

## **Investor Products & Equity Derivatives:**

### **External Frequently Asked Questions for Retail Investors**

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In March this year we announced the proposed transfer to The Royal Bank of Scotland plc ("RBS plc") of a substantial part of the business of The Royal Bank of Scotland N.V. ("RBS N.V.") carried on in The Netherlands and certain EMEA branches, by way of a Dutch statutory demerger (the "Demerger") and a cross-border merger (the "Merger", and together with the Demerger, the "Dutch Scheme").

RBS plc and RBS N.V. announce that (1) the Demerger took effect at 00:00hrs (Central European Summer Time) on 10 September 2012 and (2) the consequences of the Merger, as approved by the Court of Session in Scotland, took effect at 00:01hrs (British Summer Time) on 10 September 2012.

A copy of the Deed of Irrevocable Offer (as described in the RNS announcement dated 26 March 2012 made in relation to the Dutch Scheme and which has been executed by RBS plc) can be viewed at [http://www.investors.rbs.com/RBS\\_NV](http://www.investors.rbs.com/RBS_NV).

#### **1. What do I need to do after the announcement on 10 September 2012?**

There is no requirement for investors in RBS N.V. securities to take any action now.

#### **2. Will the transfers from RBS N.V. to RBS plc pursuant to the Dutch Scheme affect the post sale services of my investment?**

RBS is committed to maintaining a market leading standard for post sale services.

#### **3. Will the transfers from RBS N.V. to RBS plc pursuant to the Dutch Scheme, of themselves, lead to any change in the formulae used in terms and conditions / final terms / pricing supplements to determine an interest or principal payment?**

The transfers from RBS N.V. to RBS plc pursuant to the Dutch Scheme are not, of themselves, expected to lead to any change in the formulae used in terms and conditions / final terms / pricing supplements to determine an interest or principal payment.

#### **4. Will the transfers from RBS N.V. to RBS plc pursuant to the Dutch Scheme, of themselves, affect the price that RBS plc is willing to bid for my investment?**

The transfers of securities from RBS N.V. to RBS plc pursuant to the Dutch Scheme 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 plc 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.

**5. Will securities issued by RBS N.V. continue to trade following this announcement?**

Business will continue as usual. We will communicate further information in due course. Clients will continue to receive from us the same high quality of service both prior to and after the transfers pursuant to the Dutch Scheme.

**6. Has the Dutch Scheme been communicated to the competent regulators?**

RBS plc and RBS N.V. have discussed the Dutch Scheme in detail with the UK Financial Services Authority and De Nederlandsche Bank. The necessary approvals were obtained from these regulators prior to implementation of the Dutch Scheme.

**7. What are the expectations for the credit ratings of RBS N.V. and RBS plc?**

RBS is engaged in regular dialogue with Moody's, Standard & Poor's and Fitch regarding the ratings of its rated companies, including updating the rating agencies on the progress of the transfers.

Up-to-date credit ratings information is available at: [http://www.investors.rbs.com/credit\\_ratings](http://www.investors.rbs.com/credit_ratings).

**8. What is the Dutch Scheme?**

The Dutch Scheme is a further step in relation to the proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc announced on 19 April 2011. (see [http://www.investors.rbs.com/RBS\\_NV](http://www.investors.rbs.com/RBS_NV)).

The Dutch Scheme entails (i) a Dutch statutory demerger of the transferring businesses to RBS II B.V. (a Dutch company licensed as a bank in The Netherlands that has been established specifically for the purposes of the Dutch Scheme), followed by (ii) the merger of RBS II B.V. into RBS plc by way of a cross-border merger.

**9. How do I find out if my securities transferred as part of the Dutch Scheme?**

Investors should refer to the website [http://www.investors.rbs.com/RBS\\_NV](http://www.investors.rbs.com/RBS_NV) (for securities issued prior to 23 March 2012) or the issue and/or offer documents (including term sheets) (for securities issued from on or around 23 March 2012) for information as to whether RBS plc has become the issuer of their securities as a result of the Dutch Scheme.

**10. When did the transfers under the Dutch Scheme take place?**

The Demerger took effect at 00:00hrs (Central European Summer Time) on 10 September 2012 and the consequences of the Merger, as approved by the Court of Session in Scotland, took effect at 00:01hrs (British Summer Time) on 10 September 2012.

**Updated: 10 September 2012**