documentation**

The Security Trustee:

- (a) is not responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Issuer or any other person given in or in connection with any Transaction Document; or
- (b) is not responsible for the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Transaction Document.

## 15.6 **Exclusion of liability**

- (a) Without limiting paragraph (b) below, the Security Trustee will not be liable for any action taken by it under or in connection with any Transaction Document, unless directly caused by the fraud, wilful default or gross negligence of the Security Trustee.
- (b) No Party may take any proceedings against any officer, employee or agent (including any Delegate) of the Security Trustee in respect of any claim it might have against the Security Trustee or in respect of any act or omission of any kind by that officer, employee or agent (including any Delegate) in relation to any Transaction Document and any officer, employee or agent (including any Delegate) of the Security Trustee may rely on this Clause.
- (c) The Security Trustee will not be liable for any delay (or any related consequences) in crediting an account with an amount required under any of the Transaction Documents to be paid by the Security Trustee if the Security Trustee has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Security Trustee for that purpose.
- (d) The Security Trustee shall not be responsible for making, or have any duty to make, any investigation in respect of or in any way be liable whatsoever for:
  - (i) the nature, status, creditworthiness or solvency of the Issuer or any other person;
  - (ii) the execution, legality, validity, adequacy (including without limitation adequacy of security, if any), admissibility in evidence or enforceability of any Transaction Document or any other document entered into in connection therewith;
  - (iii) the title, ownership, value, sufficiency or existence of any Collateral;
  - (iv) the registration, filing, protection or perfection of this Deed or any Security or the priority of any Security;
  - (v) the scope, adequacy, accuracy or completeness of any representations, warranties or statements made by or on behalf of, or any information (whether oral or written) supplied by or on behalf of, the Issuer or any other person under or in connection with any Transaction Document or any document entered into in connection therewith;

- (vi) the performance or observance by the Issuer or any other person of any provisions of any Transaction Document or in any document entered into in connection therewith or the fulfilment or satisfaction of any conditions contained therein or relating thereto or as to the existence or occurrence at any time of any default, event of default or similar event contained therein or any waiver or consent which has at any time been granted in relation to any of the foregoing;
- (vii) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection with any Transaction Document;
- (viii) the compliance of the provisions and contents of and the manner and formalities applicable to the execution of any Transaction Document and any documents connected therewith, and/or compliance of any such provisions, contents, manner and/or formalities with any applicable laws or regulations;
- (ix) the failure by the Issuer to obtain or comply with any authorisation or other authority in connection with the origination, sale or purchase of any of the Collateral or the failure to effect or procure registration of or to give notice to any person in relation to or otherwise protect the security created or purported to be created by or pursuant to this Deed or other documents entered into in connection therewith;
- (x) the failure to call for delivery of documents of title to or require any transfers, legal mortgages, charges or other further assurances in relation to any of the assets the subject matter of any of the Transaction Documents or any other document;
- (xi) any accounts subject to any Security or any other accounts, books, records or files maintained by the Issuer, or any other person in respect of any of the Collateral; or
- (xii) any other matter or thing relating to or in any way connected with any Security or any document entered into in connection therewith whether or not similar to the foregoing.

#### 15.7 **Additional Protection for the Security Trustee in relation to Security**

- (a) The Security Trustee may accept without investigation, requisition or objection such right and title as the Issuer may have to any of the Security created in favour of the Security Trustee (as agent and/or trustee for the Securityholders) by this Deed and shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer to all or any of the Collateral which might have been discovered upon examination or enquiry and whether capable of remedy or not.
- (b) The Security Trustee shall not be liable for any failure, omission or defect in perfecting, protecting or further assuring any Security including (without prejudice to the generality of the foregoing) (i) any failure, omission or defect in registering or filing or procuring registration or filing of, or otherwise protecting or perfecting any Security or the priority thereof or the right or title of any person in or to the assets comprised in any Security by registering under any applicable registration laws in any applicable territory any notice or other

entry prescribed by or pursuant to the provisions of any such laws and (ii) any failure or omission to require any further assurances in relation to any Security.

- (c) The Security Trustee shall not be responsible for any unsuitability, inadequacy or unfitness of any Collateral as security for any or all of the obligations under any or all of the Transaction Documents and shall not be obliged to make any investigation into, and shall be entitled to assume, the suitability, adequacy and fitness of any Collateral as security for any or all of the obligations under any or all of the Transaction Documents.
- (d) The Security Trustee shall not be responsible for investigating, monitoring or supervising the observance or performance by any person in respect of any Collateral or otherwise.
- (e) The Security Trustee shall not be responsible for any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability (including, without limitation, in respect of Taxes) or any Indirect Taxes charged or chargeable in respect thereof ("**Liability**") occasioned to any Security however caused, whether by an act or omission of the Issuer or any other person (including, without limitation, any bank, broker, depositary, warehouseman or other intermediary or any clearing system or operator thereof) acting in accordance with or contrary to the provisions of any of the Transaction Documents or otherwise and irrespective of whether any Security is held by or to the order of any of such persons, unless such Liability has been finally judicially determined to have resulted from the fraud, wilful default or gross negligence of the Security Trustee.
- (f) Without prejudice to the obligations of the Issuer relating to insurance under the Transaction Documents, the Security Trustee shall not be under any obligation to insure any of the Security or any deeds or documents of title or other evidence in respect of any Security or to require any other person to maintain any such insurance or monitor the adequacy of any such insurance and shall not be responsible for any Liability which may be suffered as a result of the lack of or inadequacy of any such insurance.
- (g) The Security Trustee shall not be responsible for any Liability occasioned by the operation (whether by the Issuer or otherwise) of any account subject to any Security whether by depreciation in value or by fluctuation in exchange rates or otherwise unless such Liability is attributable to the operation of such account by the Security Trustee after the enforcement of Security over such account and has been finally judicially determined to have been occasioned by the fraud, wilful misconduct or gross negligence of the Security Trustee.
- (h) The Security Trustee shall not be liable for any decline in the value nor any loss realised upon any sale or other disposition of any of the Collateral made pursuant to any Transaction Document.
- (i) The Security Trustee shall have no responsibility whatsoever to the Issuer or the Securityholders as regards any deficiency which might arise because the Security Trustee is subject to any Tax in respect of all or any of the Collateral, the Income therefrom or the proceeds thereof.
- (j) The Security Trustee shall not be obliged to perfect the legal title to any Security in its name if, in its opinion, such perfection would or might result in the Security Trustee becoming liable to or incurring any obligation to the Issuer under any Security and/or in its opinion, there is or would be insufficient cash

to discharge, in accordance with the provisions of the Transaction Documents, such liabilities or obligations as and when they arise.

- (k) The Security Trustee shall not, nor shall any receiver appointed pursuant to any Transaction Document or any attorney or agent of the Security Trustee by reason of taking possession of the whole or any part of the Collateral or any other reason whatsoever and whether as mortgagee in possession or on any other basis whatsoever, be liable to account for anything except actual receipts or be liable for any loss or damage arising from the realisation of the whole or any part of the Collateral or any other property, assets, rights or undertakings of whatsoever nature whether or not owned by the Issuer or any other person or in which the Issuer or any other person has an interest, from any act, default or omission in relation to all or any of the Collateral or any other property, assets, rights or undertakings of whatsoever nature whether or not owned by the Issuer or any other person or in which the Issuer or any other person has an interest or from any act, default or omission in relation to the whole or any part of the Collateral or from any exercise or non-exercise by it of any right, remedy or power conferred upon it in relation to the whole or any part of the Collateral or any other property, assets, rights or undertakings of whatsoever nature whether or not owned by the Issuer or any other person or in which the Issuer or any other person has an interest, by or pursuant to any Transaction Document or otherwise, unless such loss or damage is finally judicially determined to have been caused by its fraud, wilful default or gross negligence.

#### **15.8 The Security Trustee's remedies**

Any receipt, release or discharge of the security provided by, or of any liability arising under, this Deed shall not release or discharge the Issuer from any liability to the Security Trustee for the same or any other monies which may exist independently of this Deed.

#### **15.9 The Security Trustee's discretion**

Any power or discretion which may be exercised by the Security Trustee, or any determination which may be made hereunder by the Security Trustee may be exercised or made in the absolute and unfettered discretion of the Security Trustee which shall not be under any obligation to give reasons therefor.

#### **15.10 Deduction from amounts payable by Security Trustee**

If the Issuer owes an amount to the Security Trustee under any of the Transaction Documents, the Security Trustee may, after giving notice to the Issuer, deduct an amount not exceeding that amount from any payment to the Issuer which the Security Trustee would otherwise be obliged to make under the Transaction Documents and apply the amount deducted in or towards satisfaction of that amount owed by the Issuer to the Security Trustee. For the purposes of the Transaction Documents the Issuer shall be regarded as having received any amount so deducted.

#### **15.11 Money laundering**

Unless mandatorily required by applicable laws or regulations to which the Security Trustee is subject, the Security Trustee shall not be responsible to the Issuer for providing any certification or documents with respect to any information (except for any information in respect of itself) required for any anti-money laundering due diligence purpose. Such certificates and related documents shall be provided directly by the Issuer to the Security Trustee.

## 15.12 **Disapplication**

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Trustee in relation to the trusts constituted by this Deed or any other Transaction Document. Where there are any inconsistencies between the Trustee Act 1925 and/or the Trustee Act 2000 (on one hand) and the provisions of the Transaction Documents (on the other hand), the provisions of the Transaction Documents shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of the Transaction Documents shall constitute a restriction or exclusion for the purposes of that Act.

## 15.13 **Perpetuity period**

The perpetuity period (if applicable) for the trusts constituted under the Transaction Documents shall be 80 years from the date of this Deed.

## 16. **CHANGE OF SECURITY TRUSTEE AND DELEGATION**

### 16.1 **Resignation of the Security Trustee**

- (a) The Security Trustee may resign (without providing, or being required to provide, any reason for such resignation or being responsible for any cost, loss or expense occasioned by such resignation) by giving not less than 90 days' notice to the Issuer in which case the Issuer shall appoint a successor Security Trustee who is a recognized institution providing security trustee functions through its head office or a branch office in a member state of the European Union.
- (b) If the Issuer has not appointed a successor Security Trustee in accordance with paragraph (a) above within 90 days after the notice of resignation was given, the Security Trustee shall appoint such a successor Security Trustee who is a recognized institution providing security trustee functions through its head office or a branch office in a member state of the European Union.
- (c) The retiring Security Trustee shall, at its own cost, make available to the successor Security Trustee such documents and records and provide such assistance as the successor Security Trustee may reasonably request for the purposes of performing its functions as Security Trustee under the Transaction Documents.
- (d) The Security Trustee's resignation notice shall only take effect upon (i) the appointment of a successor in accordance with paragraphs (a) or (b) and (ii) an assignment or transfer of all of the Security held by the retiring Security Trustee to that successor.
- (e) Upon the appointment of a successor Security Trustee, the retiring Security Trustee shall be discharged from any further obligation in respect of the Transaction Documents, provided that it has fulfilled all of its obligations under the Deed, but shall remain entitled to the benefit of Clause 15 (*The Security Trustee*). Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if that successor had been an original Party.
- (f) The Issuer may by not less than 90 days' notice to the Security Trustee, terminate the Security Trustee's appointment as Security Trustee under this Deed, provided that the Issuer has appointed a successor Security Trustee. In



this event, paragraph (c) above shall apply *mutatis mutandis*, provided that, in paragraph (c) above, "at its own cost" shall be replaced by "at the cost of the Issuer".

## 16.2 Delegation

- (a) The Security Trustee may at any time delegate (by power of attorney or otherwise) to any person for any period, all or any of the rights, powers and discretions vested in it by the Transaction Documents. The Security Trustee shall promptly inform the Issuer of any such delegation.
- (b) The delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Trustee may think fit in the interests of the Securityholders and it shall not be bound to supervise, or be in any way responsible for any loss incurred by reason of any act or omission on the part of any such delegate or sub-delegate, provided that the Security Trustee has exercised reasonable care in selecting such delegate or sub-delegate.

## 17. SUBSTITUTION OF THE ISSUER

- 17.1 Subject to Clause 17.2 below and satisfactory completion of any "know your customer" or similar identification procedures, the Issuer (the "**Existing Issuer**") may at any time, without the consent of the Securityholders, substitute for itself as principal obligor under the Certificates any company (the "**Substitute**") in accordance with the terms and conditions of the Certificates.
- 17.2 If the proposed Substitute is not The Royal Bank of Scotland plc, the Issuer shall, by not less than 30 days prior written notice, notify the Custodian of its intention to substitute itself for a Substitute. If, following such notice, the Custodian informs the Issuer that it objects to the Substitute, the substitution pursuant to Clause 17.1 shall not take effect until the Custodian is replaced with a new custodian in accordance with Paragraph 11.3 of Schedule 5.
- 17.3 The Security Trustee shall then release the floating charge created pursuant to Clause 3.1 with respect to the Existing Issuer and transfer the Collateral to the securities account in the name of the Substitute with the Custodian which Collateral shall immediately upon transfer become subject to the floating charge in Clause 3.1 and the Security Trustee shall then release the Existing Issuer from this Deed.
- 17.4 Following the substitution of the Substitute for the Existing Issuer, for the purposes of this Deed, the Substitute will be the Issuer and the securities account in the name of the Substitute with the Custodian will be the Securities Account.
- 17.5 The Substitute shall, promptly upon notice from the Security Trustee and at the cost of the Substitute, execute all documents and do all things (including the delivery, transfer, assignment or payment of all or part of the Collateral to the Security Trustee) that the Security Trustee may reasonably specify for the purpose of securing and perfecting its security over or title to all or any part of the Collateral or enabling the Security Trustee to vest all or part of the Collateral in its name or in the name(s) of its nominee(s), agent or any purchaser.

## 18. REMUNERATION AND INDEMNIFICATION

### 18.1 Remuneration

- (a) The Issuer shall pay to the Security Trustee remuneration for its services as agent and trustee for the Securityholders, such remuneration to be at such rate and on the terms and conditions as has been agreed between the Issuer and the Security Trustee in a fee letter. Such remuneration shall accrue from day to day and be payable until the trusts under this Deed are discharged.
- (b) In the case of the occurrence of an Event of Default, the Issuer hereby agrees that the Security Trustee shall be entitled to be paid additional remuneration calculated at its normal hourly rates in force from time to time (and which rates the Security Trustee shall notify the Issuer from time to time). If, in any other case, the Security Trustee considers it expedient or necessary or it is required under the terms of this Deed or any other Transaction Document to undertake duties which the Security Trustee and the Issuer agree are of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee in respect of the Transaction Documents, the Issuer will pay to the Security Trustee such additional remuneration as agreed in writing between the Security Trustee and the Issuer (together with any VAT or similar charge or Tax payable or chargeable in respect of any payment to the Security Trustee) and which may be calculated by reference to the Security Trustee's normal hourly rates in force from time to time (and which rates the Security Trustee shall notify the Issuer from time to time) or, failing agreement as to any of the matters in this Clause 18.1 as determined by a credit institution or person (acting as an expert) selected by the Security Trustee and approved by the Issuer or, failing such approval, nominated by the President for the time being of The Law Society of England and Wales. The expenses involved in such nomination and such credit institutions fees will be borne solely by the Issuer. The determination of such credit institution or person will be conclusive and binding on the Security Trustee and the Issuer.
- (c) The Issuer shall pay to the Valuation Agent and the Notification Agent remuneration for their services under this Deed, such remuneration to be at such time and rate and on the terms and conditions as have been agreed between the Issuer and each of the Valuation Agent and the Notification Agent in separate fee letters.

### 18.2 Discharges

Unless otherwise specifically stated in any discharge of this Deed, the provisions of Clauses 2.3 (*Trustee's claims*), 8.3(b), 18.1 (*Remuneration*), 18.3 (*Transaction and enforcement expenses*), 18.4 (*Stamp taxes*), 18.5 (*Interest on demand*) and 19 (*Indemnities*) shall continue in full force and effect notwithstanding such discharge and whether or not the Security Trustee is then the trustee of this Deed.

### 18.3 Transaction and enforcement expenses

The Issuer covenants (with the intent that this covenant shall survive the termination of this Deed and the other Transaction Documents until the Secured Obligations are discharged in full) with and undertakes to the Security Trustee to, within five Business Days of written request, reimburse or pay to the Security Trustee (on the basis of a full indemnity including Tax) the amount of all costs, charges and expenses (including, without prejudice to the generality of the foregoing, legal and travelling expenses),

incurred by the Security Trustee or a receiver or any attorney, agent or Delegate properly appointed in connection with:

- (a) after an Event of Default any investigation of title to or any valuation of any of the Collateral or under or in connection with the Collateral;
- (b) the preparation, registration, recording or perfecting of any of the Transaction Documents to which the Security Trustee is a party or any of the Security or any other document entered into in connection therewith;
- (c) after an Event of Default the exercise or the attempted or purported exercise, or the consideration of the exercise, by or on behalf of the Security Trustee or a receiver of any of the rights, powers, duties or discretions of the Security Trustee under any of the Transaction Documents and the enforcement, preservation or attempted preservation of any of the Security or any other action taken by or on behalf of the Security Trustee with a view to or in connection with the recovery by the Security Trustee of the Collateral from any person;
- (d) the negotiation, preparation, execution, printing, registration or perfecting of any other document relating to the Security;
- (e) the appointment or removal of any Security Trustee; and
- (f) the taking, holding, protection, enforcement or release of the Security,

and shall keep the Security Trustee indemnified against any failure or delay in paying the same, except where such costs, charges, liabilities and expenses result from the Security Trustee's gross negligence, wilful default or fraud.

#### 18.4 **Stamp taxes**

The Issuer shall pay all stamp, registration, notarial and other Taxes or fees to which this Deed, any Security or any judgment given in connection with them, is or at any time may be, subject and shall, on demand by the Security Trustee, and in any event within 5 Business Days of such demand, indemnify the Security Trustee against any liabilities, costs, claims and expenses resulting from any failure to pay or any delay in paying any Tax or fee.

#### 18.5 **Interest on demand**

If any Party fails to pay any amount payable by it under this Deed on its due date, interest shall accrue on the overdue amount (and be compounded with it) from the due date up to the date of actual payment (both before and after judgment and to the extent interest at a default rate is not otherwise being paid on that sum) at the rate which is two per cent. per annum over the rate at which the Security Trustee was being offered, by prime banks in the London interbank market, deposits in an amount comparable to such unpaid amount in the currencies of such amount for any period(s) that the Security Trustee may from time to time select.

### 19. **INDEMNITIES**

#### 19.1 **Indemnity in favour of the Security Trustee**

The Issuer agrees to indemnify and keep indemnified, until discharge of the Secured Obligations in full, the Security Trustee and every receiver and Delegate, on an after Tax basis, from and against all losses, actions, claims, fees, costs (including legal fees and travelling costs and expenses on a full indemnity basis), expenses (including any

expenses referred to in Clause 18.3 (*Transaction and enforcement expenses*)), demands and liabilities whether in contract, tort, or otherwise now or hereafter sustained or otherwise incurred by the Security Trustee or by any other person for whose liability, act or omission the Security Trustee is held responsible, in connection with anything done or omitted to be done under or pursuant to any Transaction Document or in the exercise or purported exercise of the rights, powers or discretions, or the performance of the duties, herein contained, or occasioned by any breach by the Issuer of any of its covenants or other obligations to the Security Trustee, or in consequence of any payment in respect of the Transaction Documents (whether made by the Issuer or a third person) being declared void or impeached for any reason whatsoever save where the same is caused by or otherwise results from the gross negligence, wilful default or fraud of the Security Trustee, receiver or Delegate.

## 19.2 **Priority of indemnity**

The Security Trustee may, in priority to any payment to the Securityholders, indemnify itself out of the Collateral (and proceeds thereof) in respect of, and pay and retain, all sums necessary to give effect to the indemnity in Clause 19.1 (*Indemnity in favour of the Security Trustee*) from the Issuer and shall have a lien on the Security and the proceeds of the enforcement of the Security for all moneys payable to it under this Clause.

## 19.3 **Indemnity in favour of the Valuation Agent, Notification Agent and Default Paying Agent**

The Issuer agrees to indemnify and keep indemnified, until discharge of the Secured Obligations in full, each of the Valuation Agent, the Notification Agent and the Default Paying Agent, on an after Tax basis, from and against all losses, actions, claims, costs (including legal and travelling costs and expenses on a full indemnity basis), expenses, demands and liabilities whether in contract, tort, or otherwise now or hereafter sustained or otherwise incurred by the Valuation Agent, the Notification Agent or Default Paying Agent (as applicable) or by any other person for whose liability, act or omission the Valuation Agent, the Notification Agent or the Default Paying Agent (as applicable) is held responsible, in connection with anything done or omitted to be done under or pursuant to any Transaction Document or in the exercise or purported exercise of the rights, powers or discretions, or the performance of the duties, herein contained, or occasioned by any breach by the Issuer of any of its covenants or other obligations to the Valuation Agent, the Notification Agent or the Default Paying Agent (as applicable), save where the same is caused by or otherwise results from the gross negligence, wilful default or fraud of the Valuation Agent, the Notification Agent or the Default Paying Agent (as applicable).

## 20. **NOTICES**

### 20.1 **Communications in writing**

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax, letter or, in accordance with Clause 20.3(b) only, by email.

### 20.2 **Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is identified with its name on the signature page to this Deed below, or any substitute details which that Party may

notify to the other Parties by not less than five Business Days' notice and promptly upon receipt of any notification of any new or changed details.

### 20.3 Delivery

- (a) Subject to paragraphs (b) to (e) below, any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:
- (i) if by way of fax, when received in legible form; or
  - (ii) if by way of letter, (A) when it has been left at the relevant address or (B) when a courier has confirmed delivery at the relevant address or (C) if sent in PDF form by email, when the relevant receipt of such communication being read is given; or
  - (iii) if by way of email, when the relevant receipt of such communication being read is given,

and, if a particular department or officer is specified as part of its address details provided under Clause 20.2 (*Addresses*), if addressed to that department or officer.

- (b) The notification of the Aggregate Certificates Value given to the Custodian by the Valuation Agent in accordance with Clause 9.1(e) shall be by email to such email address as notified by the Custodian to the Valuation Agent from time to time. The Parties acknowledge that email may not be a secure or reliable method of communication. Where the notification is given by email, the Custodian is entitled to rely on such email, without liability for (i) any interference or interception to or of such email, (ii) the email in question being sent by a person not authorised to send the same, (iii) any delay in the receipt of, or failure to receive, the mail in question, and will be indemnified by the Issuer in respect of any loss suffered by the Custodian arising from such reliance in accordance with Paragraph 9 of Schedule 5.
- (c) The notice and request given by the Default Paying Agent in accordance with Clause 9.7(a) and 9.7(b) shall be delivered to the Issuer using international courier with acknowledgement of receipt addressed to:

Equity Derivatives Legal and German Equities Legal  
The Royal Bank of Scotland N.V., London Branch  
250 Bishopsgate  
London EC2M 4AA  
United Kingdom

with a copy by fax to:

Attention: Equity Derivatives Legal and German Equities Legal

Fax number: +44 20 7678 1907

with a copy by email to such email address as notified by the Issuer to the Default Paying Agent prior to the issue date of the first series of Certificates,

or to such address, fax number and email address as may be notified by the Issuer to the Default Paying Agent from time to time.

- (d) The Enforcement Notice given by the Security Trustee in accordance with Clause 11.2(d) shall be delivered to the Custodian using courier addressed to:

Manager, Securities Collateral Management  
JPMorgan Chase Bank, N.A.  
60 Victoria Embankment  
London  
EC4Y 0JP  
United Kingdom

and shall only be effective when acknowledgment of receipt of the Enforcement Notice by the Custodian (the "**Acknowledgment of Receipt**") has been delivered to the Security Trustee using courier addressed to:

The Directors  
BNP Paribas Trust Corporation (UK) Limited  
55 Moorgate  
London  
EC2R 6PA  
United Kingdom

The Security Trustee shall not be responsible for any loss that may be occasioned by any delay or failure on the part of the Custodian to deliver the Acknowledgment of Receipt.

- (e) Any instructions or suggestions pursuant to Paragraph 4.3 of Schedule 5 from the Issuer to the Custodian shall be given by SWIFT or such other electronic means acceptable to the Custodian.

#### 20.4 **English language**

- (a) Any notice given under or in connection with this Deed must be in English.
- (b) All other documents provided under or in connection with this Deed must be:
- (i) in English; or
  - (ii) if not in English, and if so required by the Security Trustee, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

#### 21. **MISCELLANEOUS**

##### 21.1 **Partial invalidity**

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of that provision under the law of any other jurisdiction will in any way be affected or impaired.

##### 21.2 **Remedies and waivers**

No failure to exercise, nor any delay in exercising, on the part of any Party, any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other

right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

22. **AMENDMENTS AND WAIVERS**

Any term of this Deed may be amended or waived only with the written consent of all Parties.

23. **COUNTERPARTS**

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

24. **GOVERNING LAW**

This Deed is governed by, and shall be construed in accordance with, English law.

25. **JURISDICTION OF ENGLISH COURTS**

25.1 The courts of England have non-exclusive jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes, controversies, claims or causes of action arising out of or in connection with this Deed (including disputes regarding the existence, validity or termination of this Deed) (respectively, "**Proceedings**" and "**Disputes**").

25.2 The Parties agree that the courts of England are the most appropriate and convenient courts to hear and determine any Proceedings and to settle Disputes and accordingly no Party will argue to the contrary.

25.3 Notwithstanding Clause 25.1 above, nothing herein shall prevent the Security Trustee from taking any Proceedings in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent Proceedings in any number of jurisdictions.

**IN WITNESS WHEREOF** this Deed has been executed by the Parties hereto as a deed and is intended to be and is hereby delivered on the date first above written.

**The Issuer**

**EXECUTED** as a **DEED** by  
**THE ROYAL BANK OF SCOTLAND N.V., LONDON BRANCH**  
acting by:

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

Telephone: +44 (0) 20 7678 8000

Fax: +44 (0) 20 7678 1907

Attention: Equity Derivatives Legal and German Equities Legal

**The Security Trustee**

**EXECUTED** as a **DEED** by  
**BNP PARIBAS TRUST CORPORATION**  
**(UK) LIMITED**

acting by:

Address: BNP Paribas Trust Corporation (UK) Limited  
55 Moorgate  
London  
EC2R 6PA  
United Kingdom

Telephone: +44 (0) 20 7595 3307

Fax: +44 (0) 20 7595 5078

Attention: The Directors

**The Valuation Agent**

**EXECUTED** as a **DEED** by  
**BNP PARIBAS SECURITIES SERVICES,**  
**LONDON BRANCH**

acting by:

Address: BNP Paribas Securities Services, London Branch  
55 Moorgate  
London  
EC2R 6PA  
United Kingdom

Telephone: +44 (0) 20 7595 0177

Fax: +44 (0) 20 7595 5078

Attention: Head of Loan Solutions



**The Default Paying Agent**

**EXECUTED** as a **DEED** by  
**BNP PARIBAS SECURITIES SERVICES,  
FRANKFURT BRANCH**  
acting by:

Address: BNP Paribas Securities Services, Frankfurt Branch  
Global Corporate Trust Germany  
Grüneburgweg 14  
60322 Frankfurt am Main  
Germany

Telephone: +49 69 15205 556

Fax: +49 69 15205 550

Attention: Product Management & Coverage

**The Notification Agent**

**EXECUTED** as a **DEED** by  
**BNP PARIBAS SECURITIES SERVICES,  
FRANKFURT BRANCH**  
acting by:

Address: BNP Paribas Securities Services, Frankfurt Branch  
Global Corporate Trust Germany  
Grüneburgweg 14  
60322 Frankfurt am Main  
Germany

Telephone: +49 69 15205 556

Fax: +49 69 15205 550

Attention: Product Management & Coverage

**The Custodian**

**EXECUTED** as a **DEED** by  
**JPMORGAN CHASE BANK, N.A.,**  
**LONDON BRANCH**  
acting by:

Address: JPMorgan Chase Bank, N.A.  
60 Victoria Embankment  
London  
EC4Y 0JP  
United Kingdom

Telephone: +44 (0) 20 7777 5317

Fax: +44 (0) 20 7777 5394

Attention: Manager, Securities Collateral Management

**SCHEDULE 1**

**Certificates**

<b>Description</b>	<b>ISIN</b>	<b>Issue Date</b>	<b>Maturity</b>	<b>Relevant Page</b>
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## **SCHEDULE 2**

### **Eligible Securities**

*[detailed description of the financial instruments which are eligible for Collateral]*

### **SCHEDULE 3**

#### **Notification Agent Notice**

To: BNP Paribas Trust Corporation (UK) Limited

Cc: Issuer / Valuation Agent

Date:

Dear Sirs

**Debenture and Security Trust Deed dated 2010 entered into between, *inter alia*, The Royal Bank of Scotland N.V., London branch as Issuer, yourselves as Security Trustee and ourselves as Notification Agent (the "Trust Deed")**

We refer to the Trust Deed. This is a Notification Agent Notice in accordance with Clause 10.1 of the Trust Deed. Capitalised terms not defined herein shall have the respective meanings set out in the Trust Deed.

We hereby notify you in accordance with Clause 9.3(e) of the Trust Deed that the Issuer has failed to deposit sufficient Collateral to meet a Shortfall pursuant to a Collateral Call on [•] within the time limits specified in the Trust Deed and that this notice constitutes an Event of Default under the Trust Deed.

Yours faithfully,

**BNP Paribas Securities Services, Frankfurt Branch**

## **SCHEDULE 4**

### **Valuation Agent Notice**

To: BNP Paribas Trust Corporation (UK) Limited

Cc: Issuer

Date:

Dear Sirs

**Debenture and Security Trust Deed dated 2010 entered into between, *inter alia*, The Royal Bank of Scotland N.V., London branch as Issuer, yourselves as Security Trustee and ourselves as Valuation Agent (the "Trust Deed")**

We refer to the Trust Deed. This is a Valuation Agent Notice in accordance with Clause 10.2 of the Trust Deed. Capitalised terms not defined herein shall have the respective meanings set out in the Trust Deed.

We hereby notify you in accordance with Clause 9.1(c) of the Trust Deed that the Issuer has failed to provide the Report pursuant to Clause 9.1(a) within the time limits specified in the Trust Deed and that this notice constitutes an Event of Default under the Trust Deed.

Yours faithfully,

**BNP Paribas Securities Services, London Branch**

## SCHEDULE 5

### Custodial Arrangements

#### 1. INTERPRETATION

##### 1.1 In this Schedule 5:

"**COB Rules**" means the FSA's Conduct of Business Rules.

"**FSA**" means the Financial Services Authority and any successor body.

"**Paragraph**" means a paragraph of this Schedule 5.

"**Reference Price**" means in relation to the valuation of Collateral, such price as is calculated by the Custodian to be equal to the quotation of such Collateral as derived from a reputable pricing information service (such as the services provided by Interactive Data and Bloomberg) reasonably chosen in good faith by the Custodian or, if unavailable, the market value thereof as derived from the prices or rates bid by a reputable dealer for the relevant instrument reasonably chosen in good faith by the Custodian, in each case at the time at which banks close in the business centre in which Eligible Securities are to be delivered on the previous business day in such centre.

##### 1.2 For the purposes of determining any prices or values of Collateral under this Schedule 5, prices, values or amounts stated in currencies other than in euro shall be converted into euro at the London closing mid rate as advised by the Extel pricing service, or such other pricing service reasonably chosen in good faith by the Custodian, on the day on which the calculation is to be made or, if that day is not a Business Day, the immediately preceding Business Day.

#### 2. FEES

The Issuer shall pay to the Custodian such fees, charges and expenses as shall be agreed between the Issuer and the Custodian from time to time, together with any applicable value added tax, duties and levies. The basis of calculation of such fees, charges and expenses shall be set out in a separate fee schedule which may be updated by the Custodian from time to time. Any amounts payable to the Custodian pursuant to this Paragraph shall be invoiced and payable monthly in arrears unless otherwise agreed by the Custodian, payment to be made in such a manner as the Custodian shall specify in the fee schedule or otherwise advise from time to time. The Custodian may receive remuneration from or share charges with a third party. The amount or basis of any charges received or shared in relation to a specific transaction executed by the Custodian will be made available upon request.

#### 3. DELIVERY OF COLLATERAL

##### 3.1 (a) The Issuer will deliver or procure the delivery of Eligible Securities, and the Security Trustee authorises the Custodian to accept such delivery, to the Custodian and the Custodian will accept such Eligible Securities on the Issuer's behalf provided that prior to any such delivery, the Custodian shall be satisfied that the Eligible Securities to be delivered by the Issuer meets the criteria set out in Schedule 2.

(b) If the Custodian is not satisfied in accordance with Paragraph 3.1(a) or is not satisfied with any other matter in respect of the proposed delivery of the

Eligible Securities, the Custodian shall not be obliged to accept the Eligible Securities from the Issuer.

- (c) Any Eligible Securities delivered pursuant to this Paragraph 3.1 shall be delivered together with appropriate instruments of transfer duly stamped, where necessary, and such other instruments as may be requisite to vest title thereto in the Custodian or as the Custodian may direct.

3.2 In the case of Eligible Securities, title to which is registered in a computer based system which provides for the recording and transfer of title to such Eligible Securities by way of book-entries, delivery and transfer of title shall take place in accordance with the rules and procedures of such system as is in force from time to time.

#### 4. **SUBSTITUTION OF COLLATERAL**

4.1 Prior to receipt of an Enforcement Notice by the Custodian, the Custodian shall, upon request from the Issuer, redeliver Collateral to the Issuer and accept (without reservation) in its absolute discretion Eligible Securities into the Securities Account as Collateral in substitution for the Collateral (notwithstanding that the Custodian has not received specific instructions to that effect from the Security Trustee) provided that:

- (a) the Custodian is satisfied that the securities suggested by the Issuer are Eligible Securities;
- (b) the Custodian is satisfied in its absolute discretion that the Collateral Value of the Collateral immediately following the completion of the transactions suggested by the Issuer will be at least equal to or in excess of the Required Collateral Value; and
- (c) the Custodian has received the Eligible Securities suggested by the Issuer and/or has been notified by the appropriate Securities Depository (as defined below) or Sub-Custodian (as defined below) that they have received the same on its behalf before the Collateral suggested by the Issuer is released.

4.2 If the Custodian is not satisfied in accordance with Paragraph 4.1, the Custodian shall not be obliged to act on the relevant Issuer's request but shall advise the Issuer in writing. The Custodian shall not be obliged to take any further action in respect of any suggestion unless and until it has received further instructions from the Issuer.

4.3 Any suggestion made by the Issuer pursuant to Paragraph 4.1, notwithstanding any error in the transmission thereof or that such suggestion may not be genuine, shall, as against the Issuer and in favour of the Custodian, be conclusively deemed to be a valid suggestion from the Issuer to the Custodian for the purposes of this Schedule 5, if reasonably believed by the Custodian to be genuine provided however that the Custodian may, in addition to the other terms of this Schedule, in its discretion, and upon written notification to the Issuer decline to act upon any suggestion made by the Issuer where such suggestion is insufficient or incomplete, or is not received by the Custodian in sufficient time for the Custodian to act upon or in accordance with such a suggestion, or where the Custodian has reasonable grounds for concluding that the same has not been accurately transmitted or is not genuine. The Issuer is responsible for any loss, claim or expense incurred by the Custodian for following or attempting to follow a suggestion made by the Issuer.

4.4 Without prejudice to the foregoing, the Issuer hereby authorises the Custodian to act in accordance with any suggestion made, or purported to be made on the Issuer's behalf by any person designated in writing by the Issuer from time to time, and until receipt by



the Custodian of written notice from the Issuer that such a person is no longer so designated, the Custodian may continue to act pursuant to any such suggestion on the Issuer's behalf under this Schedule and Paragraph 4.3 above shall apply to any suggestion made or purported to be made, by any such person as if such suggestions were made by the Issuer itself.

## 5. GENERAL SAFEKEEPING DUTIES AND FSA NOTIFICATIONS

5.1 The Custodian shall have no duty:

- (a) to exercise any voting rights attached to any Collateral; or
- (b) to comply with any instructions relating to conversions, subdivisions, consolidations, redemptions, takeovers, pre-emptions, options (including an option to take a distribution in the form of securities or a certificate which may at a future date be exchanged for securities) or other rights in respect of Collateral,

unless the Custodian has received instructions in writing from the Issuer, or, following the receipt of an Enforcement Notice by the Custodian, the Security Trustee, acting on a best efforts basis, prior to the date on which such votes are exercisable or such action is to be taken and in the cases of a call on partly paid securities and a rights issue, all and any sum due has been paid by the Issuer to the Custodian.

5.2 If the Custodian is made aware of an Income at least ten Business Days in advance of the record date for such payment, then no later than the tenth Business Day next preceding such record date the Custodian shall so advise the Issuer. The Custodian shall use its best endeavours to acquire the necessary information to accomplish this, but shall have no responsibility should such information not be made available to the Custodian in sufficient time to advise the Issuer. In the event that Income becomes payable to the Custodian or to the Issuer's account with the Custodian, such Income shall become part of the Collateral.

5.3 Notwithstanding Paragraph 9, the Issuer irrevocably and unconditionally agrees on demand to indemnify the Custodian for all claims, demands, losses, damages, liabilities, calls, costs charges and expenses incurred by the Custodian in connection with the failure by the Issuer to pay any sum due to be paid pursuant to Paragraph 5.1 or any sum required to be paid by the Issuer following such voting or any such action taken.

5.4 Any Collateral held by the Custodian pursuant to this Deed shall be held by the Custodian on behalf of the Issuer and recorded on the Securities Account in the name of the Issuer. Any cash held by the Custodian in an account with itself pursuant to this Deed is held by it in the capacity of banker, not trustee, and is therefore not subject to the Client Money Rules of the FSA. Notwithstanding that as between the Custodian and the Issuer, the Custodian is regulated by the FSA, the rules of FSA shall not be incorporated into this Schedule.

5.5 The Custodian is authorised by the FSA, and is therefore authorised to hold Collateral with sub-custodians, which may include entities in the same group of companies as the Custodian, as the Custodian may appoint from time to time (each a "**Sub-Custodian**"). In addition, the Custodian and any Sub-Custodian may hold Securities through any securities depository, settlement system, dematerialised book entry system or similar system within the United Kingdom or overseas (together a "**Securities Depository**") on such terms as such systems customarily operate.

- 5.6 Where the Custodian holds any Collateral overseas for the Issuer, there may be settlement, legal and regulatory requirements in the relevant overseas jurisdictions which are different from those applying in the United Kingdom, together with different practices for the separate identification of the Collateral.
- 5.7 The Custodian accepts the same liability for any nominee entity controlled by the Custodian (or by any affiliate of the Custodian) as it accepts for itself.
- 5.8 Each Securities Account shall be a segregated securities account.
- 5.9 Any Collateral recorded in the Securities Account may be registered in the same name as, or held in a pooled account together with, assets held by the Custodian for other clients. All Collateral may be held on a fungible basis. Distributions of entitlements relating to such pooled assets will be on a pro rata basis.
- 5.10 Collateral will ordinarily be registered in the name of a nominee company which is controlled by the Custodian or one of its affiliated companies, but the Custodian may from time to time (where due to the nature of the law or market practice of an overseas jurisdiction it is in the Issuer's best interest or is not feasible to do otherwise) register or record Collateral in the name of a Sub-Custodian, Securities Depository or the Custodian. If Collateral is registered or recorded in the name of the Custodian, such Collateral may not be segregated and separately identifiable from assets of the Custodian and in the event of the insolvency of the Custodian, may not be as well protected from claims made on behalf of the Custodian's general creditors. The Custodian may hold physical possession of securities in accordance with the Issuer's instructions. The consequences of doing so will be at the Issuer's own risk.
- 5.11 The Issuer hereby authorises the Custodian to act under this Deed notwithstanding that:
- (a) the Custodian or any of its divisions, branches or affiliates may have a material interest in the transaction or that circumstances are such that the Custodian may have a potential conflict of duty or interest including the fact that the Custodian or any of its affiliates may:
    - (i) hold a position in, or trade, deal or act as a market maker in the Collateral;
    - (ii) provide broking services to other customers;
    - (iii) act as adviser or banker to, or have any other business with, or interest in, the issuer of such Collateral (or any of its associates or advisers) or any investments purchased or sold by the Issuer or advise or act as banker to any person in connection with a merger, acquisition or takeover by or for any such issuer (or associate);
    - (iv) act in the same transaction as agent for more than one customer and also act as agent for the Issuer in the same transaction and receive and retain commission or other charges from both parties;
    - (v) earn profits from any of the activities listed in this Paragraph 5.11;
    - (vi) sponsor, underwrite, sub-underwrite, place, purchase, arrange, act as stabilising manager for, or otherwise participate in, the issue of the Collateral; or
    - (vii) act as banker to the Issuer and/or extend credit to the Issuer.

- (b) The Custodian or any of its divisions, branches or affiliates may be in possession of information tending to show that the instructions received may not be in the best interests of the Issuer. The Custodian is not under any duty to disclose any such information.

5.12 Subject as follows:

- (a) Parties will at all times respect and protect the confidentiality of this Schedule and will not disclose to any other person any information acquired as a result of or pursuant to this Schedule ("**Relevant Information**"), unless required to do so by any applicable law, statute, regulation or court order, any fiscal or regulatory body, or any self-regulatory organisation (whether of a governmental nature or otherwise) in any relevant jurisdiction. The Parties agree that Relevant Information may be disclosed to and amongst entities in their respective group or (in the case of disclosure by a Party other than the Custodian) as otherwise agreed by the Custodian. Where the Issuer intends to disclose Relevant Information in any publicly available document, it shall first inform the Custodian of the same giving the Custodian reasonable opportunity to agree or suggest any reasonable amendment to such disclosure of any Relevant Information relating to the Custodian and the services being provided by the Custodian (provided that the Issuer may disclose this Deed in its entirety without further consent from the Custodian). The Custodian agrees that any Relevant Information previously disclosed by the Issuer with the consent of the Custodian can be subsequently disclosed to the Securityholders or prospective investors in the Certificates without any further consent from the Custodian.
- (b) The Parties (other than the Custodian) authorise the Custodian to disclose Relevant Information to any Sub-custodian, Securities Depository, nominee, affiliate or other person (including without limitation, professional advisers or auditors) where the Custodian reasonable believes such disclosure is required in connection with the provisions of the services by it under this Deed. For the avoidance of doubt, the Custodian is authorised to disclose any Relevant Information relating to the Collateral to the Liquidation Agent or such other person specified by the Security Trustee in accordance with Clause 11.4.

## 6. CUSTODIAN

- 6.1 Except as otherwise provided in this Deed, the Custodian shall be entitled to act only on the instructions given, or purporting to be given, by the Issuer.
- 6.2 The Custodian shall be under no duty to take or omit to take any action with respect to any of the Collateral except in accordance with this Deed.
- 6.3 Subject to Paragraph 6.5 below, the Custodian shall have no duty to advise or make recommendations to the Security Trustee or the Issuer in connection with the Collateral and the Custodian shall not be responsible for advising the Security Trustee or the Issuer as to the investment merits of the Collateral.
- 6.4 In the event that the Custodian receives an amount of cash on the maturity of Collateral, the Custodian shall, until such time as the Custodian has received instructions from the Issuer, be under a duty only to invest such amounts of cash in overnight deposits, when available, in the relevant currency at the sole discretion of the Custodian at a rate of interest, which, under the circumstances, is reasonably competitive with the market rate.
- 6.5 The Custodian does not make any warranties, representations or other statements whatsoever in respect of:

- (a) the ability of the Issuer to pass full legal and beneficial ownership of the Collateral to be free from all liens, charges and encumbrances;
  - (b) the validity, sufficiency or efficacy of the Collateral, the enforceability of any rights or interests relating thereto or whether it is appropriate, necessary or desirable to take or omit to take any action (including, without limitation, registration) in relation thereto.
- 6.6
- (a) Subject to Clause 9.3(d), the Custodian shall have no duty to enquire whether any default under this Deed has occurred or if the Issuer has breached any of the terms and conditions of this Deed.
  - (b) The Custodian shall be entitled to rely on information provided to it by the Notification Agent or Issuer, or in the case of the Aggregate Certificates Value, the Valuation Agent, as sufficient evidence of any fact therein and the Custodian shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by its failing to do so or for its reliance thereon.
- 6.7 Subject to the provisions of this Deed, the Custodian is permitted in the exercise of its sole discretion to act on the advice or opinion of legal counsel it may reasonably select.

## **7. LIABILITIES OF THE CUSTODIAN**

- 7.1 The Custodian shall not be liable for any action taken or omitted by it in good faith unless such action or omission constitutes fraud, negligence or wilful misconduct on the part of the Custodian or any of its employees provided that the extent of the liability of the Custodian, if any, shall be limited to the market value of such relevant part of the Collateral on the date such liability, if any, arises and provided further that the Custodian shall have no liability in any circumstances whatsoever in respect of, and the Issuer hereby waives, releases and agrees not to take any legal or other proceedings in relation to any claims for, any special, speculative, indirect or consequential damages in connection with or relating to this Schedule 5 even if the Custodian shall have been advised of the possibility of such damages.
- 7.2 The Custodian shall not be liable to the Security Trustee or the Issuer for any expense, loss or damage suffered by or occasioned to the Security Trustee or the Issuer by:
- (a) any act or omission of any person not employed by the Custodian, except (i) where such loss results directly from the acts or omissions of a Sub-Custodian (which expression shall not include any Securities Depository) which constitute negligence, fraud or wilful misconduct in the provision of services hereunder and (ii) where the Custodian has not exercised reasonable care in the selection and appointment of a Sub-Custodian;
  - (b) the insolvency of any person other than a branch or affiliate of the Custodian;
  - (c) the collection or deposit or crediting to an account of invalid, fraudulent or forged Collateral or any entry in the account which may be made in connection therewith; and
  - (d) any malfunction of, or error in the transmission of information caused by, any electrical or mechanical machine or system or any interception of communication facilities, abnormal operating conditions, labour difficulties, acts of God, or any similar or dissimilar causes beyond the reasonable control of the Custodian or its employees.

7.3 Nothing in this Deed shall exclude or restrict any liability the Custodian may have under the regulatory system as defined in the rules issued by the FSA.

8. **INSURANCE**

The Custodian shall be under no duty or obligation to insure the Collateral for the Issuer or the Security Trustee (as the case may be) against any risk (including without prejudice to the generality of the foregoing, the risk of loss, damage, destruction or mis-delivery) to the Collateral or any part thereof howsoever caused.

9. **INDEMNITY**

9.1 The Issuer hereby irrevocably and unconditionally agrees on demand and in accordance with the terms of Paragraph 9.2 below to indemnify, and keep fully and effectively (and on an after tax basis) indemnified, the Custodian against:

- (a) all actions, proceedings, claims, demands, losses, damages, liabilities, calls, assessments, costs, charges and expenses, which may be brought against or incurred by the Custodian in connection with the Collateral, this Deed or the performance of the Custodian's obligations hereunder other than Taxes provided that the Issuer shall not indemnify the Custodian against any actions, proceedings, claims, demands, losses, damages, liabilities, calls, assessments, costs, charges and expenses which may be brought against or incurred by the Custodian arising out of or in connection with the negligence, fraud or wilful misconduct of the Custodian or any of its employees or other person for whom the Custodian is liable pursuant to, and in accordance with, this Deed; and
- (b) any Taxes, other than Taxes on or attributable to the income earned by the Custodian under Paragraph 2, for which the Custodian is or may be liable or accountable in connection with the Collateral, this Schedule or the performance of the Custodian's obligations hereunder.

9.2 Such an indemnity will be given by the Issuer if and to the extent that the situation referred to in Paragraph 9.1(a) and (b), which gives rise to the indemnity results from an act or omission by the Issuer in relation to the Collateral, at a time when title to such Collateral vests with the Issuer.

9.3 Subject to Paragraph 9.5 below, the Security Trustee hereby agrees to make payment to the Custodian (and on an after tax basis) in respect of the situations referred to in Paragraph 9.1(a) and (b) above.

9.4 In the event that a third party which is not signatory to this Deed seeks to gain control of the Collateral or in any way seeks to thwart or otherwise affect the workings of this Deed and such action by such third party causes the Custodian to incur costs or expenses (including but not limited to counsel fees) then the Custodian's costs and expenses shall be reimbursed by the Issuer if such third party's acts can be construed as a means of seeking recourse or redress against the Issuer.

9.5 The payment obligations of the Security Trustee pursuant to Paragraph 9.3 above and the right of the Custodian to receive such payments shall arise with effect from the Enforcement Date and shall be limited to the assets held by the Security Trustee pursuant to this Deed at the time of any claim (the "**Available Trust Assets**"). If the Available Trust Assets (after making payment of all and any amounts due to the Security Trustee) are not sufficient to satisfy such payment obligations, the Custodian shall have no claim against the Security Trustee (including any receiver or Delegate) provided that if the Available Trust Assets are not sufficient because of the fraud, negligence, wilful default or

breach of trust by the Security Trustee this limitation shall not apply and the Custodian reserves the right to pursue the Security Trustee in its personal capacity.

**10. CLASSIFICATION**

The Custodian will treat the Issuer as a non-private or "professional client" as defined by the COB Rules. The Issuer must notify the Custodian immediately if, at any point in time, the Issuer considers that it would no longer fall within the definition of an professional client.

**11. CHANGE OF CUSTODIAN**

- 11.1 The Custodian may resign (without providing, or being required to provide, any reason for such resignation or being responsible for any cost, loss or expense occasioned by such resignation) by giving not less than 90 days' notice to the Issuer (with a copy to the Security Trustee) in which case the Issuer shall appoint a successor Custodian who is a recognized institution providing custodian functions through its head office or a branch office in England. For the avoidance of doubt, the Custodian shall be under no duty to verify the status of the successor Custodian.
- 11.2 The retiring Custodian shall, at the cost of the Issuer, make available to the successor Custodian such documents and records and provide such assistance as the successor Custodian may reasonably request for the purposes of performing its functions as Custodian under the Transaction Documents.
- 11.3 The Issuer may by not less than 30 days' notice terminate the Custodian's appointment as Custodian under this Deed with a copy to the Security Trustee, provided that it has appointed a successor Custodian who is a recognized institution providing custodian functions through its head office or a branch office in England. In this event, Paragraph 11.2 shall apply *mutatis mutandis*.

## SCHEDULE 6

### Enforcement Notice

To: JPMorgan Chase Bank, N.A., London Branch

Cc: Issuer

Date:

Dear Sirs

**Debenture and Security Trust Deed dated 2010 entered into between, *inter alia*, The Royal Bank of Scotland N.V., London branch as Issuer, BNP Paribas Trust Corporation (UK) Limited as Security Trustee and JPMorgan Chase Bank, N.A. as Custodian (the "Trust Deed")**

We refer to the Trust Deed. This is an Enforcement Notice in accordance with Clause 11.2(d) of the Trust Deed. Capitalised terms not defined herein shall have the respective meanings set out in the Trust Deed.

1. We hereby notify you that an Enforcement Event has occurred and that you should no longer accept any instructions from the Issuer and instead Clause 11.4 of the Trust Deed shall apply.

2. We hereby direct you to

[deliver all Collateral to the following securities account [*insert details of account(s) to which the Collateral is to be transferred*]]

[deliver all Collateral to such account as we shall notify you in due course. Until you receive details of the account to which Collateral is to be delivered, the Collateral shall continue to be held by you as Custodian pursuant and in accordance with the Trust Deed and, subject to Clause 11.4(b) of the Trust Deed, with no liability by you as Custodian to us as Security Trustee].\*

3. Please note that pursuant to Clause 11.4(a) of the Trust Deed you are required to send an Acknowledgement of Receipt of this Enforcement Notice to us as Security Trustee. Please promptly send such Acknowledgement of Receipt using courier to the following address:

[The Directors  
BNP Paribas Trust Corporation (UK) Limited  
55 Moorgate  
London  
EC2R 6PA]<sup>1</sup>

Yours faithfully,

Authorised Signatory  
for and on behalf of  
**[the Security Trustee]**

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\* Delete as appropriate

<sup>1</sup> Update as appropriate

## SCHEDULE 7

### Default Paying Agent Notice

To: BNP Paribas Trust Corporation (UK) Limited

Cc: Issuer

Date:

Dear Sirs

**Debenture and Security Trust Deed dated 2010 entered into between, *inter alia*, The Royal Bank of Scotland N.V., London branch as Issuer, yourselves as Security Trustee and ourselves as Valuation Agent (the "Trust Deed")**

We refer to the Trust Deed. This is a Default Paying Agent Notice in accordance with Clause 9.7(d) of the Trust Deed. Capitalised terms not defined herein shall have the respective meanings set out in the Trust Deed.

We have received an Insolvency Notice from one or more Securityholders via its/their depository bank(s) that an Insolvency Event has occurred. We have notified the Issuer of such Insolvency Notice and requested confirmation as to the occurrence of such Insolvency Event in accordance with Clause 9.7(a) [and 9.7(b)] of the Trust Deed.

The [Issuer/insolvency administrator]<sup>2</sup> [failed to respond to our request within five Business Days of receipt of our second request / confirmed the occurrence of an Insolvency Event]<sup>3</sup>.

We hereby notify you in accordance with Clause 9.7(d) of the Trust Deed that an Insolvency Event has occurred and that this notice constitutes an Event of Default under the Trust Deed.

Yours faithfully,

**BNP Paribas Securities Services, Frankfurt Branch**

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<sup>2</sup> Delete as appropriate.

<sup>3</sup> Delete as appropriate.



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**SIGNATURE PAGE**

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London, 20 May 2010

**The Royal Bank of Scotland N.V.,  
London Branch**

By:

Signature

Signature

**BENJAMIN WEIL**  
Authorised Signatory

**DANIEL KRAUSS**  
Authorised Signatory