

FAQs: ABN AMRO Bank N.V. legal entity renaming in the US

Preparations for legal separation between US-based businesses purchased by The Royal Bank of Scotland Group (“RBS”) and the Dutch State are well-advanced. The next major step will be a process known as ‘legal segregation,’ which is scheduled for February 6, 2010. Legal entity renaming from ABN AMRO Bank N.V. to The Royal Bank of Scotland N.V. will also happen upon legal segregation.

The following FAQs answer questions about legal segregation, as well as rebranding and renaming of the ABN AMRO Bank N.V. businesses. While there are still integration details to be finalized and discussions with local regulators yet to conclude, these FAQs provide the current status of RBS’ plans.

1. What exactly will occur on February 6, 2010?

February 6, 2010 marks the day when businesses purchased by The Royal Bank of Scotland Group will be legally segregated from a new Amsterdam-headquartered ABN AMRO Bank N.V. This also marks the renaming of US-based, RBS-aligned business assets from ABN AMRO Bank N.V. to The Royal Bank of Scotland N.V.

2. What is happening with all the subsidiary companies and other legal entities within ABN AMRO?

All ABN AMRO legal entities are being reviewed and will either be renamed or dissolved. Many subsidiaries have already renamed.

3. Is this the end for the ABN AMRO name?

After legal segregation, the Dutch State will use the ABN AMRO brand name for the interests it acquired through the 2007 purchase of the bank with its acquisition consortium partners (Banco Santander and Fortis). The Dutch State will also use the ABN AMRO name for the Netherlands-based banking activities of Fortis, which it subsequently acquired. At legal segregation, this entity will be called ABN AMRO Bank N.V.

4. What happens to RFS Holdings at legal separation?

Discussions have yet to complete on this issue.

5. Why is The Royal Bank of Scotland N.V remaining a separate legal entity within the RBS Group?

The Royal Bank of Scotland N.V. will represent continuity as a strategic, significant member of the RBS Group with a strong balance sheet, robust risk framework and conservative risk profile. It will be primarily concerned with lending and deposits, as well as money transmission, payment and liquidity services through its Global Transaction Services division. Maintaining a significant Dutch N.V. legal entity provides many benefits, including:

- An opportunity to accelerate certain areas of integration as RBS will be transferring fewer assets
- A reduction in the impact on clients
- Access to funding mechanisms, especially Eurozone
- Potential for government guarantee schemes to be better used
- Maximizing efficiency in capital usage and liquidity funding

6. What is the relationship between The Royal Bank of Scotland N.V. and RBS Group?

The exact position of The Royal Bank of Scotland N.V. in the RBS Group following completion of the separation of consortium member assets has yet to be confirmed. However, as part of the multi-legal entity approach adopted by the RBS Group, it is intended that The Royal Bank of Scotland N.V. will have similar status compared to other legal entities in the group such as NatWest, Citizens Financial Group and Ulster Bank.

7. Is The Royal Bank of Scotland N.V. the same as ABN AMRO Bank N.V.?

Yes and no. The ABN AMRO Group of today will split between RBS, the Dutch State and Banco Santander assets. It should be noted that The Royal Bank of Scotland N.V. may continue to hold assets belonging to other consortium partners pending their transfer to the correct investor. With regard to the name ABN AMRO, the Dutch State will own the brand and will use this as the name for their new entity, which will be formed from their consortium interests, as well as the Dutch operations of Fortis which they acquired.

8. Who will be the lead regulator for The Royal Bank of Scotland N.V.?

In the US, the Dutch Central Bank (De Nederlandsche Bank or DNB) will be the lead regulator.

9. What will be the main governance and senior management structure of The Royal Bank of Scotland N.V.?

Globally, there will be a Supervisory Board comprising three executives and a Management Board consisting of a Chief Administrative Officer, Chief Financial Officer, Chief Risk Officer and the heads of Global Banking & Markets and Global Transaction Services.

10. What will The Royal Bank of Scotland N.V. look like in terms of size and shape?

The Royal Bank of Scotland N.V. will be a sizeable entity, amongst the largest operating banks in Europe. It contains a large portion of the non-UK wholesale client's lending book as well as the Global Transaction Services business. The balance sheet of The Royal Bank of Scotland N.V. has been significantly de-risked and de-leveraged. Looking to the future, we see this as a legal entity with a strategic role to play in the structure of RBS Group.

11. Has The Royal Bank of Scotland N.V. been graded by the ratings agencies?

The Royal Bank of Scotland N.V. has received an A+/A-1/stable credit rating from Standard & Poor's.

12. How safe is RBS?

RBS remains in a strong financial position which will be further strengthened with a GBP 25.5 billion equity injection from the UK government. We continue to make good progress in managing our balance sheet and reducing our wholesale funding need. The UK government's ownership of RBS Group plc ordinary voting shares is presently at 70% and is being managed at arm's length through UK Financial Investments Ltd (UKFI).