

## **Announcement to holders of financial instruments and deposit holders of The Royal Bank of Scotland N.V.**

As announced by The Royal Bank of Scotland N.V. ("RBS N.V.") via the press releases dated 23 and 26 March 2012, RBS N.V. initially planned to transfer a substantial part of the business conducted by RBS N.V. in the Netherlands as well as in certain EMEA branches of RBS N.V. to The Royal Bank of Scotland plc ("RBS plc") (the "Proposed Transfer") on 9 July 2012. Following the announcements made by RBS N.V. on 20 July 2012 and 8 August 2012, the Proposed Transfer is now expected to take place on 10 September 2012. The press releases mentioned above can be obtained on [www.rbs.nl](http://www.rbs.nl) and [www.investors.rbs.com/RBS\\_NV](http://www.investors.rbs.com/RBS_NV).

It is envisaged that the Proposed Transfer will include deposits (*deposito's*) and financial instruments of customers of RBS N.V. (the "Dutch Assets") of which a small number is currently guaranteed by a Dutch safety net scheme (*vangnetregeling*) (the Dutch Deposit Guarantee Scheme (*Depositogarantiestelsel*) or the Dutch Investor Compensation Scheme (*Beleggerscompensatiestelsel*), as applicable). The Dutch Assets that (i) will transfer from RBS N.V. to RBS plc as part of the Proposed Transfer and (ii) are currently guaranteed by the Dutch Deposit Guarantee Scheme or the Dutch Investor Compensation Scheme, as applicable, will no longer be guaranteed by such safety net scheme after the Proposed Transfer. In such case, the relevant guarantee scheme to determine whether the Dutch Assets are eligible for compensation will be the UK Financial Services Compensation Scheme ("FSCS"). Please note that this may directly impact the amount of compensation and/or the level of coverage. In addition, the amount of compensation may also be impacted in the long term as a consequence of for example a possible devaluation of the Great Britain Pound.

For your reference we have set out below a brief description of the FSCS and its coverage. The FSCS is the UK's statutory compensation fund of last resort for customers of financial services firms authorised by the Financial Services Authority, such as RBS plc. The FSCS will pay compensation for financial losses suffered by investors eligible for such compensation, where the firm is unable to pay claims against such losses, usually because the firm has stopped trading or has been declared in default.

Broadly, the FSCS covers business conducted by UK authorised firms in respect of deposits, investment business, home finance, and insurance business. For example, FSCS protection will apply:

- (i) in relation to deposits, where a firm is unable, or likely to be unable, to repay its depositors;  
or
- (ii) in relation to investments, where a firm is unable to pay claims against it, for example:
  - (a) for loss arising from bad investment advice, poor investment management or misrepresentation; or
  - (b) when an authorised investment firm goes out of business and cannot return investments or money.

Private individuals and smaller businesses (with an annual turnover of less than £1 million) will usually be eligible claimants under the FSCS. Larger businesses are generally excluded, apart from claims in respect of certain deposits and insurance businesses.

The actual level of compensation available will depend on the basis of the claim, and will be subject to certain compensation limits. For example, there is currently a limit (as at 28 February 2012) of £85,000 per person per authorised firm for claims relating to deposits. An up to date list of compensation limits can be accessed at [www.fscs.org.uk/what-we-cover/eligibility-rules/compensation-limits](http://www.fscs.org.uk/what-we-cover/eligibility-rules/compensation-limits).

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