

ROYAL BANK OF SCOTLAND GROUP PLC
Form F-4/A
September 04, 2007

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As filed with the Securities and Exchange Commission on 4 September 2007

Registration No. 333-144752

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Amendment No. 3
to
Form F-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

The Royal Bank of Scotland Group plc

(Exact name of registrant as specified in its charter)

Not Applicable

(Translation of registrant name into English)

United Kingdom

*(State or other jurisdiction of
incorporation or organization)*

6029

*(Primary Standard Industrial
Classification Code Number)*

Not Applicable

(I.R.S. Employer Identification Number)

**RBS Gogarburn, PO Box 1000
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(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and all other conditions to the consummation of the transaction described in this document have been satisfied or waived.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered ⁽¹⁾	Amount to be registered ⁽²⁾	Proposed maximum offering price per unit	Proposed maximum aggregate offering price ⁽³⁾	Amount of registration fee ⁽⁴⁾
Ordinary shares, nominal value £0.25 per share	130,521,875	Not Applicable	\$6,673,109,673	\$204,864

Notes:

- (1) American depositary shares issuable on deposit of the RBS ordinary shares registered hereby are being registered pursuant to a separate Registration Statement on Form F-6.
- (2) Calculated as the product of (a) the sum of (i) 375,563,604 ABN AMRO ordinary shares, nominal value €0.56 per share, estimated to be held by U.S. holders as of the date hereof and (ii) 65,388,677 American depositary shares of ABN AMRO, each of which represents one ABN AMRO ordinary share, estimated to be outstanding as of the date hereof and (b) the exchange ratio of 0.296 RBS ordinary shares per ABN AMRO ordinary share or American depositary share. This number represents the maximum number of RBS ordinary shares issuable in exchange for all ABN AMRO ordinary shares held by U.S. persons and all ABN AMRO ordinary shares underlying ABN AMRO American depositary shares upon consummation of the U.S. offer. RBS ordinary shares to be issued in connection with the offers outside the United States are not registered under this Registration Statement.
- (3) Pursuant to Rule 457(c) and Rule 457(f), and solely for the purpose of calculating the registration fee, the market value of the securities to be offered was calculated as the sum of (a) the product of (i) 375,563,604 ABN AMRO ordinary shares, nominal value €0.56 per share, estimated to be held by U.S. holders and (ii) the average of the high and low sales prices of ABN AMRO ordinary shares reported on Euronext Amsterdam on July 16, 2007 (converted into U.S. Dollars on the basis of an exchange rate of €1.00 = \$1.3785, which was the Federal Reserve Bank of New York noon buying rate on that date) and (b) the product of (i) 65,388,677 ABN AMRO American depositary shares estimated to be outstanding and (ii) the average of the high and low sales prices of ABN AMRO American depositary shares reported on the New York Stock Exchange on July 16, 2007.
- (4) Calculated in accordance with Rule 457(f) under the Securities Act as the product of the maximum aggregate offering price and \$30.70 per \$1,000,000 of securities registered. This fee was previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

PRELIMINARY PROSPECTUS U.S. OFFER TO EXCHANGE

The information in this prospectus may change. We may not complete the exchange offer and issue these securities until the registration statement filed with the U.S. Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer is not permitted.

**Offer to Exchange
ordinary shares, nominal value of €0.56 per share,
and American depositary shares, each of which represents one ordinary share,
of ABN AMRO Holding N.V.**

RFS Holdings B.V. ("RFS Holdings"), a company formed by an affiliate of Fortis N.V. and Fortis SA/NV, The Royal Bank of Scotland Group plc ("RBS") and an affiliate of Banco Santander, S.A. ("Santander"), is offering to acquire all of the issued and outstanding ordinary shares, nominal value €0.56 per share (the "ABN AMRO ordinary shares"), of ABN AMRO Holding N.V. ("ABN AMRO") and all of the issued and outstanding American depositary shares of ABN AMRO, each of which represents one ABN AMRO ordinary share (the "ABN AMRO ADSs").

RFS Holdings is conducting this offer which comprises an offer made pursuant to this document to all holders of ABN AMRO ordinary shares who are U.S. holders (within the meaning of Rule 14d-1(d) under the U.S. Securities Exchange Act of 1934, as amended), and to all holders of ABN AMRO ADSs, wherever located (the "U.S. offer"); and an offer made pursuant to the Dutch offer document to all holders of ABN AMRO ordinary shares who are located in the Netherlands and to all holders of ABN AMRO ordinary shares who are located outside of the Netherlands and the United States (the "Dutch offer" and, together with the U.S. offer, the "offers"), in each case if, pursuant to the local laws and regulations applicable to such holders, they are permitted to participate in the relevant offer. The offers are being conducted simultaneously and have the same terms and are subject to the same conditions.

In this U.S. offer, RFS Holdings is offering to exchange for each ABN AMRO ordinary share and each ABN AMRO ADS validly tendered and not properly withdrawn:

€35.60 in cash; and

0.296 newly issued ordinary shares, nominal value £0.25 per share, of RBS ("RBS ordinary shares").

As at 30 August 2007, the latest practicable date prior to the date of this document, the total value of the consideration being offered by RFS Holdings was €38.08 per ABN AMRO ordinary share, based on the closing price of 568p for the RBS ordinary shares on the London Stock Exchange (the "LSE") on that date and an exchange rate of €1.00 per £0.6767, published in *The Financial Times* on 31 August 2007.

The consideration set out above assumes the payment by ABN AMRO of an interim (cash or share) dividend in respect of 2007 of €0.58 per ABN AMRO ordinary share (before deduction of any applicable withholding taxes) as declared by ABN AMRO on 30 July 2007. If ABN AMRO declares any other (cash or share) dividend, distribution, share split or analogous transaction in respect of the ABN AMRO ordinary shares, including the ABN AMRO ordinary shares represented by ABN AMRO ADSs, and the record date for such (cash or share) dividend, distribution, share split or analogous transaction precedes the settlement of the offers, the consideration set out above may be reduced by the full amount of such dividend, distribution, share split or analogous transaction (before deduction of any applicable withholding taxes).

The cash consideration paid to tendering holders of ABN AMRO ADSs will be in U.S. dollars, based on the conversion of the euro consideration to which holders of ABN AMRO ADSs are entitled, net of fees and expenses, into U.S. dollars at the exchange rate obtainable by The Bank of New York, the U.S. exchange agent, on the spot market in London on the date the cash consideration is received by The Bank of New York for delivery in respect of such ABN AMRO ADSs.

THE U.S. OFFER COMMENCED ON 23 JULY 2007. THE U.S. OFFER WILL EXPIRE AT 9:00 A.M., NEW YORK CITY TIME (3:00 P.M. AMSTERDAM TIME) ON 5 OCTOBER 2007, UNLESS IT IS EXTENDED.

The completion of this U.S. offer is subject to certain conditions, including an 80% minimum acceptance condition. A detailed description of the terms and conditions of this U.S. offer appears under "The U.S. Offer Terms of the U.S. Offer" and "The U.S. Offer Conditions to the U.S. Offer" in this document.

ABN AMRO ordinary shares are listed on the Eurolist market of Euronext Amsterdam ("Euronext Amsterdam") and ABN AMRO ADSs are listed on the New York Stock Exchange (the "NYSE"). RBS ordinary shares are listed on the LSE. Prior to the U.S. offer being declared unconditional, RBS intends to list the RBS ordinary shares on Euronext Amsterdam. Prior to completion of the U.S. offer, RBS also intends to establish an American depositary receipt program in the United States. U.S. holders of ABN AMRO ordinary shares and holders of ABN AMRO ADSs who receive RBS ordinary shares in this U.S. offer will be able to deposit such RBS ordinary shares in exchange for RBS American depositary shares ("RBS ADSs") upon completing the necessary formalities and paying the associated U.K. stamp duty reserve tax (at the rate of 1.5% of the value of the RBS ordinary shares) and any other taxes, governmental charges and fees (including the fees of The Bank of New York, as the RBS ADS depositary) payable in connection therewith. RBS intends to apply to list the RBS ADSs on the NYSE.

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FOR A DISCUSSION OF RISK FACTORS THAT YOU SHOULD CONSIDER IN EVALUATING THE U.S. OFFER, SEE "RISK FACTORS" BEGINNING ON PAGE 49.

THIS DOCUMENT CONTAINS DETAILED INFORMATION CONCERNING THE U.S. OFFER FOR ABN AMRO ORDINARY SHARES AND ABN AMRO ADSs AND THE PROPOSED TRANSACTIONS RELATING TO FORTIS, RBS, SANTANDER, RFS HOLDINGS AND ABN AMRO. THE BANKS RECOMMEND THAT YOU READ THIS DOCUMENT CAREFULLY.

THIS PROSPECTUS IS NOT AN OFFER TO SELL SECURITIES AND IT IS NOT A SOLICITATION OF AN OFFER TO BUY SECURITIES, NOR SHALL THERE BE ANY SALE OR PURCHASE OF SECURITIES PURSUANT HERETO, IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE IS NOT PERMITTED OR WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE LAWS OF ANY SUCH JURISDICTION.

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE U.S. OFFER OR HAS PASSED UPON THE ADEQUACY OR ACCURACY OF THE DISCLOSURE IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

THIS PROSPECTUS HAS NOT BEEN APPROVED BY THE DUTCH *AUTORITEIT FINANCIËLE MARKTEN* (THE "AFM"). ACCORDINGLY, THIS PROSPECTUS MAY NOT BE USED TO MAKE OFFERS OR SALES IN THE NETHERLANDS IN CONNECTION WITH THE OFFERS.

The date of this document is 4 September 2007

REGULATORY STATEMENT

This prospectus is not an offer to sell securities and it is not a solicitation of an offer to buy securities, nor shall there be any sale or purchase of securities pursuant hereto, in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the laws of any such jurisdiction. If you are in any doubt as to your eligibility to participate in the offers, you should contact your professional adviser immediately.

In accordance with, and subject to the restrictions under Dutch law and pursuant to exemptive relief granted by the SEC from Rule 14e-5 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Fortis, RBS, Santander and any of their respective subsidiaries or subsidiary undertakings and any advisor, broker or financial institution acting as an agent or for the account or benefit of any of Fortis, RBS or Santander may make certain purchases of, or arrangements to purchase, ABN AMRO ordinary shares outside the United States during the period in which the U.S. offer remains open for acceptance. In accordance with the requirements of Rule 14e-5 under the Exchange Act and with exemptive relief granted by the SEC, such purchases, or arrangements to purchase, must comply with applicable Dutch regulations, including the provisions of the 1995 Act on the supervision of the securities trade (*Wet toezicht effectenverkeer 1995/Wte 1995*) (Netherlands) and the 1995 Decree on the supervision of the securities trade (*Besluit toezicht effectenverkeer 1995/Bte 1995*) (Netherlands) and the rules of Euronext Amsterdam. Fortis, RBS and Santander will disclose promptly in the United States and the Netherlands by means of a press release, to the extent that such information is made public in the Netherlands pursuant to applicable Dutch regulations, information regarding such purchases of ABN AMRO ordinary shares outside the U.S. offer and will provide such information to holders of or beneficial owners of ABN AMRO ordinary shares upon their request without charge to such persons and will disclose information regarding such purchases to the AFM as required by applicable Dutch regulations.

Since the announcement of the offers, each of Fortis, RBS and Santander, through certain identifiable business units and certain of their respective affiliates, have engaged, and intend to continue to engage, in various dealing and brokerage activities involving RBS ordinary shares. Certain mutual fund management companies, pension fund management companies, asset management companies and insurance companies that are affiliates of Fortis, RBS or Santander, respectively, have purchased and sold, and intend to continue to purchase and sell, RBS ordinary shares as part of their ordinary investing activities and/or as part of the investment selections made by their clients. Each of Fortis, RBS and Santander, through certain identifiable business units and their respective affiliates, have also engaged, and intend to continue to engage, in dealings in derivatives relating to RBS ordinary shares (such as swaps, options, warrants and other instruments) for their accounts or for the accounts of their respective customers, and in dealings in RBS ordinary shares for their accounts and the accounts of their respective customers for the purpose of hedging their respective positions established in connection with their derivatives activities relating to RBS ordinary shares entered into by the respective Bank and its affiliates and their respective customers, as well as to effect unsolicited brokerage transactions in RBS ordinary shares with their respective customers. These activities occurred and are expected to continue to occur in the United Kingdom, elsewhere in Europe and elsewhere outside the United States. Citizens Financial Group, a wholly-owned subsidiary of RBS ("Citizens"), and certain affiliates of Santander have also engaged and may continue to engage in unsolicited brokerage transactions in RBS ordinary shares in the United States. All of these activities could have the effect of preventing or retarding a decline in the market price of the RBS ordinary shares. Each of Fortis, RBS and Santander has sought and received from the SEC certain exemptive relief from Regulation M under the Exchange Act in order to permit each of Fortis, RBS and Santander through their identifiable business units and affiliates, to engage in the foregoing activities during the period in which the U.S. offer remains open for acceptance.

The RBS ordinary shares have not been and will not be registered under the Securities and Exchange Law of Japan. Accordingly, the RBS ordinary shares will not, directly or indirectly, be offered or sold in Japan. Therefore, this document must not be distributed in whole or in part into Japan. This document and other documents related to the U.S. offer may not be electronically provided to, nor accessed by, persons in Japan. Copies of this document and any other documents related to the U.S. offer are not being, and must not be, mailed or otherwise distributed or sent to, or for the benefit of persons in Japan. Persons receiving this document (including custodians, nominees and trustees) or other documents related to the U.S. offer must not distribute or send them to any person or company in or from Japan. This document and other documents related to the U.S. offer are not being distributed, directly or indirectly, in or into or by the use of the mails or any other means or instrumentality (including, without limitation, facsimile transmission, telex, telephone or internet) of interstate or foreign commerce of, or any such facilities of a national securities exchange of, Japan.

Holders of ABN AMRO ADSs who are resident and/or located in the Republic of Italy are notified that an offer for ABN AMRO ordinary shares, as an extension of the Dutch offer, is currently being conducted in Italy pursuant to Italian securities laws and implementing regulations, and offer documentation related to such offer, as approved by the *Commissione Nazionale per le Società e la Borsa*, has been made available to such holders. In order to tender into such offer, a holder of ABN AMRO ADSs must surrender his or her ABN AMRO ADSs and withdraw the ABN AMRO ordinary shares underlying such ABN AMRO ADSs in accordance with the deposit agreement governing such ABN AMRO ADSs and tender the underlying ABN AMRO ordinary shares. Neither the U.S. offer document nor any other offering materials relating to the U.S. offer may be distributed or made available in the Republic of Italy.

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QUESTIONS AND ANSWERS ABOUT THE U.S. OFFER

The following are some of the questions that you, as a holder of ABN AMRO ordinary shares or ABN AMRO ADSs, may have, along with answers to those questions. These questions and answers, as well as the following summary, are not meant to be a substitute for the information contained in the remainder of this document and the related letter of transmittal or acceptance form, and this information is qualified in its entirety by the more detailed descriptions and explanations contained in this document, including its annexes, the related letter of transmittal or acceptance form and the documents incorporated by reference into this document. We urge you to read such documents in their entirety prior to making any decision as to your ABN AMRO ordinary shares or ABN AMRO ADSs.

Q. What is RFS Holdings?

A.

RFS Holdings is a Dutch holding company formed by the Banks for the purpose of making the offers to purchase all of the issued and outstanding ABN AMRO ordinary shares and ABN AMRO ADSs and to otherwise effect the Transaction. Upon settlement of the offers, RFS Holdings will be owned by the Banks in proportion to their funding commitments under the Consortium and Shareholders' Agreement. RFS Holdings will be consolidated as a subsidiary by RBS.

Q. Why is RFS Holdings seeking to acquire all of the outstanding ABN AMRO ordinary shares and ABN AMRO ADSs?

A.

RFS Holdings is seeking to acquire all of the issued and outstanding ABN AMRO ordinary shares and ABN AMRO ADSs in order to acquire 100% of the issued and outstanding share capital of ABN AMRO. The Banks believe that due to their comprehensive strategic fit with ABN AMRO across its activities, they will be able to create stronger businesses with enhanced market presence and growth prospects, leading to substantial value creation and benefits for shareholders, customers and employees.

Q. How are the offers being made?

A.

RFS Holdings is offering to acquire all of the ABN AMRO ordinary shares and ABN AMRO ADSs through two separate offers:

a U.S. offer made pursuant to this document to all holders of ABN AMRO ordinary shares who are located in the United States and to all holders of ABN AMRO ADSs, wherever located; and

a Dutch offer made pursuant to the Dutch offer document to all holders of ABN AMRO ordinary shares who are located in the Netherlands and to all holders of ABN AMRO ordinary shares who are located outside of the Netherlands and the United States,

in each case, if, pursuant to the local laws and regulations applicable to such holders, they are permitted to participate in the relevant offer. The offers are being conducted simultaneously and have the same terms and are subject to the same conditions.

Q. What will I receive if I accept the U.S. offer?

A.

Subject to the terms and conditions of the U.S. offer, for each ABN AMRO ordinary share or ABN AMRO ADS validly tendered and not properly withdrawn, you will receive €35.60 in cash and 0.296 RBS ordinary shares. Under no circumstances will interest be paid on the cash to be received.

Q. May I choose the currency in which I receive my cash consideration?

A. No. The cash consideration paid to tendering holders of ABN AMRO ordinary shares will be in euros.

The cash consideration paid to tendering holders of ABN AMRO ADSs will be in U.S. dollars. The cash consideration payable in euros to which such tendering holders of ABN AMRO ADSs would otherwise be entitled pursuant to the terms of the U.S. offer will be converted by the U.S. exchange agent, net of fees and expenses, into U.S. dollars at the exchange rate obtainable on the spot market in London on the date the cash consideration is received by the U.S. exchange agent for delivery in respect of the tendered ABN AMRO ADSs.

Holders of ABN AMRO ADSs should be aware that fluctuations in the euro to U.S. dollar exchange rate will cause the value of the cash consideration to be paid to them in respect of their ABN AMRO ADSs to change accordingly.

Q. How does this offer compare with the Barclays offer for ABN AMRO?

A. The Banks believe that their offer is fundamentally different from the offer by Barclays plc ("Barclays") and presents ABN AMRO shareholders and holders of ABN AMRO ADSs with an offer that delivers superior value. Whereas Barclays is seeking to merge the operations of ABN AMRO with its own operations, the Banks intend to divide the ABN AMRO Businesses between them and are offering approximately 93% of the total consideration in cash and 7% in RBS ordinary shares.

On 23 April 2007, Barclays announced a proposed offer to exchange 3.225 Barclays ordinary shares for each ABN AMRO ordinary share and 0.80625 Barclays ADSs for each ABN AMRO ADS. Based on the price of Barclays ordinary shares of 712.5p at the close of business on 24 April 2007 (the day before the Banks first announced details, including a price indication, of their proposals), the value of the Barclays proposed offer was €33.78 per ABN AMRO ordinary share (using an exchange rate of €1.00 per £0.6802, as published in *The Financial Times* on 25 April 2007).

On 23 July 2007, Barclays announced its revised offer. Under the terms of the revised offer, Barclays is offering to exchange 2.13 Barclays ordinary shares and €13.15 in cash for each ABN AMRO ordinary share and 0.5325 Barclays ADSs and €13.15 in cash (paid in U.S. dollars) for each ABN AMRO ADS. Based on the price of Barclays ordinary shares of 597.5p at the close of business on 30 August 2007, the latest practicable date prior to the date of this document, the value of the Barclays offer as at 30 August 2007 was €31.96 per ABN AMRO ordinary share (using an exchange rate of €1.00 per £0.6767, as published in *The Financial Times* on 31 August 2007). Based on the price of RBS ordinary shares of 568p at the close of business on 30 August 2007, and using the same exchange rate, the value of the consideration being offered by RFS Holdings as at 30 August 2007 was €38.08 per ABN AMRO ordinary share.

Q. What percentage of RBS ordinary shares will be owned by the former holders of ABN AMRO ordinary shares and ABN AMRO ADSs after the offers are completed?

A. If all of the issued and outstanding ABN AMRO ordinary shares and ABN AMRO ADSs on a fully-diluted basis are exchanged pursuant to the offers, immediately after the completion of the offers, the former holders of ABN AMRO ordinary shares and ABN AMRO ADSs (other than ABN AMRO) will own approximately 6% of the outstanding RBS ordinary shares, and the current holders of RBS ordinary shares (other than RBS) will own approximately 94% of the outstanding RBS ordinary shares.

Q. Do I need to do anything if I want to retain my ABN AMRO ordinary shares or ABN AMRO ADSs?

A. No. If you want to retain your ABN AMRO ordinary shares or ABN AMRO ADSs, you do not need to take any action.

Q. If I decide not to tender, what will happen to my ABN AMRO ordinary shares or ABN AMRO ADSs?

A. If you decide not to tender, you will continue to own your ABN AMRO ordinary shares or ABN AMRO ADSs in their current form. However, if the offers are completed, the number of ABN AMRO ordinary shares and ABN AMRO ADSs that are publicly held may be so small that there would no longer be an active trading market for ABN AMRO ordinary shares or ABN AMRO ADSs. In particular, ABN AMRO ordinary shares may no longer be eligible for trading on Euronext Amsterdam, and ABN AMRO ADSs may no longer be eligible for trading on the NYSE. The absence of an active trading market will reduce the liquidity and market value of your ABN AMRO ordinary shares or ABN AMRO ADSs.

In addition, in the event that RFS Holdings acquires control of ABN AMRO, RFS Holdings intends to request that ABN AMRO seek the delisting of the ABN AMRO ordinary shares from Euronext Amsterdam and the ABN AMRO ADSs from the NYSE. Following delisting of the ABN AMRO ADSs from the NYSE, RFS Holdings intends to cause ABN AMRO to make a filing with the SEC requesting that ABN AMRO's reporting obligations under the Exchange Act be terminated. RFS Holdings also intends to cause ABN AMRO to terminate the deposit agreement relating to the ABN AMRO ADSs.

RFS Holdings intends to change ABN AMRO's dividend policy if the offers are completed and to cause ABN AMRO to stop paying regular cash dividends after the completion of the offers for the foreseeable future, subject to any applicable legal requirements. The amount and form of any one-time distribution will be determined by RFS Holdings from time to time as appropriate.

Q. Do I have appraisal rights under the U.S. offer with respect to the ABN AMRO ordinary shares and ABN AMRO ADSs?

A. Neither holders of ABN AMRO ordinary shares nor holders of ABN AMRO ADSs are entitled under Dutch law or otherwise to appraisal rights with respect to the U.S. offer. However, if RFS Holdings acquires 95% or more of the outstanding issued capital of ABN AMRO or 95% or more of the issued capital and voting rights attached thereto of any class of shares of ABN AMRO after the act implementing the squeeze-out provisions of European Union Takeover Directive 2004/25/EC has come into force, it intends to acquire the remaining outstanding ABN AMRO ordinary shares in accordance with the squeeze-out proceedings prescribed by the Dutch Civil Code or other legally available means. In any such squeeze-out proceedings, ABN AMRO ordinary shares held by minority ABN AMRO shareholders will be acquired only for cash, and a Dutch court will determine the price to be paid for the ABN AMRO ordinary shares, which may be lower than the cash equivalent of the consideration offered in the U.S. offer.

Q. Will shares of ABN AMRO held by minority shareholders after the completion of the offers be acquired by RFS Holdings?

A. As indicated above, if RFS Holdings acquires 95% or more of ABN AMRO's issued capital, it intends to acquire the remaining outstanding shares of ABN AMRO in accordance with the squeeze-out proceedings prescribed by the Dutch Civil Code. Furthermore, if RFS Holdings acquires 95% or more of the issued capital of, and the voting rights attached to, any class of shares of ABN AMRO after implementation of the squeeze-out provisions of the European

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Union Takeover Directive 2004/25/EC, RFS Holdings will have the right to initiate squeeze-out proceedings with respect to shares of that class not tendered and not otherwise held by RFS Holdings or ABN AMRO. In those proceedings, ABN AMRO ordinary shares held by minority ABN AMRO shareholders will be acquired only for cash, and the Enterprise Chamber of the Amsterdam Court of Appeal court will determine the price to be paid for the ABN AMRO ordinary shares, which may be lower than the cash equivalent of the consideration offered in the U.S. offer. Upon payment of the required amount into a prescribed bank account, the ABN AMRO ordinary shares held by the minority shareholders will be transferred to RFS Holdings by operation of Dutch law.

If RFS Holdings acquires less than 95% of ABN AMRO's issued share capital (or, after implementation of European Union Takeover Directive 2004/25/EC, less than 95% of the issued capital of and the voting rights attached to any class of shares of ABN AMRO), RFS Holdings will not be able to effect squeeze-out proceedings under the Dutch Civil Code. However, RFS Holdings intends to take steps to acquire 100% of the shares of ABN AMRO by other legally permissible means, including engaging in one or more corporate restructuring transactions, such as a merger pursuant to article 2:309 of the Dutch Civil Code, liquidation, transfer of assets, conversion of ABN AMRO into a different corporate form, alteration of ABN AMRO's capital structure and/or privately-negotiated purchases of ABN AMRO ordinary shares from minority ABN AMRO shareholders. See "Effects of the Offers and Post-Closing Restructuring" for further details regarding the impact of RFS Holdings acquiring less than 95% of the issued capital and voting rights on holders of ABN AMRO ordinary shares and ABN AMRO ADSs.

Q. If ABN AMRO pays any dividend in respect of the ABN AMRO ordinary shares, including ABN AMRO ordinary shares represented by ABN AMRO ADSs, will my consideration be reduced?

A.

The consideration described herein assumes the payment by ABN AMRO of an interim (cash or share) dividend in respect of 2007 of €0.58 per ABN AMRO ordinary share (before deduction of any applicable withholding taxes) as declared by ABN AMRO on 30 July 2007. If ABN AMRO declares any other (cash or share) dividend, distribution, share split or analogous transaction in respect of the ABN AMRO ordinary shares, including the ABN AMRO ordinary shares represented by ABN AMRO ADSs, and the record date for such (cash or share) dividend, distribution, share split or analogous transaction precedes the settlement of the offers, the consideration set out above may be reduced by the full amount of such dividend, distribution, share split or analogous transaction (before deduction of any applicable withholding taxes).

Q. When does the U.S. offer expire, and under what circumstances will the U.S. offer be extended?

A.

The U.S. offer will expire at 9:00 a.m. New York City time (3:00 p.m. Amsterdam time) on 5 October 2007, unless RFS Holdings decides to extend the U.S. offer.

If one or more of the conditions described in this document under "The U.S. Offer Conditions to the U.S. Offer" is not satisfied or, to the extent legally permitted, waived, RFS Holdings may, from time to time, extend the period of time for which the U.S. offer is open until all the conditions set forth in "The U.S. Offer Conditions to the U.S. Offer" have been satisfied or, to the extent legally permitted, waived.

RFS Holdings intends for the U.S. offer and the Dutch offer to expire on the same date and, if either offer is extended, to similarly extend the other offer.

During any extension, any ABN AMRO ordinary shares and ABN AMRO ADSs validly tendered and not properly withdrawn will remain subject to the U.S. offer, subject to the right

of each holder to withdraw, prior to the end of the offer period, as extended, the ABN AMRO ordinary shares or ABN AMRO ADSs that such holder has previously tendered.

Q. How will I know if the U.S. offer is extended?

A.

RFS Holdings will announce any extension of the U.S. offer by issuing a press release on, among others, the Dow Jones News Service and by publication in the Daily Official List of Euronext Amsterdam, no later than the third Euronext Amsterdam trading day after the previously scheduled expiration date.

In the event that RFS Holdings intends to waive the minimum acceptance condition to less than a majority of the issued and outstanding ABN AMRO ordinary shares on a fully-diluted basis, RFS Holdings will announce such waiver by issuing a press release on, among others, the Dow Jones News Service and by publication in the Daily Official List of Euronext Amsterdam, no later than 9:00 a.m., New York City time (3:00 p.m. Amsterdam time) on the next U.S. business day after the previously scheduled expiration date, and will extend the U.S. offer (and similarly extend the Dutch offer) to the extent required by the U.S. tender offer rules.

Q. I hold ABN AMRO ordinary shares through an Admitted Institution. How do I accept the U.S. offer?

A.

If you hold your ABN AMRO ordinary shares through an institution that holds ABN AMRO ordinary shares on behalf of clients through Euroclear Netherlands, as an admitted institution of Euroclear Nederland (an "Admitted Institution"), you should make your acceptance of the U.S. offer known to the Dutch exchange agent, Fortis Bank (Nederland) N.V., through your financial intermediary before the expiration of the U.S. offer. The financial intermediary may set an earlier deadline for receipt of acceptances in order to permit the financial intermediary to communicate acceptances to the Dutch exchange agent in a timely manner. You should contact the financial intermediary through which you hold your ABN AMRO ordinary shares to obtain information about the deadline by which you must make your acceptance of the U.S. offer known to your financial intermediary.

Q. I hold ABN AMRO ordinary shares in registered form. How do I accept the U.S. offer?

A.

If you hold your ABN AMRO ordinary shares in registered form, you may tender your ABN AMRO ordinary shares to the Dutch exchange agent by delivering to the Dutch exchange agent a properly completed and duly executed acceptance form. You should complete, sign and return the acceptance form so as to reach the Dutch exchange agent before the expiration of the U.S. offer.

Q. I hold American depositary receipts, or ADRs, representing ABN AMRO ADSs. How do I accept the U.S. offer?

A.

If you hold ABN AMRO ADRs, you may tender your ABN AMRO ADSs to the U.S. exchange agent by delivering to the U.S. exchange agent a properly completed and duly executed letter of transmittal, with any applicable signature guarantees from an eligible guarantor institution, together with the ABN AMRO ADR representing your ABN AMRO ADSs specified on the face of the letter of transmittal, before the expiration of the U.S. offer. If your ABN AMRO ADRs are not available, you may also follow the guaranteed delivery procedures described in this document. Do not send your ADRs to RFS Holdings, any of the Banks or D.F. King (the "global information agent").

Q. I hold ABN AMRO ADSs through a financial intermediary. How do I accept the U.S. offer?

A.

If you hold your ABN AMRO ADSs through a financial intermediary, you should instruct your financial intermediary through which you hold your ABN AMRO ADSs to tender your ABN AMRO ADSs in the U.S. offer to the U.S. exchange agent by means of delivery through the book-entry confirmation facilities of The Depository Trust Company ("DTC") before the expiration of the U.S. offer. If the procedure for book-entry transfer cannot be completed on a timely basis, you may also follow the guaranteed delivery procedures described in this document.

Q. Will I have to pay any transaction fees or brokerage commissions?

A.

You will not have to pay any transaction fees or brokerage commissions if:

you instruct your financial intermediary that is an Admitted Institution to tender your ABN AMRO ordinary shares, subject to the policies of such Admitted Institution;

your ABN AMRO ordinary shares are registered in your name and you tender them to the Dutch exchange agent; or

you hold ABN AMRO ADSs directly and you tender them to the U.S. exchange agent.

If you hold your ABN AMRO ordinary shares through a financial intermediary that does not directly tender and deliver your ABN AMRO ordinary shares to the Dutch exchange agent, you are advised to consult with your financial intermediary through which you hold your ABN AMRO ordinary shares regarding any applicable transaction fee or service charge.

If you hold your ABN AMRO ADSs through a financial intermediary and such financial intermediary tenders your ABN AMRO ADSs on your behalf, your financial intermediary may charge you a fee for doing so. You should consult your financial intermediary to determine whether any charges will apply.

Q. After I tender my ABN AMRO ordinary shares or ABN AMRO ADSs, may I change my mind and withdraw them?

A.

Yes. You may withdraw your ABN AMRO ordinary shares or ABN AMRO ADSs at any time before the expiration of the U.S. offer.

Q. How do I withdraw previously tendered ABN AMRO ordinary shares or ABN AMRO ADSs?

A.

If you tendered ABN AMRO ordinary shares through a financial intermediary that is an Admitted Institution, you may withdraw your ABN AMRO ordinary shares by making a withdrawal request through your financial intermediary to the Dutch exchange agent before the expiration of the U.S. offer.

If you tendered registered form ABN AMRO ordinary shares by sending an acceptance form to the Dutch exchange agent, you may withdraw your registered form ABN AMRO ordinary shares by delivering to the Dutch exchange agent a properly completed and duly executed notice of withdrawal before the expiration of the U.S. offer.

If you tendered ABN AMRO ADSs directly to the U.S. exchange agent by delivering a letter of transmittal together with the ABN AMRO ADR evidencing your ABN AMRO ADSs, you may withdraw your ABN AMRO ADSs by delivering to the U.S. exchange agent a properly completed and duly executed notice of withdrawal, guaranteed by an eligible guarantor institution (if the letter of transmittal required a signature guarantee) before the expiration of the U.S. offer.

If you tendered ABN AMRO ADSs by means of the book-entry confirmation procedures of DTC, you may withdraw your ABN AMRO ADSs by instructing your financial intermediary

through which you hold your ABN AMRO ADSs to cause the DTC participant through which your ABN AMRO ADSs were tendered to deliver a notice of withdrawal to the U.S. exchange agent through the book-entry confirmation facilities of DTC before the expiration of the U.S. offer.

See "The U.S. Offer Withdrawal Rights" for more information about the procedures for withdrawing your previously tendered ABN AMRO ordinary shares or ABN AMRO ADSs.

Q. When will I be notified of the results of the offers?

A.

Unless the initial offer period is extended, RFS Holdings will determine within five Euronext Amsterdam trading days following the expiration of the initial offer period on 5 October, 2007, whether the conditions to the offers have been satisfied or are to be waived and will announce whether (i) the conditions to the U.S. offer have been satisfied or waived, and the Dutch offer has been declared unconditional or (ii) the offers are terminated, as a result of the conditions to the offers not having been satisfied or waived.

In accordance with Dutch law, any extension of the initial offer period will be announced no later than the third Euronext Amsterdam trading day after expiration of the initial, or extended, offer period (as the case may be). Announcement of the results of the offers where the initial offer period has been extended will be made on the same basis as described above.

Q. Under what circumstances will there be a subsequent offering period?

A.

RFS Holdings reserves the right to provide a "subsequent offering period" of up to 15 Euronext Amsterdam trading days, but in no event more than 20 U.S. business days, following the close of the initial, or extended, offer period. If RFS Holdings determines to provide a subsequent offering period, it will publicly disclose its intentions and such subsequent offering period will commence immediately after the offer has been declared unconditional. However, there is no assurance that there will be a subsequent offering period. During the subsequent offering period, if any, holders of ABN AMRO ordinary shares and ABN AMRO ADSs may tender, but not withdraw, their ABN AMRO ordinary shares and ABN AMRO ADSs. RFS Holdings will accept for exchange and will pay for such ABN AMRO ordinary shares or ABN AMRO ADSs tendered during any subsequent offering period promptly and, in any event, within five Euronext Amsterdam trading days of the ABN AMRO ordinary shares and ABN AMRO ADSs being tendered. In the event the minimum acceptance condition is waived, following the expiration of the U.S. offer, to no less than a majority of the issued and outstanding ABN AMRO ordinary shares on a fully-diluted basis, RFS Holdings will provide a subsequent offering period of at least five U.S. business days following any such waiver.

Q. Will I receive the same consideration if I tender in the subsequent offering period, if any, that I would have received in the initial offer period?

A.

Yes. The consideration paid for any ABN AMRO ordinary shares or ABN AMRO ADSs tendered during any subsequent offering period, as determined by RFS Holdings, will be the same as the consideration offered in the initial offer period. Because the exchange ratio is fixed, however, the market value of the RBS ordinary shares paid as a portion of the consideration in any subsequent offering period may differ from the market value of the RBS ordinary shares at the time they are paid in the initial offer period. In addition, the U.S. dollar value of the cash consideration received by tendering holders of ABN AMRO ADSs may change due to fluctuations in the euro to U.S. dollar exchange rate.

Q. What happens if the U.S. offer is not completed?

A.

If the U.S. offer is not completed and:

if you tendered ABN AMRO ordinary shares through a financial intermediary that is an Admitted Institution, your tendered ABN AMRO ordinary shares will be returned to the Admitted Institution;

if you tendered ABN AMRO ordinary shares in registered form, your acceptance communicated to the Dutch exchange agent will be considered withdrawn;

if you tendered your ABN AMRO ADSs by delivering a letter of transmittal together with the ABN AMRO ADRs, your ABN AMRO ADSs will be returned to you promptly following the announcement that the U.S. offer has not been completed; and

if you tendered your ABN AMRO ADSs by book-entry transfer, such ABN AMRO ADSs will be credited to an account maintained at the original book-entry transfer facility to which the ABN AMRO ADSs were tendered.

Under no circumstances will RFS Holdings or any of the Banks pay, or otherwise agree to be responsible for the payment of, interest or other fees, expenses or other costs of holders of ABN AMRO ordinary shares or ABN AMRO ADSs, in the foregoing circumstances.

Q. What if I am a holder of ABN AMRO ADSs and I want to hold the RBS ordinary shares that I receive in the U.S. offer in the form of RBS ADSs?

A.

Under the U.S. offer, you will receive RBS ordinary shares as part of the consideration in exchange for your ABN AMRO ordinary shares or ABN AMRO ADSs. RBS ADSs are not being issued or offered in the U.S. offer. However, prior to the completion of the U.S. offer, RBS intends to establish an ADS facility in the United States and register the RBS ADSs issued thereunder with the SEC, and if such a facility is established and registration occurs, ABN AMRO ADS holders will be able to elect to deposit their RBS ordinary shares with The Bank of New York, the depository for the RBS ADSs. The RBS ADS depository will then issue to you RBS ADSs based on the ratio of one RBS ADS for every one RBS ordinary share. Upon any such deposit, you will be required to pay a 1.5% U.K. stamp duty reserve tax on the value of the RBS ordinary shares so deposited as well as any other taxes, governmental charges and fees payable in connection with such deposit, including fees of the RBS ADS depository for the execution and delivery of such RBS ADSs. The rights of holders of RBS ADSs will be governed by the terms of a deposit agreement among the RBS ADS depository, RBS and the owners and beneficial owners of RBS ADSs. See "Description of RBS American Depository Shares".

You may direct any questions related to the RBS ADS facility to The Bank of New York, as ADS depository, at 1-212-815-2030.

Q. Do the statements on the cover of this document about this document being subject to change and the registration statement filed with the SEC not yet being effective mean that the U.S. offer has not commenced?

A.

No. The SEC's rules permit offers to begin before the related registration statement has become effective, and RFS Holdings commenced the U.S. offer with the goal of completing the acquisition of ABN AMRO as quickly as possible. However, the U.S. offer cannot be completed until such time as the SEC has declared the registration statement relating to the RBS ordinary shares effective.

Q. Who can answer my questions?

A.

You can contact the global information agent, D.F. King & Co., Inc., at 48 Wall Street, New York, NY 10005 or 1-800-848-2998.

INDICATIVE TIMETABLE

You should take note of the dates and times set forth in the schedule below in connection with the U.S. offer. These dates and times may be changed by RFS Holdings in accordance with the terms and conditions of the U.S. offer, as described in this document. Unless otherwise noted, all times indicated are New York City time.

Event	Calendar Date⁽¹⁾
Commencement of the U.S. offer and the Dutch offer	23 July 2007
End of initial U.S. offer period (deadline for tendering ABN AMRO ordinary shares and ABN AMRO ADSs into the U.S. offer)	5 October 2007 ⁽²⁾
Announcement by RFS Holdings of whether or not the conditions to the U.S. offer have been satisfied or, to the extent legally permitted, waived	Within five Euronext Amsterdam trading days after the expiration of the U.S. offer period
Settlement of the offers; Admission to trading of the RBS ordinary shares on the LSE and Euronext Amsterdam ⁽³⁾ ; Commencement of trading of RBS ADSs on the NYSE ⁽³⁾	Within five Euronext Amsterdam trading days after the U.S. offer is declared unconditional

Notes:

- (1) If you hold ABN AMRO ordinary shares or ABN AMRO ADSs through a financial intermediary, please be aware the financial intermediary may require you to make decisions and take actions in advance of the times and dates noted. You should contact your financial intermediary with respect to questions regarding the dates and times that may be applicable to you.
- (2) This date will change if RFS Holdings extends the initial U.S. offer period in accordance with applicable law.
- (3) Subject to approval by the relevant listing authorities.

SUMMARY

Summary of the U.S. Offer

To understand the U.S. offer and the businesses of Fortis, RBS, Santander and ABN AMRO more fully, you should carefully read this entire document and any documents incorporated by reference into this document, including the sections under the headings "Cautionary Statement Concerning Forward-Looking Statements" and "Risk Factors", as well as RBS's historical consolidated financial statements and notes thereto incorporated by reference into this document and ABN AMRO's historical consolidated financial statements and notes thereto incorporated by reference into this document.

The Banks

RFS Holdings (See page 150)

Strawinskylaan 3105
1077 ZX Amsterdam
The Netherlands

RFS Holdings was incorporated in the Netherlands on 4 May 2007 as a private company with limited liability, solely to make the offers and to effect the Transaction. If the offers are declared unconditional, RFS Holdings will be funded by Fortis, RBS and Santander in the following proportions:

Fortis: 33.8%

RBS: 38.3%

Santander: 27.9%

Following the offers having been declared unconditional, Fortis, RBS and Santander will have shareholdings in RFS Holdings that are equal to their proportionate funding commitments. The capital and income rights of each class of shares that will be issued to Fortis, RBS and Santander will be linked to the net assets and income of the ABN AMRO Businesses that each of the Banks or their respective affiliates will acquire following implementation of the restructuring of the ABN AMRO Group. Upon settlement of the offers, RFS Holdings will be a subsidiary of RBS, owned by the Banks. RFS Holdings will then also be consolidated by RBS. RBS will assume the lead responsibility for ensuring that ABN AMRO is managed in compliance with all applicable regulatory requirements from settlement of the offers.

Fortis (See page 152)

Fortis SA/NV

Rue Royale 20/Koningsstraat 20
1000 Brussels
Belgium

Telephone: 011 32 2 565 1141

Fortis N.V.

Archimedeslaan 6
3584 BA Utrecht
The Netherlands

Telephone: 011 31 30 226 62 22

Fortis is an international provider of banking and insurance products and services to personal, business and institutional customers. Fortis delivers a comprehensive package of financial products and services through its own distribution channels and via intermediaries and other partners.

Fortis ranks among the 20 largest financial institutions in Europe based on market capitalisation of €43.3 billion as at 31 December 2006, with total assets of €775 billion and shareholders' equity of €20.6 billion. As at that date, Fortis had a total capital ratio of 11.1% and a Tier 1 capital ratio of 7.1%. With its sound solvency position, broad risk spread, experience in over 50 countries and the

extensive expertise of its approximately 57,000 employees (full time equivalents) as of the end of 2006, Fortis combines an international presence with local flexibility to provide strong support to its customers.

Fortis SA/NV is a public company with limited liability (*société anonyme/naamloze vennootschap*) incorporated under Belgian law and Fortis N.V. is incorporated as a public limited liability company (*naamloze vennootschap*) under Dutch law.

RBS (See page 155)

RBS Gogarburn, PO Box 1000
Edinburgh EH12 1HQ
United Kingdom

Telephone: 011 44 131 556 8555

We are the holding company of one of the world's largest banking and financial services groups, with a market capitalisation of £59.9 billion as at 30 June 2007. Listed on the London Stock Exchange and headquartered in Edinburgh, we operate in the United Kingdom, the United States and internationally through our two principal subsidiaries, The Royal Bank of Scotland plc (the "Royal Bank") and National Westminster Bank Plc ("NatWest"). Both the Royal Bank and NatWest are major U.K. clearing banks whose origins go back over 275 years. In the United States, our subsidiary Citizens Financial Group, Inc. was ranked the 9th largest (based on 31 March 2007 data) commercial banking organisation by deposits. We have a large and diversified customer base and provide a wide range of products and services to personal, commercial and large corporate and institutional customers.

We had total assets of £1,011.3 billion and shareholders' equity of £41.5 billion as at 30 June 2007. We are strongly capitalised with a total capital ratio of 12.5% and a Tier 1 capital ratio of 7.4% as at 30 June 2007.

Santander (See page 158)

Ciudad Grupo Santander
Avda. de Cantabria s/n
28660 Boadilla del Monte, Madrid
Spain

Telephone: 011 34 91 259 6520

Banco Santander, S.A. (formerly Banco Santander Central Hispano, S.A.) is the parent bank of the Santander Group, one of the world's largest banking groups by market value, with a market capitalisation of €88.4 billion at the end of 2006. Headquartered in Madrid, Spain, the Santander Group operates in three geographic areas: (i) Continental Europe, where the main institutions are Santander, Banco Español de Crédito, Banco Banif, Santander Consumer Finance and Banco Santander Totta; (ii) the United Kingdom, where the main institution is Abbey National; and (iii) Latin America, mainly Brazil, Mexico, Chile, Argentina, Puerto Rico, Venezuela and Colombia. Santander is incorporated under, and governed by, the laws of the Kingdom of Spain.

The Santander Group's main business areas are retail banking, wholesale banking and asset management and insurance. As at 31 December 2006, Santander had, on a consolidated basis, total assets of €833.9 billion and shareholders' equity of €40.1 billion. As at that date, Santander had, on a consolidated basis, a total capital ratio of 12.5% and a Tier 1 capital ratio of 7.4%.

ABN AMRO

Gustav Mahlerlaan 10
Amsterdam, 1082 PP
The Netherlands

Telephone: 011 31 20 383 68 21

ABN AMRO is a prominent international banking group offering a wide range of banking products and financial services on a global basis through a network of 4,532 offices and branches in 56 countries and territories as at 31 December 2006. ABN AMRO is one of the largest banking groups in the world. In addition to its leading position in the Netherlands, ABN AMRO also has regional business units in Europe (including Antonveneta in Italy), North America, Latin America and Asia. ABN AMRO also has diverse international advisory, capital markets and investment banking activities and its global asset management business manages approximately €193 billion in specialist mandates and mutual funds operating in 26 countries worldwide.

As at 30 June 2007, ABN AMRO had total assets of €1,120.1 billion and shareholders' equity of €24.7 billion. As at that date, ABN AMRO had a total capital ratio of 10.5% and a Tier 1 capital ratio of 8.2%.

Reasons for the Offers (See page 76)

ABN AMRO, the Banks believe, contains good businesses and customer franchises widely spread across a range of attractive markets. However, ABN AMRO has acknowledged the opportunity for it to deliver greater benefits for its customers and employees and generate growth and additional value for its shareholders by combining with a partner and selling parts of the ABN AMRO Group.

The Banks believe that they have a comprehensive strategic fit with ABN AMRO across its activities. The Banks expect that, following their acquisition of ABN AMRO, they will be able to create stronger businesses with enhanced market presence and growth prospects, leading to substantial value creation and benefits for shareholders, customers and employees. The Banks have the financial and management resources to invest in and grow the ABN AMRO Businesses and have proven records of growing their own businesses. Implementation of the Banks' respective measures to realise projected synergies is expected to enhance profitability and allow the Banks to invest further in customer-facing areas, as they have done in their own businesses.

The Banks believe that the inclusion within their groups of the ABN AMRO Businesses will create substantial value for shareholders through cost savings and revenue benefits.

The Banks also believe that the stronger businesses resulting from the Transaction will create sustainable platforms for increased job creation and enhanced opportunities for employees. The Banks believe that their track records in this regard are excellent, demonstrating organic growth in employment built on strong business foundations.

Risk Factors (See page 49)

In deciding whether to tender your ABN AMRO ordinary shares or ABN AMRO ADSs, you should carefully consider the risks described under "Risk Factors".

The U.S. Offer (See page 102)

The U.S. Offer and the Dutch Offer (See page 102)

RFS Holdings, which was formed by the Banks, is offering to acquire all of the outstanding ABN AMRO ordinary shares and ABN AMRO ADSs through the U.S. offer and the Dutch offer. The U.S. offer and the Dutch offer have the same terms and completion of each offer is subject to the same conditions.

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The U.S. offer is made pursuant to this document to all holders of ABN AMRO ordinary shares who are located in the United States and to all holders of ABN AMRO ADSs, wherever located.

The Dutch offer is made pursuant to the Dutch offer document to all holders of ABN AMRO ordinary shares who are located in the Netherlands and to all holders of ABN AMRO ordinary shares who are located outside of the Netherlands and the United States.

Holders of ABN AMRO ordinary shares who are located in the United States and holders of ABN AMRO ADSs, wherever located, are to participate in the U.S. offer, and holders of ABN AMRO ordinary shares who are not located in the United States are to participate in the Dutch offer. The offers are only being extended where the offers will comply with local laws and regulations which permit participation by holders of ABN AMRO ordinary shares and ABN AMRO ADSs.

Terms of the U.S. Offer (See page 103)

Upon the terms and subject to the conditions set forth in this document, RFS Holdings is offering to exchange for each ABN AMRO ordinary share and each ABN AMRO ADS validly tendered and not properly withdrawn:

€35.60 in cash; and

0.296 newly issued RBS ordinary shares.

The consideration set out above assumes the payment by ABN AMRO of an interim (cash or share) dividend in respect of 2007 of €0.58 per ABN AMRO ordinary share (before deduction of any applicable withholding taxes) as declared by ABN AMRO on 30 July 2007. If ABN AMRO declares any other (cash or share) dividend, distribution, share split or analogous transaction in respect of the ABN AMRO ordinary shares, including the ABN AMRO ordinary shares represented by ABN AMRO ADSs, and the record date for such (cash or share) dividend, distribution, share split or analogous transaction precedes the settlement of the offers, the consideration set out above may be reduced by the full amount of such dividend, distribution, share split or analogous transaction (before deduction of any applicable withholding taxes).

The cash consideration paid to tendering holders of ABN AMRO ADSs will be in U.S. dollars. The cash consideration payable in euros to which such tendering holders of ABN AMRO ADSs would otherwise be entitled pursuant to the terms of the U.S. offer will be converted by the U.S. exchange agent, net of fees and expenses, into U.S. dollars at the exchange rate obtainable on the spot market in London on the date the cash consideration is received by the U.S. exchange agent for delivery in respect of the tendered ABN AMRO ADSs.

Under no circumstances will interest be paid on the cash to be received, regardless of any delay in making the payment.

Conditions to the U.S. Offer (See page 104)

Consummation of the U.S. offer is subject to the satisfaction or waiver of all offer conditions, all of which, except for the minimum acceptance condition and the government and regulatory approvals conditions below, must be either satisfied or waived prior to the expiration of the offer period (as such offer period may be extended in accordance with applicable law and regulation). RFS Holdings will not be obliged to declare the U.S. offer unconditional and purchase any ABN AMRO ordinary shares or ABN AMRO ADSs validly tendered in the U.S. offer and not properly withdrawn:

- (a) if the ABN AMRO ordinary shares, including ABN AMRO ordinary shares represented by ABN AMRO ADSs, which have been validly tendered and not properly withdrawn in the offers on a combined basis, or which are otherwise held by RFS Holdings, do not represent at least 80% of the issued and outstanding ABN AMRO ordinary shares, calculated on a fully-

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diluted basis. This condition is referred to as the "minimum acceptance condition". Please see "The U.S. Offer Conditions to the U.S. offer (a) Minimum Acceptance Condition" for the method by which satisfaction of the minimum acceptance condition will be calculated;

- (b) if the Purchase and Sale Agreement, dated as of 22 April 2007, between Bank of America Corporation ("Bank of America") and ABN AMRO Bank N.V. in respect of ABN AMRO North America Holding Company, the holding company for LaSalle Bank Corporation, including the subsidiaries LaSalle N.A. and LaSalle Midwest N.A. (exclusive of any restatements of, or amendments to, such agreement), has not completed in accordance with its terms or if the proceeds of sale received on such completion are not held within the ABN AMRO Group;
- (c) if any material adverse change (as defined in "The U.S. Offer Conditions to the U.S. Offer (c) No Material Adverse Change") in respect of ABN AMRO, RFS Holdings, Fortis, RBS or Santander has occurred;
- (d) if any litigation or other legal, governmental or regulatory proceedings or investigations by a third party (including any regulatory body or governmental authority) has or have been instituted or threatened or are continuing or if any judgment, settlement, decree or other agreement relating to litigation or other legal, governmental or regulatory proceedings or investigations instituted by a third party (including any regulatory body or governmental authority) is in effect, which might, individually or in the aggregate, reasonably be expected to materially and adversely affect ABN AMRO, RFS Holdings, Fortis, RBS, Santander or any of their respective affiliates;
- (e) if an order, stay, judgment or decree is issued by any court, arbitral tribunal, government, governmental authority or other regulatory or administrative authority and is in effect, or any statute, rule, regulation, governmental order or injunction shall have been proposed, enacted, enforced or deemed applicable to the offers, any of which restrains, prohibits or delays or is reasonably likely to restrain, prohibit or delay consummation of the offers in any material respect, or if prior to the expiration of the U.S. offer period: (i) a notification has been received from the AFM that the Dutch offer has been made in conflict with any of the stipulations of Chapter IIa of the 1995 Securities Act, within the meaning of Article 32(a) 1995 Securities Decree (or any of its successor provisions) in which case the securities institutions would not be allowed to co-operate with the settlement of the Dutch offer; (ii) trading in the ABN AMRO ordinary shares on Euronext Amsterdam has been permanently suspended as a result of a listing measure taken by Euronext Amsterdam in accordance with Article 2706/1 of Euronext Rulebook II; or (iii) any of RFS Holdings, Fortis, RBS or Santander receives notification from its home country regulator that there is likely to be a material and adverse change in the supervisory, reporting or regulatory capital arrangements that will apply to ABN AMRO, Fortis, RBS, Santander or, to the extent applicable, RFS Holdings, as the case may be;
- (f) if all authorisations and consents in connection with the offers have not been obtained or relevant waiting periods have not expired or all mandatory or appropriate regulatory approvals from domestic and international regulatory authorities, insofar as reasonably required in connection with the offers have not been obtained;
- (g) if the European Commission has not declared the concentration or concentrations resulting from the Transaction, including the concentrations following from the ultimate acquisition by each of the Banks of their respective parts of ABN AMRO's assets, compatible with the common market or has not otherwise granted its approval for the Transaction or if the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, in relation to the Transaction has not expired or been terminated or if other competent antitrust or competition authorities have not granted approvals reasonably deemed necessary;

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- (h) if the registration statement containing the U.S. prospectus filed with the SEC is not declared effective by the SEC or if any stop order has been issued or proceedings for suspension of the effectiveness of the registration statement containing the U.S. prospectus have been initiated by the SEC;
- (i) if confirmation has not been obtained that the RBS ordinary shares to be issued in the offers will be admitted to:
- (i) the Official List maintained by the U.K. Financial Services Authority (the "FSA");
 - (ii) trading on the LSE's main market for listed securities; and
 - (iii) trading and listing on Euronext Amsterdam,
- no later than the date of settlement of the offers;
- (j) if, to the extent required, the general meetings of shareholders of each of Fortis and RBS have not passed the resolutions to approve the Transaction or if the general meetings of shareholders of each of Fortis, RBS and Santander have not passed resolutions to approve the capital increase or, as the case may be, the issuances of securities described in "Source and Amount of Funds";
- (k) if, other than the Bank of America Agreement, ABN AMRO or any of its subsidiaries or subsidiary undertakings has entered into any agreement, or completed any transaction, involving the sale, repurchase, redemption or issue by ABN AMRO or its affiliates to third parties of any shares in ABN AMRO's own share capital (or securities convertible or exchangeable into shares or options to subscribe for any of the foregoing (other than pursuant to equity incentive plans operated in the normal course of business)), or involving the acquisition of material assets or the sale or transfer of a material part of its business or assets, including but not limited to any or all of the assets or businesses set out under "Background to and Reasons for the Offers Reasons for the Offers Businesses to be Acquired" whether by way of any legal merger, legal demerger, liquidation or any other transaction with similar effect, or entered into, varied or terminated any material contract outside the ordinary course of business or given any undertaking to do any of the foregoing, or if ABN AMRO has approved, declared or paid a dividend outside of the normal course of its business or inconsistent with past practice; or
- (l) if any public announcement has been made indicating that a third party is preparing or is to make an offer (or any amendment to, or revision of, an existing or proposed offer) for the ABN AMRO ordinary shares or ABN AMRO ADSs, or if Barclays has announced or is to make (i) any offer under terms and conditions different from the terms and conditions announced by it on 23 April 2007 or (ii) any amendment to the terms and conditions of an existing offer such that the terms and conditions of that offer are different from the terms and conditions announced on 23 April 2007.

The conditions to the U.S. offer are for the benefit of RFS Holdings and the Banks and, to the extent legally permitted, may be waived by RFS Holdings at any time. The conditions to the Dutch offer are the same as the conditions to the U.S. Offer. RFS Holdings will not waive a condition in one offer unless it waives the same condition in the other offer.

Condition (e)(i) above may not be waived by RFS Holdings except where the notification referred to in that condition has been or will be revoked by the AFM or if such notification is overruled by a court decision or after consultation with the AFM. Notice of any such waiver will be given in the manner prescribed by applicable law.

Subject to the U.S. tender offer rules (including U.S. tender offer rules that require that material changes of a condition be promptly disseminated to shareholders in a manner reasonably designed

to inform them of such changes) and the Dutch tender offer regulations, RFS Holdings reserves the right, at any time, and, to the extent legally permitted, to waive any of the conditions to the U.S. offer in any respect (including the minimum acceptance condition), by giving oral or written notice of the waiver to the U.S. exchange agent and the Dutch exchange agent and by making a public announcement in accordance with the procedures outlined in "The U.S. Offer Expiration Date; Extension of the U.S. Offer". For details of the impact that waiving the minimum acceptance condition may have on holders of ABN AMRO ordinary shares and ADSs, see "Effects of the Offers and Post-Closing Restructuring".

Settlement of the U.S. Offer (See page 117)

If the conditions referred to under "The U.S. Offer Conditions to the U.S. Offer" have been satisfied or, to the extent legally permitted, waived, RBS ordinary shares and cash will be issued and paid to holders of ABN AMRO ordinary shares and ABN AMRO ADSs whose ABN AMRO ordinary shares or ABN AMRO ADSs are accepted for exchange within five Euronext Amsterdam trading days thereafter. In the event of a subsequent offering period, if any, RBS ordinary shares and cash will be issued and paid to holders of ABN AMRO ordinary shares and ABN AMRO ADSs whose ABN AMRO ordinary shares or ABN AMRO ADSs are accepted for exchange during that subsequent offering period promptly and, in any event, within five Euronext Amsterdam trading days after the ABN AMRO ordinary shares and ABN AMRO ADSs have been tendered.

The cash consideration payable in euros to which tendering holders of ABN AMRO ADSs would otherwise be entitled pursuant to the terms of the U.S. offer will be converted by the U.S. exchange agent, net of fees and expenses, into U.S. dollars at the exchange rate obtainable on the spot market in London on the date the cash consideration is received by the U.S. exchange agent for delivery in respect of such ABN AMRO ADSs.

Any 1.5% SDRT charge which arises in connection with the delivery of RBS ordinary shares to an ABN AMRO shareholder or holder of ABN AMRO ADSs whether in certificated or uncertificated form, will be required to be borne by the ABN AMRO shareholder or ADS holder; however, no such SDRT should generally arise in respect of the delivery of RBS ordinary shares into a CREST account designated by such ABN AMRO shareholder or ADS holder, except in the case of a CREST account of, or of a nominee for, certain providers of clearance services and depository receipt facilities (which would include the CREST account of Euroclear Nederland and the CREST account of The Bank of New York, as RBS ADS depository or their nominees).

For tax consequences, including SDRT payable under certain circumstances see "Material U.S. Federal Income Tax, Dutch Tax and U.K. Tax Consequences Certain U.K. Tax Consequences".

Source and Amount of Funds (See page 146)

Assuming all issued and outstanding ABN AMRO ordinary shares (including ABN AMRO ordinary shares represented by ABN AMRO ADSs) are tendered into the offers, RBS would be obliged to issue 554,127,341 RBS ordinary shares to ABN AMRO shareholders in satisfaction of the obligations of RFS Holdings with regard to the share element of the offer consideration. This number is based on an exchange ratio of 0.296 RBS ordinary shares per ABN AMRO ordinary share, and 1,845,855,090 issued and outstanding ABN AMRO ordinary shares (as set out in ABN AMRO's Schedule 14D-9 dated 10 August 2007) and the number of additional ABN AMRO ordinary shares that would result from the exercise of all outstanding ABN AMRO options (based on information set out in the ABN AMRO 2006 Annual Report on Form 20-F). If not all of the outstanding ABN AMRO options are exercised and tendered into the offers, RBS will be obliged to issue fewer ordinary shares. In addition, RFS Holdings would be obliged to pay aggregate cash consideration of €66 billion. This number is based on €35.60 in cash per ABN AMRO ordinary share and 1,845,855,090 issued and outstanding ABN AMRO ordinary shares (as set out in ABN AMRO's

Schedule 14D-9 dated 10 August 2007). The Banks propose to finance the cash portion of the consideration payable by RFS Holdings through a combination of rights issues, issues of debt and preferred securities and internal resources. Merrill Lynch International ("Merrill Lynch") and certain other financial institutions have agreed to underwrite any such rights issues and certain issues of debt or preferred securities.

Fortis intends to finance its portion of the consideration, of approximately €24 billion, primarily from net proceeds of an equity offering in an amount of up to €13 billion and the proceeds of the placement of conditional capital exchangeable notes ("CCENs") of €2 billion. The remaining part of the consideration to be funded by Fortis will be financed from the proceeds of a combination of (i) the issuance of various securities; (ii) the sale of specific non-core assets of Fortis that may complete prior to the completion of the offers; and (iii) other internal financial resources including but not limited to cash on Fortis's balance sheet.

RBS, whose portion of the cash consideration payable on settlement of the offers is €22 billion (assuming the number of issued and outstanding ABN AMRO Ordinary Shares is as set out in ABN AMRO's Schedule 14D-9 dated 10 August 2007 and the exercise of all ABN AMRO options based on information as set out in the ABN AMRO 2006 Annual Report on Form 20-F) plans to issue preferred securities and debt securities, and to utilise internal resources to finance the remainder of its portion of the cash consideration not covered by the proceeds of the securities it issues.

Santander intends to finance its portion of the consideration to be paid in the offers, which is approximately €19.8 billion, by raising approximately €9.0 billion via a rights issue and the issuance of mandatorily convertible securities and funding the remaining amount of approximately €10.8 billion through internal financial resources, including asset disposals.

Regulatory Matters (See page 109)

As described above, RFS Holdings will not be obliged to purchase any tendered ABN AMRO ordinary shares or ABN AMRO ADSs pursuant to the U.S. offer if all authorisations and consents in connection with the offers have not been obtained or relevant waiting periods have not expired or all mandatory or appropriate regulatory approvals of domestic and international regulatory authorities, insofar as reasonably required in connection with the offers have been obtained.

RFS Holdings and the Banks have made all necessary filings for the approval of the change of control of ABN AMRO with their home regulators, in so far as these are required, and have made substantially all other applications for regulatory change of control approval. Approval has been requested from, amongst others, the FSA, the Dutch Central Bank (*De Nederlandsche Bank*), the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*), and the Belgian Banking, Finance and Insurance Commission (*Commission Bancaire, Financière et des Assurances*).

In addition, in order for the conditions to the U.S. offer to have been satisfied, RFS Holdings and/or the Banks must make certain competition and antitrust filings with, and obtain approvals from, certain regulatory authorities with respect to the acquisition of ABN AMRO as well as, in some cases, the reorganisation of ABN AMRO following completion of the offers. In particular, competition consents or confirmations are being sought from, among others, the European Commission under the European Union Merger Regulation, the Federal Trade Commission and the antitrust division of the U.S. Department of Justice.

Although the Banks are seeking or will seek certain regulatory approvals for the reorganization of ABN AMRO after the acquisition, other than as contemplated in "The U.S. Offer Conditions to the U.S. Offer (g) Competition and Antitrust", obtaining regulatory approvals for the reorganization (as opposed to the acquisition) of ABN AMRO is not a condition to the offers. Accordingly, formal

consent from bank regulators for the subsequent proposed restructuring has not yet been applied for in most jurisdictions where regulatory consent is required, although these regulators are aware of the high-level proposals.

While RFS Holdings and the Banks have made, and will continue to make, significant efforts to obtain requisite regulatory approvals, there can be no assurances regarding the timing of the approvals, their ability to obtain the approvals on satisfactory terms or the absence of litigation challenging these approvals. There can likewise be no assurance that U.S. federal or state and non-U.S. regulatory authorities will not attempt to challenge the combination on antitrust grounds or for other reasons, or, if a challenge is made, as to the results of the challenge.

In certain jurisdictions where ABN AMRO has operations, the local regulatory regime imposes a statutory timeframe within which the relevant regulator must communicate its decision on the application for regulatory change of control consent. In many instances, the timeframe imposed on the regulator is shorter than the initial offer period. In others, there is no such timeframe and RFS Holdings cannot, therefore, be certain as to when consent might be granted (if at all). Whilst certain regulators have indicated their willingness to provide as much assistance as possible in reviewing the relevant application for regulatory change of control consent, there can be no guarantee that such consents will be granted within the initial offer period or at all.

Listing of RBS Ordinary Shares (See page 227)

The RBS ADS Facility (See page 189)

Application will be made to the FSA for the RBS ordinary shares issued in connection with the offers to be admitted to the Official List maintained by the FSA pursuant to the rules contained in Part VI of the U.K. Financial Services and Markets Act 2000 and to the LSE for the newly issued RBS ordinary shares to be admitted to trading on the LSE's main market for listed securities. It is expected that listing will become effective and dealings, for normal settlement, on the LSE will begin shortly following the date on which RFS Holdings announces that all conditions to the offers have been satisfied or, to the extent legally permitted, waived. The RBS ordinary shares issued pursuant to the offers will, when issued and fully paid, rank *pari passu* in all respects with the existing RBS ordinary shares, including the right to receive all dividends and other cash payments (if any) declared or paid by RBS by reference to a record date on or after the date of issue of the RBS ordinary shares issued pursuant to the offers.

In addition, prior to completion of the U.S. offer, we intend to list the RBS ordinary shares on Euronext Amsterdam.

Prior to completion of the U.S. offer, we also intend to establish an ADS facility in the United States and apply to list the RBS ADSs on the NYSE. Holders of ABN AMRO ADSs who receive RBS ordinary shares pursuant to the U.S. offer will be able to elect to deposit such RBS ordinary shares with The Bank of New York, as RBS ADS depository, following completion of the U.S. offer. The RBS ADS depository will then issue RBS ADSs to such holders based on the ratio of one RBS ADS for every one RBS ordinary share.

Following completion of the U.S. offer, holders of ABN AMRO ordinary shares may deposit the RBS ordinary shares they receive in the U.S. offer in the RBS ADS facility by contacting the RBS ADS depository and furnishing such documentation and paying such fees and expenses as required under the RBS ADS deposit agreement.

However, upon any such deposit, the depositor will be required to pay the 1.5% U.K. stamp duty reserve tax on the value of the RBS ordinary shares so deposited, as well as any other taxes, governmental charges and fees payable in connection with such deposit, including the fees of the depository for the execution and delivery of such RBS ADSs. The rights of holders of RBS ADSs will

be governed by the terms of the RBS ADS deposit agreement among the RBS ADS depository, RBS and the owners and holders of RBS ADSs.

Effects of the Offers and Post-Closing Restructuring (See page 138)

If RFS Holdings, acting alone or with one or more group companies, acquires 95% or more of the outstanding issued capital of ABN AMRO, it intends to acquire the remaining issued capital of ABN AMRO in accordance with the squeeze-out proceedings prescribed by the Dutch Civil Code or other legal means. Furthermore, if RFS Holdings, acting alone or with one or more group companies, acquires 95% or more of the issued capital of and the voting rights attached to any class of shares of ABN AMRO after the act implementing the squeeze-out provisions of European Union Takeover Directive 2004/25/EC comes into effect, RFS Holdings will have the right to initiate squeeze-out proceedings with respect to shares of that class not tendered and not otherwise held by RFS Holdings, acting alone or with one or more group companies, or ABN AMRO. In case of a squeeze-out, ABN AMRO ordinary shares held by minority ABN AMRO shareholders will be acquired only for cash, and a Dutch court will determine the price to be paid for the ABN AMRO ordinary shares, which may be lower than the cash equivalent of the consideration offered in the U.S. offer. Upon payment of the amount required into a prescribed bank account, the ABN AMRO ordinary shares held by the minority shareholders will be transferred to RFS Holdings by operation of Dutch law.

If RFS Holdings acquires less than 95% of ABN AMRO's outstanding issued share capital (or, after implementation of European Union Takeover Directive 2004/25/EC, less than 95% of the issued capital of and the voting rights attached to any class of shares of ABN AMRO), RFS Holdings will not be able to squeeze out minority shareholders in accordance with the Dutch Civil Code. In such circumstances, however, RFS Holdings intends to acquire the remaining issued capital of ABN AMRO through one or more other available legal means, which may include engaging in one or more corporate restructuring transactions, such as a merger pursuant to article 2:309 of the Dutch Civil Code, liquidation, transfer of assets, conversion of ABN AMRO into a different corporate form, alteration of ABN AMRO's capital structure and/or purchases of ABN AMRO ordinary shares from minority ABN AMRO shareholders.

RFS Holdings has not yet determined which method or methods it would use to acquire the remaining issued share capital of ABN AMRO.

RFS Holdings intends to change ABN AMRO's dividend policy if the offers are completed and to cause ABN AMRO to stop paying regular cash dividends after the completion of the offers for the foreseeable future, subject to any applicable legal requirements. The amount and form of any one-time distribution will be determined by RFS Holdings from time to time as appropriate.

In the event that RFS Holdings acquires control of ABN AMRO, RFS Holdings also intends to request that ABN AMRO seek the delisting of the ABN AMRO ordinary shares from Euronext Amsterdam and the ABN AMRO ADSs from the NYSE. Following delisting of the ABN AMRO ADSs from the NYSE, RFS Holdings intends to cause ABN AMRO to file with the SEC to request that ABN AMRO's reporting obligations under the Exchange Act be terminated. In addition, RFS Holdings intends to cause ABN AMRO to terminate the deposit agreement relating to the ABN AMRO ADSs.

Accounting Treatment (See page 123)

The acquisition of the ABN AMRO ordinary shares and ABN AMRO ADSs will be accounted for by RBS using the purchase method under both IFRS and U.S. GAAP.

Appraisal Rights (See page 124)

Neither holders of ABN AMRO ordinary shares nor holders of ABN AMRO ADSs are entitled under Dutch law or otherwise to appraisal rights with respect to the U.S. offer. However, if RFS Holdings acquires 95% or more of the outstanding issued capital of ABN AMRO or 95% or more of the issued capital and voting rights attached thereto of any class of shares of ABN AMRO after the act implementing the squeeze-out provisions of European Union Takeover Directive 2004/25/EC has come into force, it intends to acquire the remaining outstanding ABN AMRO ordinary shares in accordance with the squeeze-out proceedings prescribed by the Dutch Civil Code or other legally available means. In any such squeeze-out proceedings, ABN AMRO ordinary shares held by minority ABN AMRO shareholders will be acquired only for cash, and a Dutch court will determine the price to be paid for the ABN AMRO ordinary shares, which may be lower than the cash equivalent of the consideration offered in the U.S. offer.

Material U.S. Federal Income Tax, Dutch Tax, and U.K. Tax Consequences (See page 129)

The exchange of ABN AMRO ordinary shares or ABN AMRO ADSs representing ABN AMRO ordinary shares for a mixture of cash and RBS ordinary shares will be a taxable exchange for U.S. federal income tax purposes. U.S. holders of ABN AMRO ordinary shares and ABN AMRO ADSs whose ABN AMRO ordinary shares or ABN AMRO ADSs are exchanged in the U.S. offer will generally recognise gain or loss on the exchange of ABN AMRO ordinary shares or ABN AMRO ADSs for cash and RBS ordinary shares equal to the difference between (x) the sum of the fair market value of the RBS ordinary shares received pursuant to the U.S. offer (including cash received in lieu of fractional entitlements of RBS ordinary shares) and the U.S. dollar value of any cash consideration received, and (y) the U.S. holder's adjusted tax basis in the ABN AMRO ordinary shares or ABN AMRO ADSs. See "Material U.S. Federal Income Tax, Dutch Tax and U.K. Tax Consequences Material U.S. Federal Tax Considerations".

U.S. holders of ABN AMRO ordinary shares or ABN AMRO ADSs who are neither resident nor ordinarily resident in the U.K. for U.K. tax purposes will not generally be subject to U.K. taxation in respect of the disposal of their ABN AMRO ordinary shares or ABN AMRO ADSs pursuant to the U.S. offer assuming they do not carry on a trade, profession or vocation in the U.K. through a branch or agency or permanent establishment in connection with which their ABN AMRO ordinary shares or ABN AMRO ADSs are or have been used, held or acquired. See "Material U.S. Federal Income Tax, Dutch tax and U.K. Tax Consequences Material U.K. Tax Considerations."

U.S. holders of ABN AMRO ordinary shares or ABN AMRO ADSs who realise capital gains pursuant to the U.S. offer will generally not be subject to Dutch taxation on such capital gains unless the capital gains are attributable to an enterprise or part thereof that is either effectively managed in the Netherlands or carried on through a permanent establishment or a permanent representative in the Netherlands. However, other exceptions may apply that may result in U.S. holders becoming subject to Dutch taxation on the capital gains concerned. See "Material U.S. Federal Income Tax, Dutch Tax and U.K. Tax Consequences Material Dutch Tax Considerations".

Businesses to be Acquired (See page 77)

Upon successful completion of the offers, the ABN AMRO Businesses are to be acquired by RFS Holdings, and an orderly reorganisation is expected to result in the following ownership:

Fortis: Business Unit Netherlands (excluding former Dutch wholesale clients, Interbank and DMC Consumer Finance), Business Unit Private Clients globally (excluding Latin America) and Business Unit Asset Management globally

RBS: Continuing businesses of Business Unit North America following the sale of LaSalle, Business Unit Global Clients and wholesale clients in the Netherlands (including former Dutch

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wholesale clients) and Latin America (excluding Brazil), Business Unit Asia (excluding Saudi Hollandi) and Business Unit Europe (excluding Antonveneta)

Santander: Business Unit Latin America (excluding wholesale clients outside Brazil), Antonveneta, Interbank and DMC Consumer Finance

Shared Assets: Head Office and central functions, private equity portfolio, stakes in Capitalia and Saudi Hollandi, and Prime Bank

The split of businesses shown above is based on the Business Units as defined in ABN AMRO's Annual Report and Accounts for the year ended 31 December 2006.

Comparison of Shareholders' Rights (See page 197)

Former holders of ABN AMRO ordinary shares will have different rights once they become holders of RBS ordinary shares. The rights of RBS shareholders are governed by U.K. law and our articles of association, while the rights of ABN AMRO shareholders are governed by Book 2 of the Dutch Civil Code, ABN AMRO's articles of association, applicable listing rules, the Dutch Corporate Governance Code and certain other Dutch rules and legislation. The differences between the governing documents of RBS and ABN AMRO and U.K. and Dutch law are described in more detail under "Comparison of Shareholders' Rights". Holders of RBS ADSs will not be treated as holders of RBS ordinary shares and will not have the same rights as holders of RBS ordinary shares. The depository for RBS ADSs will be the holder of the RBS ordinary shares underlying the RBS ADSs. Holders of RBS ADSs will have rights as holders of RBS ADSs, which will be set out in the RBS ADS deposit agreement, which will be governed by New York law. See "Description of RBS American Depositary Shares".

Interests of RFS Holdings, Fortis, RBS and Santander and their Directors and Executive Officers (See page 216)

The ownership of each of RFS Holdings, Fortis, RBS and Santander of ABN AMRO ordinary shares as at 30 August 2007, is set out in the section entitled "Interests of RFS Holdings, Fortis, RBS and Santander and their Directors and Executive Officers." The section also describes the shareholdings of each of our directors and officers in RBS ordinary shares as at 30 August 2007.

The U.S. Exchange Agent and the Dutch Exchange Agent (See page 122)

The Bank of New York has been appointed U.S. exchange agent in connection with the U.S. offer. Fortis Bank (Nederland) N.V. has been appointed Dutch exchange agent in connection with the offers.

Additional Information (See page 231)

If you have questions or want copies of additional documents, you may contact the global information agent:

D. F. King & Co., Inc.
48 Wall Street
New York, NY 10005
1-800-848-2998

SUMMARY SELECTED HISTORICAL CONDENSED CONSOLIDATED FINANCIAL DATA OF RBS

Presented below are RBS's summary selected historical condensed consolidated financial data as of and for the six months ended 30 June 2007 and 30 June 2006 and for each of the years in the five-year period ended 31 December 2006. These data are derived from, and should be read together with RBS's unaudited interim condensed consolidated financial statements included in its Form 6-K for the six months ended 30 June 2007 and its audited consolidated financial statements included in Annual Report on Form 20-F for the year ended 31 December 2006, which are incorporated by reference into this document.

The summary selected historical condensed consolidated financial data presented below as of and for the six months ended 30 June 2007 and 30 June 2006 and the years ended 31 December 2006, 2005 and 2004 were prepared in accordance with IFRS. The financial data presented below as of and for the years ended 31 December 2003 and 2002 were prepared in accordance with U.K. GAAP. In addition, certain financial data prepared in accordance with U.S. GAAP are presented for the six months ended 30 June 2007 and 30 June 2006 and each of the years in the five-year period ended 31 December 2006.

Unless otherwise noted, the prior period per share data set out below is as published and has not been restated to reflect the two for one bonus share issue in May 2007.

As of and for the six months ended 30 June

	2007	2006	
	<i>(millions, except per share data, percentages and ratios)</i>		
	(\$) ⁽¹⁾	(£)	(£)
Amounts in accordance with IFRS			
Summary condensed consolidated income statement			
Net interest income	10,800	5,383	5,194
Non-interest income	18,673	9,307	8,448
	<hr/>	<hr/>	<hr/>
Total income	29,473	14,690	13,642
Operating expenses ⁽²⁾⁽³⁾	12,833	6,396	6,040
	<hr/>	<hr/>	<hr/>
Profit before other operating charges and impairment losses	16,640	8,294	7,602
Insurance net claims	4,845	2,415	2,204
Impairment losses	1,747	871	887
	<hr/>	<hr/>	<hr/>
Operating profit before tax	10,048	5,008	4,511
Tax	2,552	1,272	1,387
	<hr/>	<hr/>	<hr/>
Profit for the period	7,496	3,736	3,124
	<hr/>	<hr/>	<hr/>
Profit attributable to:			
Minority interests	151	75	55
Preference shareholders	213	106	91
Ordinary shareholders	7,132	3,555	2,978
	<hr/>	<hr/>	<hr/>

As of and for the six months
ended 30 June 2007*(millions, except per share data, percentages
and ratios)*(\$)⁽¹⁾ (£)**Summary condensed consolidated balance sheet**

Loans and advances	1,194,218	595,234
Debt securities and equity shares	312,014	155,517
Derivatives and settlement balances	410,660	204,685
Other assets	112,011	55,830
	<hr/>	<hr/>
Total assets	2,028,903	1,011,266
	<hr/>	<hr/>
Shareholders' equity	83,350	41,544
Minority interests	9,859	4,914
Subordinated liabilities	54,329	27,079
Deposits	1,120,984	558,732
Derivatives, settlement balances and short positions	512,469	255,430
Other liabilities	247,912	123,567
	<hr/>	<hr/>

As of and for the six months
ended 30 June 2007

Total liabilities and equity	2,028,903	1,011,266
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As of and for the
six months ended 30 June

2007 2006

*(millions, except per share
data, percentages and ratios)***Other financial data**

Earnings per ordinary share (pence)	37.6	93.1
Earnings per ordinary share adjusted (pence ⁽⁴⁾)	37.6	31.0
Diluted earnings per ordinary share (pence)	37.3	92.5
Diluted earnings per ordinary share adjusted (pence ⁽⁴⁾)	37.3	30.8
Dividends per ordinary share (pence)	22.1	53.1
Dividends per ordinary share adjusted (pence ⁽⁴⁾)	22.1	17.7
Share price per ordinary share at period end (£)	6.33	17.78
Share price per ordinary share at period end adjusted (£) ⁽⁴⁾	6.33	5.93
Market capitalisation at period end (£ billion)	59.9	56.8
Net asset value per ordinary share (£)	3.96	10.66
Net asset value per ordinary share adjusted (£ ⁽⁴⁾)	3.96	3.55
Return on average total assets ⁽⁵⁾	0.75%	0.74%
Return on average ordinary shareholders' equity ⁽⁶⁾	19.2%	18.1%
Average shareholders' equity as a percentage of average total assets	4.3%	4.4%
Tier 1 capital ratio	7.4%	7.6%
Total capital ratio	12.5%	11.9%
Ratio of earnings to combined fixed charges and preference share dividends ⁽⁷⁾		
including interest on deposits	1.59	1.64
excluding interest on deposits	6.29	6.34
Ratio of earnings to fixed charges only ⁽⁷⁾		
including interest on deposits	1.61	1.66
excluding interest on deposits	7.11	7.13

Notes:

- (1) The U.S. dollar financial information has been translated from sterling at a rate of £1.00 to U.S.\$2.0063, being the Noon Buying Rate on 29 June 2007 (the last business day in the six months ended 30 June 2007).
- (2) Includes integration expenditure of £55 million for the six months ended 30 June 2007 (2006: £43 million).
- (3) Includes purchased intangibles amortisation of £43 million for the six months ended 30 June 2007 (2006: £49 million).
- (4) Data for the six months ended 30 June 2006 have been adjusted to reflect the two for one bonus share issue in May 2007. Data for the six months ended 30 June 2007 have been repeated for ease of comparison.
- (5) Return on average total assets represents profit attributable to ordinary shareholders as a percentage of average total assets.
- (6) Return on average ordinary shareholders' equity represents profit attributable to ordinary shareholders expressed as a percentage of average ordinary shareholders' equity.
- (7) For this purpose, earnings consist of income before tax and minority interests, plus fixed charges less the unremitted income of associated undertakings (share of profits less dividends received). Fixed charges consist of total interest expense, including or excluding interest on deposits and debt securities in issue, as appropriate, and the proportion of rental expense deemed representative of the interest factor (one third of total rental expenses).

As of and for the
year ended 31 December

	2006	2005	2004
--	------	------	------

*(millions, except per share data,
percentages and ratios)*

	(\$) ⁽¹⁾	(£)	(£)	(£)
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Amounts in accordance with IFRS**Summary condensed consolidated income statement**

Net interest income	21,259	10,596	9,918	9,071
Non-interest income ⁽²⁾	34,921	17,406	15,984	14,320
Total income	56,180	28,002	25,902	23,391
Operating expenses ⁽³⁾⁽⁴⁾⁽⁵⁾	25,038	12,480	11,946	10,362
Profit before other operating charges and impairment losses	31,142	15,522	13,956	13,029
Insurance net claims	8,944	4,458	4,313	4,260
Impairment losses	3,768	1,878	1,707	1,485
Operating profit before tax	18,430	9,186	7,936	7,284
Tax	5,395	2,689	2,378	1,995
Profit for the year	13,035	6,497	5,558	5,289
Profit attributable to:				
Minority interests	209	104	57	177
Preference shareholders	383	191	109	256
Ordinary shareholders	12,443	6,202	5,392	4,856

Summary condensed consolidated balance sheet

Loans and advances	1,102,460	549,499	487,813	408,324
Debt securities and equity shares	282,397	140,755	130,266	98,631
Derivatives and settlement balances	248,994	124,106	101,668	23,482
Other assets	114,503	57,072	57,080	57,685
Total assets	1,748,354	871,432	776,827	588,122
Shareholders' equity	80,707	40,227	35,435	33,905
Minority interests	10,559	5,263	2,109	3,492
Subordinated liabilities	55,482	27,654	28,274	20,366
Deposits	1,035,983	516,365	453,274	383,198
Derivatives, settlement balances and short positions	336,232	167,588	140,426	51,866
Other liabilities	229,391	114,335	117,309	95,295
Total liabilities and equity	1,748,354	871,432	776,827	588,122

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As of and for the
year ended 31 December

	2006	2005	2004
	<i>(millions, except per share data, percentages and ratios)</i>		
	(£)	(£)	(£)
Other financial data			
Earnings per ordinary share (pence)	194.7	169.4	157.4
Earnings per ordinary share adjusted (pence) ⁽⁶⁾	64.9	56.5	52.5
Diluted earnings per ordinary share (pence) ⁽⁷⁾	193.2	168.3	155.9
Diluted earnings per ordinary share adjusted (pence) ⁽⁶⁾⁽⁷⁾	64.4	56.1	52.0
Dividends per ordinary share (pence)	77.3	60.6	52.5
Dividends per ordinary share adjusted (pence) ⁽⁶⁾	25.8	20.2	17.5
Dividend payout ratio ⁽⁸⁾	46%	43%	38%
Share price per ordinary share at year end (£)	19.93	17.55	17.52
Share price per ordinary share at year end adjusted (£) ⁽⁶⁾	6.64	5.85	5.84
Market capitalisation at year end (£ billion)	62.8	56.1	55.6
Net asset value per ordinary share (£)	11.59	10.14	9.26
Net asset value per ordinary share adjusted (£) ⁽⁶⁾	3.86	3.38	3.09
Return on average total assets ⁽⁹⁾	0.74%	0.73%	0.94%
Return on average ordinary shareholders' equity ⁽¹⁰⁾	18.5%	17.5%	18.3%
Average shareholders' equity as a percentage of average total assets	4.4%	4.5%	5.9%
Tier 1 capital ratio	7.5%	7.6%	7.0%
Total capital ratio	11.7%	11.7%	11.7%
Ratio of earnings to combined fixed charges and preference share dividends ⁽¹¹⁾			
including interest on deposits	1.62	1.67	1.88
excluding interest on deposits	6.12	6.05	7.43
Ratio of earnings to fixed charges only ⁽¹¹⁾			
including interest on deposits	1.64	1.69	1.94
excluding interest on deposits	6.87	6.50	9.70

Notes:

- (1) The U.S. dollar financial information has been provided for convenience and has been translated from sterling at a rate of £1.00 to U.S.\$2.0063, being the Noon Buying Rate on 29 June 2007. Amounts in this column are unaudited.
- (2) Includes gain on sale of strategic investments of £333 million in 2005.
- (3) Includes loss on sale of subsidiaries of £93 million in 2005.
- (4) Includes integration expenditure of £134 million for the year ended 31 December 2006 (2005: £458 million; 2004: £520 million).
- (5) Includes purchased intangibles amortisation of £94 million for the year ended 31 December 2006 (2005: £97 million; 2004: £45 million).
- (6) Adjusted to reflect the two for one bonus share issue in May 2007.
- (7) All the convertible preference shares have a dilutive effect in 2006 and 2005 and as such have been included in the computation of diluted earnings per share. In 2004 their effect was anti-dilutive.
- (8)

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Dividend payout ratio represents the interim dividend paid and current year's final dividend proposed as a percentage of profit attributable to ordinary shareholders.

(9) Return on average total assets represents profit attributable to ordinary shareholders as a percentage of average total assets.

(10) Return on average ordinary shareholders' equity represents profit attributable to ordinary shareholders expressed as a percentage of average ordinary shareholders' equity.

(11) For this purpose, earnings consist of income before tax and minority interests, plus fixed charges less the unremitted income of associated undertakings (share of profits less dividends received). Fixed charges consist of total interest expense, including or excluding interest on deposits and debt securities in issue, as appropriate, and the proportion of rental expense deemed representative of the interest factor (one third of total rental expenses).

**As of and for the year ended
31 December**

	2003	2002
<i>(millions, except per share data, percentages and ratios)</i>		
	(£)	(£)

Amounts in accordance with U.K. GAAP

**Summary condensed consolidated profit
and loss account**

Net interest income	8,301	7,849
Non-interest income	10,980	9,167
Total income	19,281	17,016
Operating expenses excluding goodwill amortisation ⁽¹⁾	8,753	8,738
Goodwill amortisation	763	731
General insurance claims (net)	2,195	1,350
Profit before provisions	7,570	6,197
Provisions for bad and doubtful debts	1,461	1,286
Amounts written off fixed asset investments	33	59
Profit on ordinary activities before tax	6,076	4,852
Tax on profit on ordinary activities	1,888	1,582
Profit on ordinary activities after tax	4,188	3,270
Minority interests (including non-equity)	210	133
Preference dividends non-equity	261	305
Additional Value Shares dividend non-equity	1,463	798
Profit attributable to ordinary shareholders	2,254	2,034

**Summary condensed consolidated balance
sheet**

Loans and advances to banks (net of provisions)	51,891	44,296
Loans and advances to customers (net of provisions)	252,531	223,324
Debt securities and equity shares	82,249	68,928
Intangible fixed assets	13,131	12,697
Other assets	54,626	61,793
Total assets	454,428	411,038
Called up share capital	769	754
Share premium account	8,175	7,608
Other reserves	11,307	11,922
Profit and loss account	5,847	4,787
Shareholders' funds	26,098	25,071
Minority interests	2,713	1,839
Subordinated liabilities	16,998	13,965
Deposits by banks	67,323	54,720
Customer accounts	236,963	219,161
Debt securities in issue	41,016	33,938
Other liabilities	63,317	62,344
Total liabilities	454,428	411,038

Other financial data

Earnings per ordinary share (pence)	76.9	70.6
Earnings per ordinary share adjusted (pence) ⁽⁶⁾	25.6	23.5
Diluted earnings per ordinary share (pence) ⁽²⁾	76.3	69.6
Diluted earnings per ordinary share adjusted (pence) ⁽³⁾⁽⁶⁾	25.4	23.2
Dividends per ordinary share (pence)	50.3	43.7
Dividends per ordinary share adjusted (pence) ⁽⁹⁾	16.8	14.6
Dividend payout ratio	66.1%	62.3%
Share price per ordinary share at period end (£)	16.46	14.88
Share price per ordinary share at period end adjusted (£) ⁽⁹⁾	5.49	4.96
Market capitalisation at period end (£ billion)	48.8	43.2
Net asset value per ordinary share (£)	7.82	7.43
Net asset value per ordinary share adjusted (£) ⁽⁹⁾	2.61	2.48
Return on average total assets ⁽³⁾	0.51%	0.52%
Return on average equity shareholders' funds ⁽⁴⁾	9.8%	8.8%
Average shareholders' equity as a percentage of average total assets	5.9%	6.8%
Tier 1 capital ratio	7.4%	7.3%
Total capital ratio	11.8%	11.7%
Ratio of earnings to combined fixed charges and preference share dividends ⁽⁵⁾		
including interest on deposits	1.95	1.74
excluding interest on deposits	7.08	5.20
Ratio of earnings to fixed charges only ⁽⁵⁾		
including interest on deposits	2.04	1.83
excluding interest on deposits	9.73	7.24

Notes:

- (1) Includes integration expenditure of £229 million for the year ended 31 December 2003 (2002: £957 million).
- (2) Convertible preference shares have not been included in the computation of diluted earnings per share as their effect was anti-dilutive.
- (3) Return on average total assets represents profit attributable to ordinary shareholders as a percentage of average total assets.
- (4) Return on average equity shareholders' funds represents profit attributable to ordinary shareholders expressed as a percentage of average equity shareholders' funds.
- (5) For this purpose, earnings consist of income before tax and minority interests, plus fixed charges less the unremitted income of associated undertakings (share of profits less dividends received). Fixed charges consist of total interest expense, including or excluding interest on deposits and debt securities in issue, as appropriate, and the proportion of rental expense deemed representative of the interest factor (one third of total rental expenses).
- (6) Adjusted to reflect the two for one bonus share issue in May 2007.

As of and for the six months
ended 30 June

	2007	2006	
	<i>(millions, except per share data, percentages and ratios)</i>		
	(\$) ⁽¹⁾	(£)	(£)
Amounts in accordance with U.S. GAAP			
Net income available for ordinary shareholders	5,726	2,854	2,527
Shareholders' equity	82,443	41,092	39,561
Total assets	1,699,446	847,055	738,180
Other financial data			
Earnings per ordinary share (pence)		30.2	79.0
Earnings per ordinary share adjusted (pence) ⁽²⁾		30.2	26.3
Diluted earnings per ordinary share (pence)		30.0	78.6
Diluted earnings per ordinary share adjusted (pence) ⁽³⁾		30.0	26.2
Dividends per ordinary share (pence)		22.1	53.1
Dividends per ordinary share adjusted (pence) ⁽³⁾		22.1	17.7
Return on average total assets ⁽³⁾		0.71%	0.72%
Return on average ordinary shareholders' equity ⁽⁴⁾		16.2%	13.8%
Average shareholders' equity as a percentage of average total assets		5.0%	5.6%
Ratio of earnings to combined fixed charges and preference share dividends ⁽⁵⁾			
including interest on deposits		1.49	1.54
excluding interest on deposits		5.40	5.51
Ratio of earnings to combined fixed charges only ⁽⁵⁾			
including interest on deposits		1.52	1.58
excluding interest on deposits		6.52	6.93

Notes:

- (1) The U.S. dollar financial information has been translated from sterling at a rate of £1.00 to U.S.\$2.0063, being the Noon Buying Rate on 29 June 2007 (the last business day in the six months ended 30 June 2007).
- (2) Data for the six months ended 30 June 2006 have been adjusted to reflect the two for one bonus issue in May 2007. Data for the six months ended 30 June 2007 have been repeated for ease of comparison.
- (3) Return on average total assets represents profit attributable to ordinary shareholders as a percentage of average total assets.
- (4) Return on average ordinary shareholders' equity represents profit attributable to ordinary shareholders expressed as a percentage of average ordinary shareholders' equity.
- (5) For this purpose, earnings consist of income before tax and minority interests, plus fixed charges less the unremitted income of associated undertakings (share of profits less dividends received). Fixed charges consist of total interest expense, including or excluding interest on deposits and debt securities in issue, as appropriate, and the proportion of rental expense deemed representative of the interest factor (one third of total rental expenses).

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As of and for the year ended 31 December

	2006	2005	2004	2003	2002
	<i>(millions, except per share data, percentages and ratios)</i>				
	(\$) ⁽¹⁾	(£)	(£)	(£)	(£)
Amounts in accordance with U.S. GAAP					
Net income available for ordinary shareholders	10,914	5,440	4,475	3,909	3,108
Shareholders' equity	80,406	40,077	40,229	36,191	28,177
Total assets	1,546,486	770,815	700,386	631,100	430,573
Other financial data					
Earnings per ordinary share (pence)		170.8	140.6	126.7	87.5
Earnings per ordinary share adjusted (pence) ⁽²⁾		56.9	46.9	42.2	29.2
Diluted earnings per ordinary share (pence) ⁽³⁾		169.7	140.0	125.9	86.8
Diluted earnings per ordinary share adjusted (pence) ⁽³⁾⁽³⁾		56.6	46.7	42.0	28.9
Dividends per ordinary share (pence)		77.3	60.6	52.5	45.6
Dividends per ordinary share adjusted (pence) ⁽²⁾		25.8	20.2	17.5	15.2
Dividend payout ratio ⁽⁴⁾		45.4%	43.1%	40.6%	51.9%
Return on average total assets ⁽⁵⁾		0.73%	0.64%	0.70%	0.55%
Return on average ordinary shareholders' equity ⁽⁶⁾		16.0%	13.4%	13.2%	9.5%
Average shareholders' equity as a percentage of average total assets		5.3%	5.4%	6.3%	6.5%
Ratio of earnings to combined fixed charges and preference share dividends ⁽⁷⁾					
including interest on deposits		1.53	1.55	1.73	1.98
excluding interest on deposits		5.39	5.17	6.34	7.24
Ratio of earnings to combined fixed charges only ⁽⁷⁾					
including interest on deposits		1.57	1.60	1.79	2.07
excluding interest on deposits		6.55	6.56	8.28	9.96

Notes:

- (1) The dollar information included above has been translated from sterling at a rate of U.S.\$2.0063, the Noon Buying Rate on 29 June 2007.
- (2) Adjusted to reflect the two for one bonus share issue in May 2007.
- (3) All convertible preference shares have a dilutive effect in 2006 and 2005 and as such have been included in the computation of diluted earnings per share. In prior years their effect was anti-dilutive.

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- (4) Dividend pay out ratio represents the interim dividend paid and current year's final dividend proposed as a percentage of net income available for ordinary shareholders.
- (5) Return on average total assets represents profit attributable to ordinary shareholders as a percentage of average total assets.
- (6) Return on average ordinary shareholders' equity represents profit attributable to ordinary shareholders expressed as a percentage of average ordinary shareholders' equity.
- (7) For this purpose, earnings consist of income before tax and minority interests, plus fixed charges less the unremitted income of associated undertakings (share of profits less dividends received). Fixed charges consist of total interest expense, including or excluding interest on deposits and debt securities in issue, as appropriate, and the proportion of rental expense deemed representative of the interest factor (one-third of total rental expenses).

**SELECTED HISTORICAL CONDENSED CONSOLIDATED
FINANCIAL DATA OF ABN AMRO**

Presented below are selected historical condensed consolidated financial data of ABN AMRO as of and for the six months ended 30 June 2007 and 30 June 2006 and for each of the years in the five-year period ended 31 December 2006. These data are derived from, and should be read together with ABN AMRO's unaudited consolidated financial statements included in its Form 6-K for the six months ended 30 June 2007, filed with the SEC on 30 July 2007, (the "ABN AMRO 2007 interim Form 6-K") and its audited consolidated financial statements included in its Annual Report on Form 20-F for the year ended 31 December 2006, filed with the SEC on 2 April 2007, as amended on Form 20-F/A and filed with the SEC on 3 August 2007 ("ABN AMRO 2006 Annual Report on Form 20-F"), which are incorporated by reference into this document, and its Annual Report on Form 20-F for the year ended 31 December 2004, which is not incorporated by reference into this document.

The financial data for the six months ended 30 June 2007 and 30 June 2006 and the years ended 31 December 2006, 2005 and 2004 were prepared in accordance with IFRS. The financial data for the years ended 31 December 2003 and 2002 were prepared in accordance with Dutch GAAP. In addition, certain financial data prepared in accordance with U.S. GAAP are presented for each of the years in the five-year period ended 31 December 2006.

As of and for the
six months
ended 30 June

	2007	2006
	<i>(millions, except per share data, percentages and ratios)</i>	
	(€)	(€)
Amounts in accordance with IFRS		
Selected consolidated income statement data		
Net interest income	4,594	4,311
Net fee and commission income	2,872	2,602
Net trading income	1,940	1,477
Results from financial transactions	667	321
Share of result in equity accounted investments	139	124
Other operating income	294	488
Income of consolidated private equity holdings	2,783	2,634
Operating income	13,289	11,957
Operating expenses	10,305	9,210
Loan impairment and other credit risk provisions	886	720
Total expenses	11,191	9,930
Operating profit before tax	2,098	2,027
Income tax expense	432	348
Profit from continuing operations	1,666	1,679
Profit from discontinued operations net of tax	554	573
Profit for the period	2,220	2,252
Attributable to shareholders of the parent company	2,165	2,219
Other financial data		
Average number of ordinary shares outstanding (millions)	1,854.8	1,877.6
Net profit per ordinary share	1.17	1.18
Fully diluted earnings per ordinary share	1.16	1.18
Dividends per ordinary share	0.60	0.60
Return on average ordinary shareholders' equity	17.8%	19.7%
Tier 1 Capital ratio	8.17%	8.16%
Total Capital ratio	10.52%	10.76%
Ratio of earnings to combined fixed charges ⁽¹⁾		
including interest on deposits	Unavailable	1.21
excluding interest on deposits	Unavailable	1.60

Note:

(1)

The data for the six months ended 30 June 2006 have been extracted from ABN AMRO's 2006 interim Form 6-K, filed with the SEC on 9 August 2006. Data for the six months ended 30 June 2007 was unavailable as at the date of this document.

As of and
for the six months
ended
30 June 2007

(€)

*(millions, except per
share data,
percentages and
ratios)*

Selected consolidated balance sheet data

Assets

Financial assets held for trading	248,925
Financial investments	101,701
Loans and receivables banks	183,338
Loans and receivables customers	441,904
Total Assets	1,120,059

Liabilities

Financial liabilities held for trading	159,709
Due to banks	254,299
Due to customers	354,260
Issued debt securities	191,160

Capitalisation

Equity attributable to shareholders of the parent company	24,681
Equity attributable to minority interests	2,149
Subordinated liabilities	14,707
Group capital	41,537

As of and for the
year ended 31 December

	2006	2005	2004	
	<i>(millions, except per share data, percentages and ratios)</i>			
	(\$) ⁽¹⁾	(€)	(€)	(€)
Amounts in accordance with IFRS				
Selected consolidated income statement data				
Net interest income	13,371	10,575	8,785	8,525
Net fee and commission income	7,665	6,062	4,691	4,485
Net trading income	3,767	2,979	2,621	1,309
Results from financial transactions	1,374	1,087	1,281	905
Share of result in equity accounted investments	307	243	263	206
Other operating income	1,747	1,382	1,056	745
Income of consolidated private equity holdings	6,718	5,313	3,637	2,616
Operating income	34,948	27,641	22,334	18,791
Operating expenses	26,189	20,713	16,301	15,180
Loan impairment and other credit risk provisions	2,345	1,855	635	607
Total expenses	28,534	22,568	16,936	15,787
Operating profit before tax	6,414	5,073	5,398	3,004
Income tax expense	1,140	902	1,142	715
Profit from continuing operations	5,274	4,171	4,256	2,289
Profit from discontinued operations net of tax	770	609	187	1,651
Profit for the year	6,044	4,780	4,443	3,940
Attributable to shareholders of the parent company	5,961	4,715	4,382	3,865
Dividends on ordinary shares	2,722	2,153	2,050	1,665
Selected consolidated balance sheet data				
<i>Assets</i>				
Financial assets held for trading	271,283	205,736	202,055	167,035
Financial investments	165,327	125,381	123,774	102,948
Loans and receivables banks	177,772	134,819	108,635	83,858
Loans and receivables customers	584,476	443,255	380,248	320,022
Total assets	1,301,543	987,064	880,804	727,454
<i>Liabilities</i>				
Financial liabilities held for trading	191,677	145,364	148,588	129,506
Due to banks	247,882	187,989	167,821	133,529
Due to customers	477,838	362,383	317,083	281,379
Issued debt securities	266,418	202,046	170,619	121,232
<i>Capitalisation</i>				
Equity attributable to shareholders of the parent company	31,115	23,597	22,221	14,815
Equity attributable to minority interests	3,030	2,298	1,931	1,737
Subordinated liabilities	25,334	19,213	19,072	16,687
Group capital	59,479	45,108	43,224	33,239

As of and for the
year ended 31 December

	2006	2005	2004
	<i>(millions, except per share data, percentages and ratios)</i>		
	(€)	(€)	(€)
Other financial data			
Average number of ordinary shares outstanding (millions)	1,882.5	1,804.1	1,657.6
Net profit per ordinary share	2.50	2.43	2.33
Fully-diluted net profit per ordinary share	2.49	2.42	2.33
Dividends per ordinary share	1.15	1.10	1.00
Dividend payout ratio ⁽²⁾	46.0%	45.3%	42.9%
Return on average total assets ⁽³⁾	0.50%	0.55%	0.57%
Return on average ordinary shareholders' equity ⁽⁴⁾	20.7%	23.5%	29.7%
Average ordinary shareholders' equity as a percentage of average total assets	2.38%	2.24%	1.84%
Tier 1 capital ratio ⁽⁵⁾	8.45%	10.62%	8.46%
Total capital ratio ⁽⁵⁾	11.14%	13.14%	11.06%
Ratio of earnings to combined fixed charges			
including interest on deposits ⁽⁶⁾	1.19	1.25	1.22
excluding interest on deposits ⁽⁶⁾	1.54	1.78	1.76

Notes:

- (1) According to ABN AMRO's Annual Report on Form 20-F for the year ended 31 December 2006, the U.S. dollar income statement financial information has been translated at an exchange rate of U.S.\$1.00 to €0.7909, being the rate equal to the average of the month-end rates for 2006. According to ABN AMRO's Annual Report on Form 20-F for the year ended 31 December 2006, the U.S. dollar balance sheet financial information has been translated at an exchange rate of U.S.\$1.00 to €0.75838, being the year-end rate for 2006. Amounts in this column are unaudited.
- (2) Dividend per ordinary share as a percentage of net profit per ordinary share.
- (3) Profit for the year as a percentage of average total assets.
- (4) Net profit attributable to ordinary shares as a percentage of average ordinary shareholders' equity excluding the reserves with respect to cash flow hedges and available for sale securities.
- (5) Tier 1 capital and total capital as a percentage of risk-weighted assets under Bank for International Settlements guidelines.
- (6) Deposits include bank and total customer accounts.

**As of and for
the year ended
31 December**

	2003	2002
<i>(millions, except per share data, percentages and ratios)</i>		
	(€)	(€)

**Amounts in accordance with Dutch
GAAP**

**Selected consolidated income
statement data**

Net interest revenue	9,723	9,845
Net commissions	4,464	4,639
Results from financial transactions	1,993	1,477
Other revenue	2,613	2,319
Total revenue	18,793	18,280
Operating expenses	12,585	13,148
Provision for loan losses	1,274	1,695
Operating profit before taxes	4,918	3,388
Net profit	3,161	2,207
Net profit attributable to ordinary shares	3,116	2,161
Dividends on ordinary shares	1,589	1,462

Selected balance sheet data

Assets

Banks	58,800	41,924
Loans	296,843	310,903
Interest-bearing securities	132,041	141,494
Total assets	560,437	556,018

Liabilities

Banks	110,887	95,884
Total customer accounts	289,866	289,461
Debt securities	71,688	71,209

Capitalisation

Fund for general banking risks	1,143	1,255
Shareholders' equity ⁽¹⁾	13,047	11,081
Minority interests	3,713	3,810
Subordinated debt	13,900	14,278
Group capital ⁽¹⁾	31,803	30,424

Other financial data

Average number of ordinary shares outstanding (millions)	1,610.2	1,559.3
Net profit per ordinary share	1.94	1.39
Fully-diluted net profit per ordinary share	1.93	1.38
Dividend per ordinary share	0.95	0.90
Dividend payout ratio ⁽²⁾	49.0%	64.7%
Return on average total assets ⁽³⁾	0.53%	0.36%
Return on average ordinary shareholders' equity ⁽⁴⁾	27.7%	20.1%
Average ordinary shareholders' equity as a percentage of average total assets	1.88%	1.74%
Tier 1 capital ratio ⁽⁵⁾	8.15%	7.48%
Total capital ratio ⁽⁵⁾	11.73%	11.54%
Ratio of earnings to combined fixed charges		
including interest on deposits ⁽⁶⁾	1.36	1.19
excluding interest on deposits ⁽⁶⁾	2.65	1.82

Notes:

- (1) Pursuant to a directive of the Dutch "*Raad voor de Jaarverslaggeving*" (Council for Annual Reporting), from 1 January 2003, ABN AMRO calculated shareholders' equity before profit appropriation instead of after profit appropriation, which is how ABN AMRO used to present its financials. The consequence of this new directive is that the profit during the year will be added to shareholders' equity for the full amount until shareholders have approved the proposed profit appropriation. To be able to compare on a like for like basis, ABN AMRO has represented shareholders' equity, group capital and shareholders' equity per ABN AMRO ordinary share and per ABN AMRO ADS as at 31 December 2002 before profit appropriation.
- (2) Dividend per ordinary share as a percentage of net profit per ordinary share.
- (3) Net profit as a percentage of average total assets.
- (4) Net profit attributable to ordinary shares as a percentage of average ordinary shareholders' equity.
- (5) Tier 1 capital and total capital as a percentage of risk-weighted assets under Bank for International Settlements guidelines.
- (6) Deposits include bank and total customer accounts.

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As of and for the year ended 31 December

	2006	2005	2004	2003	2002	
	<i>(millions, except per share data, percentages and ratios)</i>					
	(\$) ⁽¹⁾	(€)	(€)	(€)	(€)	
Amounts in accordance with U.S. GAAP						
Income statement data						
Net interest income	11,430	9,040	8,565	8,886	7,879	
Non-interest income	15,224	12,041	8,247	5,995	10,057	
Total revenue	26,654	21,081	16,812	14,881	17,936	
Loan impairment and other credit risk provisions	2,419	1,913	536	(191)	1,695	
Operating profit before tax	6,345	5,018	3,246	2,447	3,711	
Net profit	5,640	4,461	2,870	2,824	2,110	
Balance sheet data						
Shareholders' equity	37,026	28,080	28,494	21,537	19,013	
Minority interests	3,030	2,298	1,931	1,737	3,810	
Total assets	1,289,731	978,106	876,366	725,172	562,478	
Other financial data						
Basic earnings per ordinary share		2.35	1.57	1.68	1.91	1.32
Diluted earnings per ordinary share		2.34	1.56	1.67	1.90	1.32
Basic earnings per American Depositary Share (\$) ⁽²⁾		2.97	1.94	2.09	2.17	1.25
Shareholders' equity per ordinary share		14.73	14.76	12.44	11.80	11.47
Shareholders' equity per American Depositary Share (\$) ⁽³⁾		19.43	17.47	16.97	14.87	12.03

Notes:

- (1) According to ABN AMRO's Annual Report on Form 20-F for the financial year ended 31 December 2006, the U.S. dollar income statement financial information has been translated at an exchange rate of U.S. \$1.00 to €0.7909, being the rate equal to the average of the month-end rates for 2006. According to ABN AMRO's Annual Report on Form 20-F for the financial year ended 31 December 2006, the U.S. dollar balance sheet financial information has been translated at an exchange rate of U.S. \$1.00 to €0.75838, being the year-end rate. Amounts in this column are unaudited.
- (2) According to ABN AMRO's Annual Report on Form 20-F for the financial year ended 31 December 2006, this item has been translated into U.S. dollars at the rate equal to the average of the month-end rates for the applicable year.
- (3) According to ABN AMRO's Annual Report on Form 20-F for the financial year ended 31 December 2006, this item has been translated into U.S. dollars at the applicable year-end rate.

SELECTED UNAUDITED PRO FORMA SUMMARY FINANCIAL INFORMATION

The following selected unaudited pro forma financial information is being provided to give you a better understanding of what the results of operations and financial position of RBS might have looked like had the offers by RFS Holdings for ABN AMRO ordinary shares and ADSs occurred, in respect of the unaudited pro forma condensed combined balance sheet (the "pro forma balance sheet") on 30 June 2007 and, in respect of the unaudited pro forma condensed combined income statements (the "pro forma income statements") on 1 January 2006. The unaudited pro forma condensed combined financial information (the "pro forma financial information") is preliminary and is being furnished solely for illustrative purposes and is not necessarily indicative of the combined results of operations or financial position of RBS and the ABN AMRO Businesses that might have been achieved had the acquisition occurred on the dates indicated, 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. No account has been taken within the pro forma financial information of any synergy or efficiency benefits that may, or may be expected to, occur as a result of the proposed acquisition.

The pro forma financial information is based upon the published unaudited interim results of RBS and ABN AMRO for the six months ended 30 June 2007 and the published audited financial statements of RBS and ABN AMRO for the year ended 31 December 2006, prepared in accordance with IFRS, after giving effect to (i) the proposed sale of LaSalle by ABN AMRO to Bank of America, as disclosed in ABN AMRO's Form 6-K filed with the SEC on 23 April 2007, incorporated herein by reference, and in accordance with the Bank of America Agreement, and (ii) the offers. The pro forma balance sheet and pro forma income statements have been prepared using the purchase method of accounting, after giving effect to the pro forma adjustments described in the notes to the unaudited pro forma financial information. The pro forma income statements also reflect the reorganisation of the businesses to be transferred to Fortis and Santander and the probable sale of the non-strategic businesses to third parties. Due to the limited information publicly available regarding the allocation of assets and liabilities to each of ABN AMRO's business segments that will be included in the reorganisation, a pro forma balance sheet cannot be prepared on a basis consistent with the pro forma income statements.

The RBS Current Report on Form 6-K for the six months ended 30 June 2007 filed with the SEC on 15 August 2007, the RBS Annual Report on Form 20-F for the year ended 31 December 2006, the ABN AMRO interim results for the six months ended 30 July 2007, filed with the SEC on Form 6-K on 30 July 2007 and the ABN AMRO Annual Report on Form 20-F for the year ended 31 December 2006 are each incorporated by reference into this document and the information below should be read together with the financial statements of RBS and ABN AMRO contained therein.

See "Unaudited Pro Forma Condensed Combined Financial Information" on pages 163 to 179 for an explanation of the basis of preparation of these data, including the assumptions underlying them and the limitations thereof.

IFRS basis

	For the six months ended 30 June 2007		For the year ended 31 December 2006	
	<i>(millions, except per share data)</i>		<i>(millions, except per share data)</i>	
	<i>(\$)⁽¹⁾</i>	<i>(£)</i>	<i>(\$)⁽¹⁾</i>	<i>(£)</i>
Unaudited Pro Forma Condensed Combined Income Statement				
Net interest income	11,306	5,635	22,418	11,174
Non-interest income	22,027	10,979	40,893	20,382
Total income	33,333	16,614	63,311	31,556
Profit from continuing operations, net of tax	7,807	3,891	13,114	6,536

Other financial data

Basic earnings per ordinary share continuing operation ⁽³⁾	0.718	0.358	1.188	0.592
Diluted earnings per ordinary share continuing operation ⁽³⁾	0.712	0.355	1.180	0.588
Weighted average ordinary shares ⁽²⁾	9,997	9,997	10,109	10,109
Weighted average diluted ordinary shares ⁽²⁾	10,159	10,159	10,283	10,283

The pro forma income statement information reflects businesses to be acquired by RBS including Business Unit North America (excluding LaSalle), Business Unit Global Clients, Business Unit Asia (excluding Saudi Hollandi and Prime Bank), Business Unit Europe (excluding Antonveneta) and wholesale clients businesses in the Netherlands and Latin America (excluding Brazil). The results attributable to Saudi Hollandi and Prime Bank, non-strategic businesses to be disposed of, cannot be separately identified from the information disclosed in ABN AMRO's 2007 interim Form 6-K or 2006 Annual Report on Form 20-F and hence are included in the above results. The results of wholesale clients businesses in the Netherlands and Latin America (excluding Brazil) cannot be separately identified from the information disclosed in ABN AMRO's 2007 interim Form 6-K or its 2006 Annual Report on Form 20-F and have been included in the results of businesses transferred to Fortis and Santander. Hence these businesses are not included in the above results. In addition, ABN AMRO changed the segmental analysis of its business units in its 2007 interim Form 6-K. Business Unit Global Clients is now reported within the other Business Units; the International Diamonds & Jewellery Group is included in Group Functions (previously Business Unit Private Clients) and Business Unit Asset Management includes Asset Management France (previously in Business Unit Private Clients). The results of the Global Clients businesses in the Netherlands and Latin America (excluding Brazil), therefore, can no longer be identified in the results for the first half of 2007. The results of these businesses for the six months ended 30 June 2007 are therefore not included in the results for the first half of 2007 above. These presentations are solely for the purposes of the pro forma income statements. Business Unit nomenclature above is consistent with that used by ABN AMRO in its 2006 Annual Report on Form 20-F.

As of 30 June 2007

	<i>(millions)</i>	
	<i>(\$)</i>	<i>(£)</i>
Unaudited Pro Forma Condensed Combined Balance Sheet		
Total assets	3,498,203	1,743,609
Total liabilities	3,328,213	1,658,881
Minority interests	73,196	36,483
Shareholders' equity	96,794	48,245

U.S. GAAP basis

	As of and for the year ended 31 December 2006	
	<i>(millions, except per share data)</i>	
	(\$) ⁽¹⁾	(£)
<i>Unaudited Pro Forma Combined U.S. GAAP Information</i>		
Net income available to ordinary shareholders	13,043	6,501
Basic earnings per ordinary share ⁽²⁾	1.290	0.643
Diluted earnings per ordinary share ⁽²⁾	1.280	0.638

No adjustments have been made to the unaudited pro forma U.S. GAAP net income available to ordinary shareholders or earnings per share information above to reflect ABN AMRO's discontinued operations, the businesses to be transferred to Fortis and Santander or the disposal of non-strategic businesses, as ABN AMRO does not publish sufficiently detailed data in its Annual Report on Form 20-F for the year ended 31 December 2006 to enable IFRS U.S. GAAP differences related to these businesses to be identified.

Notes:

- (1) The U.S. dollar financial information as of and for the six months ended 30 June 2007 and the year ended 31 December 2006 has been translated from sterling at a rate of £1.00 to U.S.\$2.0063 being the Noon Buying Rate on 29 June 2007 (the last business day in the six months ended 30 June 2007).
- (2) Earnings per share and weighted average number of RBS ordinary shares for the year ended 31 December 2006 have been adjusted for the two-for-one bonus issue of ordinary shares effected by RBS on 8 May 2007.

SUMMARY COMPARATIVE PER SHARE MARKET INFORMATION

RBS ordinary shares are listed on the LSE under the symbol "RBS". ABN AMRO ordinary shares are listed on Euronext Amsterdam under the symbol "AABA" and ABN AMRO ADSs are listed on the NYSE under the symbol "ABN". The following table presents the closing market prices per security for RBS ordinary shares and ABN AMRO ordinary shares and ABN AMRO ADSs in pounds sterling, euros, or U.S. dollars, as the case may be:

as reported on the LSE for RBS ordinary shares;

as reported on Euronext Amsterdam for ABN AMRO ordinary shares; and

as reported on the NYSE for ABN AMRO ADSs.

RBS	ABN AMRO
Ordinary Shares	