ROYAL BANK OF SCOTLAND GROUP PLC
Form F-4/A
October 01, 2007

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As filed with the Securities and Exchange Commission on 1 October 2007

Registration No. 333-144752

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 7
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	**6029**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

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United Kingdom
011 44 131 556 8555

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

CT Corporation System
111 Eighth Avenue
New York, NY 10011
(212) 894 8940

(Name, address, including zip code, and telephone number, including area code, of agent of service)

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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. o

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. o

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 26 September 2007, the latest practicable date prior to the date of this document, the total value of the consideration being offered by RFS Holdings was €37.78 per ABN AMRO ordinary share, based on the closing price of 516.50p for the RBS ordinary shares on the London Stock Exchange (the "LSE") on that date and an exchange rate of €1.00 per £0.7007, published in *The Financial Times* on 27 September 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.

FOR A DISCUSSION OF RISK FACTORS THAT YOU SHOULD CONSIDER IN EVALUATING THE U.S. OFFER, SEE "RISK FACTORS" BEGINNING ON PAGE 52.

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 1 October 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 94% of the total consideration in cash and 6% 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 596p at the close of business on 26 September 2007, the latest practicable date prior to the date of this document, the value of the Barclays offer as at 26 September 2007 was €31.27 per ABN AMRO ordinary share (using an exchange rate of €1.00 per £0.7007, as published in *The Financial Times* on 27 September 2007). Based on the price of RBS ordinary shares of 516.5p at the close of business on 26 September 2007, and using the same exchange rate, the value of the consideration being offered by RFS Holdings as at 26 September 2007 was €37.78 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 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 5% of the outstanding RBS ordinary shares, and the current holders of RBS ordinary shares (other than RBS) will own approximately 95% 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. In any such squeeze-out proceedings, ABN AMRO ordinary shares held by minority ABN AMRO shareholders will be acquired only for cash, in an amount determined by the Enterprise Chamber (*Ondernemingskamer*) of the Amsterdam Court of Appeals (*Gerechtshof Amsterdam*), which amount may be lower than the consideration that ABN AMRO ordinary shareholders or holders of ABN AMRO ADSs received in the U.S. offer. The Amsterdam Court of Appeals may appoint one or three experts for advice on the value of the shares to be transferred and may set the squeeze-out price at a price lower than 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 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 in an amount determined by the Enterprise Chamber (*Ondernemingskamer*) of the Amsterdam Court of Appeals (*Gerechtshof Amsterdam*), which amount may be lower than the consideration that ABN AMRO ordinary shareholders or holders of ABN AMRO ADSs received in the U.S. offer. The Amsterdam Court of Appeals may appoint one or three experts for advice on the value of the shares to be transferred and may set the squeeze-out price at a price lower than 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 legal 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 depositary for the RBS ADSs. The RBS ADS depositary 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 depositary 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 depositary, RBS and the owners and beneficial owners of RBS ADSs. See "Description of RBS American Depositary Shares".

You may direct any questions related to the RBS ADS facility to The Bank of New York, as ADS depositary, 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 163)

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 164)

Fortis SA/NV	Fortis N.V.
Rue Royale 20/Koningsstraat 20 1000 Brussels Belgium	Archimedeslaan 6 3584 BA Utrecht The Netherlands
Telephone: 011 32 2 565 1141	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 167)

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 170)

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 82)

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 52)

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 109)

The U.S. Offer and the Dutch Offer (See page 109)

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.

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 110)

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 111)

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-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;

(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.

RFS Holdings has chosen not to invoke condition (l) above in respect of the revised offer publicly announced by Barclays on 23 July 2007 and therefore has waived its right to do so in respect of that offer. However, RFS Holdings retains its right to invoke this condition in the event Barclays announces a further revised offer on different terms than the terms announced on 23 April 2007 or in the event any other third party offer is announced.

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 126)

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 depositary 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 158)

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 546,373,107 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). 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) 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, via a rights issue and the issuance of mandatorily convertible securities and through internal financial resources, including asset disposals.

Regulatory Matters (See page 116)

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 a number of jurisdictions, including the Netherlands and the United Kingdom, such approvals have already been granted.

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. On 19 September 2007, RBS and Santander received clearance from the European Commission for the acquisition of ABN AMRO. Fortis has not yet received clearance from the European Commission but expects such clearance to be granted on 3 October 2007. On 19 July 2007, RFS Holdings received confirmation from the U.S. Federal Trade Commission that its request for termination of the waiting period under the Hart Scott Rodino Antitrust Improvements Act of 1976 (the "HSR Act") had been granted in relation to its acquisition of certain voting securities of ABN AMRO, with immediate effect, thereby satisfying condition (g) of the U.S. offer insofar as it relates to the application of the HSR Act to the acquisition of ABN AMRO. RFS Holdings will not have obtained, prior to the expiration of the offers, approval under the HSR Act for the proposed reorganization of ABN AMRO following completion of the offers and has waived its right to invoke the relevant clause of condition (g) to the offers as a result of not having obtained this approval. Notwithstanding the foregoing, RFS Holdings retains its right (but is not obligated) to invoke the remainder of condition (g) in case it shall not have been waived or satisfied.

Although the Banks are seeking or will seek certain regulatory approvals for the reorganisation 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 reorganisation (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 242)

The RBS ADS Facility (See page 204)

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 depositary, following completion of the U.S. offer. The RBS ADS depositary 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 depositary 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 depositary 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 depositary, RBS and the owners and holders of RBS ADSs.

Effects of the Offers and Post-Closing Restructuring (See page 147)

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 provided by the Dutch Civil Code. 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 intends 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 statutory squeeze-out, ABN AMRO ordinary shares held by minority ABN AMRO shareholders will be acquired only for cash, in an amount determined by the Enterprise Chamber (*Ondernemingskamer*) of the Amsterdam Court of Appeals (*Gerechtshof Amsterdam*), which amount may be lower than the consideration that ABN AMRO ordinary shareholders or holders of ABN AMRO ADSs received in the U.S. offer. The Amsterdam Court of Appeals may appoint one or three experts for advice on the value of the shares to be transferred and may set the squeeze-out price at a price lower than 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 permitted to squeeze out minority shareholders in accordance with the statutory squeeze-out proceedings provided by 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 legal 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. For any such transaction, the form and amount of the consideration to be paid could be different from the consideration offered pursuant to the U.S. offer.

RFS Holdings has not yet determined which method or methods it would use to acquire the remaining issued share capital of ABN AMRO. However, in making such a determination, it will consider a number of factors, including the number of ABN AMRO ordinary shares or ABN AMRO ADSs tendered into the offers, the size and identity of the minority shareholders (including the means legally available in a particular jurisdiction to enable RFS Holdings to acquire all of the outstanding ABN AMRO ordinary shares and ABN AMRO ADSs in that jurisdiction), additional due diligence in respect of ABN AMRO and any applicable law including, without limitation, recent developments in Dutch law (i.e., implementation of European Union Takeover Directive 2004/25/EC and relevant case law) and discussions with the Dutch Central Bank. For further discussion of the methods available to RFS Holdings to acquire 100% of ABN AMRO after the expiration of the U.S. offer, including a discussion of the nature of the consideration to be paid and how it may be determined, factors affecting the time-frame applicable to such transaction and other relevant details, see "Effects of the Offers and Post-Closing Restructuring Structural Steps to Implement a Post-Offer Restructuring of ABN AMRO".

RFS Holdings reserves the right to waive the 80% minimum acceptance condition following the expiration of the U.S. offer in accordance with the U.S. and Dutch tender offer rules and exemptive relief granted by the SEC. The effect of such a waiver will be that shareholders will not know at the time they make their decision to tender their shares the exact percentage of the ABN AMRO ordinary shares RFS Holdings will own after the expiration of the U.S. offer, although they will know that such percentage will be at least a majority of the ABN AMRO ordinary shares. However, the waiver of the minimum acceptance condition will not have an effect on which methods are legally available to RFS Holdings to allow it to acquire the remaining outstanding ABN AMRO ordinary shares.

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 131)

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 133)

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. In any such squeeze-out proceedings, ABN AMRO ordinary shares held by minority ABN AMRO shareholders will be acquired only for cash, in an amount determined by the Enterprise Chamber (*Ondernemingskamer*) of the Amsterdam Court of Appeals (*Gerechtshof Amsterdam*), which amount may be lower than the consideration that ABN AMRO ordinary shareholders or holders of ABN AMRO ADSs received in the U.S. offer. The Amsterdam Court of Appeals may appoint one or three experts for advice on the value of the shares to be transferred and may set the squeeze-out price at a price lower than the consideration offered in the U.S. offer.

Material U.S. Federal Income Tax, Dutch Tax, and U.K. Tax Consequences (See page 138)

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 83)

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 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 212)

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 depositary 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 231)

The ownership of each of RFS Holdings, Fortis, RBS and Santander of ABN AMRO ordinary shares as at 26 September 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 26 September 2007.

The U.S. Exchange Agent and the Dutch Exchange Agent (See page 249)

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 246)

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.

	Six months ended 30 June		
	2007		2006
	(millions)		
	($)(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
Total income	29,473	14,690	13,642
Operating expenses(2)(3)	12,833	6,396	6,040
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
Operating profit before tax	10,048	5,008	4,511
Tax	2,552	1,272	1,387
Profit for the period	7,496	3,736	3,124
Profit attributable to:			
Minority interests	151	75	55
Preference shareholders	213	106	91
Ordinary shareholders	7,132	3,555	2,978

	30 June 2007	
	(millions)	
	($)(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
Total assets	2,028,903	1,011,266
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
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)			
	($)[1]	(£)	(£)	(£)
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

	As of and for the year ended 31 December		
	2006	2005	2004
	(millions, except per share data, percentages and ratios)		
	(£)	*(£)*	*(£)*
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)

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

	As of and for the year ended 31 December	
	2003	2002
	(£)	*(£)*
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)[6]	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 (£)[6]	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 (£)[6]	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
	(millions, except per share data, percentages and ratios)		
	($)[(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)[(2)]		30.0	26.2
Dividends per ordinary share (pence)		22.1	53.1
Dividends per ordinary share adjusted (pence)[(2)]		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).

	As of and for the year ended 31 December					
	2006		2005	2004	2003	2002
	(millions, except per share data, percentages and ratios)					
	($)(1)	*(£)*	*(£)*	*(£)*	*(£)*	*(£)*
Amounts in accordance with U.S. GAAP						
Net income available for ordinary shareholders	10,914	5,440	4,475	3,909	2,564	3,108
Shareholders' equity	80,406	40,077	40,229	36,191	31,665	28,177
Total assets	1,546,486	770,815	700,386	631,100	488,046	430,573
Other financial data						
Earnings per ordinary share (pence)		170.8	140.6	126.7	87.5	107.9
Earnings per ordinary share adjusted (pence)(2)		56.9	46.9	42.2	29.2	36.0
Diluted earnings per ordinary share (pence)(3)		169.7	140.0	125.9	86.8	106.3
Diluted earnings per ordinary share adjusted (pence)(2)(3)		56.6	46.7	42.0	28.9	35.4
Dividends per ordinary share (pence)		77.3	60.6	52.5	45.6	39.7
Dividends per ordinary share adjusted (pence)(2)		25.8	20.2	17.5	15.2	13.2
Dividend payout ratio(4)		45.4%	43.1%	40.6%	51.9%	36.7%
Return on average total assets(5)		0.73%	0.64%	0.70%	0.55%	0.75%
Return on average ordinary shareholders' equity(6)		16.0%	13.4%	13.2%	9.5%	12.1%
Average shareholders' equity as a percentage of average total assets		5.3%	5.4%	6.3%	6.5%	7.3%
Ratio of earnings to combined fixed charges and preference share dividends(7)						
including interest on deposits		1.53	1.55	1.73	1.98	1.97
excluding interest on deposits		5.39	5.17	6.34	7.24	6.49
Ratio of earnings to combined fixed charges only(7)						
including interest on deposits		1.57	1.60	1.79	2.07	2.07
excluding interest on deposits		6.55	6.56	8.28	9.96	9.03

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.

(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-Ks for the six months ended 30 June 2007, filed with the SEC on 30 July 2007 and on 31 August 2007 (the "ABN AMRO 2007 interim Form 6-K"), its Form 6-K for the six months ended 30 June 2006, filed with the SEC on 29 September 2006, 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 the six months ended 30 June 2007 and 30 June 2006 and also 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
	(millions, except per share data, percentages and ratios)	
	(€)	(€)
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	2.04	1.93[2]
excluding interest on deposits	1.22	1.24[2]

Notes:

(1) Deposits include Banks and Total Customer accounts. See the Consolidated Financial Statements included in ABN AMRO's Form 20-F for 2006.

(2) The 2006 ratios have been adjusted for the presentation of LaSalle discontinued operations and the presentation of interest income and expense related to the trading activities in the trading result.

	30 June 2007
	(€)
	(millions)
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
	(millions)			
	($)[(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				
Assets				
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
Liabilities				
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
Capitalisation				
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**
	(€)	*(€)*	*(€)*
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**
	(millions)	
	(€)	*(€)*
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

	As of and for the year ended 31 December	
	2003	**2002**
	(millions, except per share data, percentages and ratios)	
	(€)	***(€)***
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.

	As of and for the six months ended 30 June	
	2007	2006
	(millions, except per share data, percentages and ratios)	
	(€)	(€)
Amounts in accordance with U.S. GAAP		
Income statement data		
Net profit total	2,159	2,191
from continuing operations	1,767	1,776
from discontinued operations	392	415
Balance sheet data		
Shareholders' equity	28,750	28,208
Other financial data		
Shareholders' equity per ordinary share	15.08	14.91
Basic earnings per ordinary share total	1.16	1.18
from continuing operations	0.95	0.96
from discontinued operations	0.21	0.22
Diluted earnings per ordinary share total	1.15	1.18
from continuing operations	0.94	0.96
from discontinued operations	0.21	0.22

	As of and for the year ended 31 December					
	2006		2005	2004	2003	2002
	(millions, except per share data, percentages and ratios)					
	($)[(1)]	*(€)*	*(€)*	*(€)*	*(€)*	*(€)*
Amounts in accordance with U.S. GAAP						
Income statement data						
Net interest income	11,430	9,040	8,565	8,886	8,052	7,879
Non-interest income	15,224	12,041	8,247	5,995	9,472	10,057
Total revenue	26,654	21,081	16,812	14,881	17,524	17,936
Loan impairment and other credit risk provisions	2,419	1,913	536	(191)	1,274	1,695
Operating profit before tax	6,345	5,018	3,246	2,447	4,967	3,711
Net profit	5,640	4,461	2,870	2,824	3,119	2,110
Balance sheet data						
Shareholders' equity	37,026	28,080	28,494	21,537	20,143	19,013
Minority interests	3,030	2,298	1,931	1,737	3,713	3,810
Total assets	1,289,731	978,106	876,366	725,172	565,039	562,478
Other financial data						
Basic earnings per ordinary share		2.35	1.57	1.68	1.91	1.32
Diluted earnings per ordinary share		2.34	1.56	1.67	1.90	1.32
Basic earnings per American Depositary Share ($)[(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.

UNAUDITED PRO FORMA SUMMARY FINANCIAL INFORMATION

The following unaudited pro forma summary 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 June 2007, filed with the SEC on Form 6-K on 30 July 2007, the ABN AMRO Form 6-K filed with the SEC on 31 August 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 175 to 194 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	
	(millions, except per share data)		*(millions, except per share data)*	
	($)[(1)]	*(£)*	*($)*[(1)]	*(£)*
Unaudited Pro Forma Condensed Combined Income Statement				
Net interest income	11,298	5,631	22,404	11,167
Non-interest income	22,027	10,979	40,893	20,382
Total income	33,325	16,610	63,297	31,549
Profit from continuing operations, net of tax	7,801	3,888	13,104	6,531
Other financial data				
Basic earnings per ordinary share continuing operations[(2)]	0.716	0.357	1.186	0.591
Diluted earnings per ordinary share continuing operations[(2)]	0.710	0.354	1.178	0.587
Weighted average ordinary shares[(2)]	9,998	9,998	10,110	10,110
Weighted average diluted ordinary shares[(2)]	10,160	10,160	10,284	10,284

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 in 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	
	(millions)	
	($)	*(£)*
Unaudited Pro Forma Condensed Combined Balance Sheet		
Total assets	3,497,810	1,743,413
Total liabilities	3,328,577	1,659,062
Minority interests	72,953	36,362
Shareholders' equity	96,280	47,989

U.S. GAAP basis

	As of and for the six months ended 30 June 2007		As of and for the year ended 31 December 2006	
	(millions, except per share data)		*(millions, except per share data)*	
	($)[(1)]	*(£)*	*($)*[(1)]	*(£)*
Unaudited Pro Forma Combined U.S. GAAP Information				
Net income available to ordinary shareholders	6,127	3,054	13,025	6,492
Shareholders' equity	95,373	47,537	93,313	46,510
Basic earnings per ordinary share[(2)]	0.613	0.305	1.288	0.642
Diluted earnings per ordinary share[(2)]	0.609	0.304	1.278	0.637

No adjustments have been made in the unaudited pro forma combined IFRS U.S. GAAP net income or shareholders' equity reconciliations to reflect ABN AMRO's discontinued operations (except in relation to LaSalle see below), the businesses to be transferred to Fortis or Santander or the non-strategic businesses to be disposed, as ABN AMRO did not publish sufficiently detailed data in its Form 6-K filed with the SEC on 31 August 2007 or its 2006 Annual Report on Form 20-F to enable IFRS U.S. GAAP differences relating to these businesses to be identified. Therefore, the pro forma combined U.S. GAAP information above has not been prepared on a continuing operations basis.

ABN AMRO published IFRS US GAAP adjustments for the year ended 31 December 2006 relating to LaSalle in its Form 6-K filed on 25 April 2007. Similar information for the six months ended 30 June 2007, however, has not been published by ABN AMRO. Therefore, in the pro forma IFRS US GAAP reconciliations as of and for the six months ended 30 June 2007 certain IFRS US GAAP adjustments (see page 190 for more details) have been assumed to relate entirely to LaSalle based on information in ABN AMRO's Form 6-K filed on 25 April 2007. It is not possible to make similar assumptions for other adjustments. Consequently, pro forma combined US GAAP information as of and for the six months ended 30 June 2007 may differ from the amounts presented here.

Notes:

(1) The U.S. dollar financial information as of and for the six months ended 30 June 2007 and 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	**Ordinary Shares**	**ADSs**
	(£)	***(€)***	***(U.S.$)***
16 March 2007	6.5467	27.29	36.24
13 July 2007	6.4000	35.85	50.50
26 September 2007	5.1650	36.93	52.15

In each case the prices are given:

- as of 16 March 2007, which was the last full trading day on the LSE, Euronext Amsterdam and the NYSE before rumours and press articles significantly affected the share prices and trading volumes of RBS ordinary shares and ABN AMRO ordinary shares and ABN AMRO ADSs;
- as of 13 July 2007, which was the most recent practicable trading day prior to the announcement made on 16 July 2007;
- as of 26 September 2007, which was the most recent practicable trading day prior to the date of this document.

See "Market Price and Dividend Data" for further information about historical market prices of these securities.

The following table also presents the implied equivalent value per security for ABN AMRO ordinary shares in euros and ABN AMRO ADSs in U.S. dollars. The implied equivalent value of an ABN AMRO ordinary share was calculated by multiplying the closing market price per RBS ordinary share by 0.296, the exchange ratio for each ABN AMRO ordinary share and ABN AMRO ADS in the U.S. offer, and then adding to that amount the cash portion of the exchange consideration of €35.60 for each ABN AMRO ordinary share and ABN AMRO ADS.

Implied equivalent value per share

	ABN AMRO	
	Ordinary Shares	**ADSs**
	(€)	***(U.S.$)***

	ABN AMRO	
16 March 2007	38.43	51.14
13 July 2007	38.40	52.89
26 September 2007	37.78	53.36

In calculating the implied equivalent value per ABN AMRO ADS, amounts in euros have been translated into U.S. dollars at a rate of €1.00=$1.3307, the 16 March 2007 exchange rate as published in *The Financial Times* on 17 March 2007; at a rate of €1.00=$1.3775, the 13 July 2007 exchange rate as published in *The Financial Times* on 14 July 2007; and at a rate of €1.00=$1.4122, the 26 September 2007 exchange rate as published in *The Financial Times* on 27 September 2007, as applicable.

The market prices of RBS ordinary shares and ABN AMRO ordinary shares and ABN AMRO ADSs are likely to fluctuate prior to the expiration date of the U.S. offer and cannot be predicted. We urge you to obtain current market information regarding RBS ordinary shares and ABN AMRO ordinary shares and ABN AMRO ADSs.

SUMMARY COMPARATIVE HISTORICAL AND PRO FORMA PER SHARE INFORMATION

The following table summarises per share information for RBS and ABN AMRO on a historical basis, an unaudited pro forma basis for the combined RBS group and equivalent information per ABN AMRO ordinary share, based on the exchange ratio of 0.296 RBS ordinary shares for each ABN AMRO ordinary share. The information set out below should be read in conjunction with the unaudited consolidated financial statements of RBS and ABN AMRO for the six months ended 30 June 2007 and the audited consolidated financial statements of RBS and ABN AMRO for the year ended 31 December 2006 incorporated by reference into this document and the Unaudited Pro Forma Condensed Combined Financial Information. See "Comparative Historical and Pro Forma Per Share Information" on page 195.

	For the six months ended 30 June 2007	For the year ended 31 December 2006	
			As previously published
RBS Historical[1]			
Historical per ordinary share:			
Basic earnings	£0.376	£0.649(1)	£1.947
Dividend[2]	£0.221	£0.258(1)	£0.773
Book value	£3.96	£3.86(1)	£11.59
ABN AMRO Historical			
Historical per ordinary share:			
Basic earnings from continuing operations	€0.87	€2.18	
Dividend[2]	€0.60	€1.15	
Book value per ordinary share	€13.30	€12.73	
Unaudited Pro Forma Condensed Combined			
Unaudited pro forma condensed combined per RBS ordinary share:			
Basic earnings from continuing operations	£0.357	£0.591	
Dividend[2][3]	£0.221	£0.258	
Book value[4]	£4.02	£3.94	
Unaudited Pro Forma ABN AMRO Ordinary Share Equivalents			
Unaudited pro forma per ABN AMRO ordinary shares:			
Basic earnings from continuing operations	€0.16	€0.26	
Dividend	€0.10	€0.11	
Book value	€1.77	€1.74	

Notes:

(1) Historical per ordinary share data of RBS for the year ended 31 December 2006 have been adjusted to reflect the two-for-one bonus issue of ordinary shares effected on 8 May 2007.

(2) RBS's dividend per ordinary share for the six months ended 30 June 2007 represents the 2006 final dividend declared and paid in the period of £0.221 per ordinary share. Dividend per ordinary share for the year ended 31 December 2006 represent dividends declared and paid in 2006 totalling £0.773 (adjusted: £0.258) per ordinary share, comprising the 2005 final dividend of £0.531 (adjusted: £0.177) and the 2006 interim dividend of £0.242 (adjusted: £0.081) per ordinary share.

ABN AMRO's historical dividend per ordinary share for the six months ended 30 June 2007 represents the 2006 final dividend declared and paid in the period of €0.60 per ordinary share. Dividend per ordinary share for the year ended

31 December 2006 represents dividends declared and paid in 2006 totalling €1.15 per ordinary share, comprising the 2005 final dividend of €0.60 and and the 2006 interim dividend of €0.55 per ordinary share.

(3) Unaudited Pro Forma Condensed Combined dividend per ordinary share reflects the RBS's historical dividend per ordinary share.

(4) Unaudited Pro Forma Condensed Combined book value per ordinary share at 30 June 2007 is calculated by dividing pro forma combined ordinary shareholders' equity of £40,294 million (31 December 2006 £39,437 million) (pro forma combined shareholders' equity of £47,989 million (31 December 2006 £46,660 million) excluding pro forma combined preference shareholders' equity of £7,695 million (31 December 2006 £7,223 million)), including the new RBS ordinary shares to be issued as consideration for the acquisition of ABN AMRO, by the pro forma number of ordinary shares in issue, including 555 million of new RBS ordinary shares to be issued as part of the acquisition.

EXCHANGE RATE INFORMATION

For your convenience, this document contains translations of sterling and euro amounts into U.S. dollars at specified exchange rates. These translations have been made at the indicated noon buying rate in New York City for cable transfers in sterling and euros as certified for customs purposes by the Federal Reserve Bank of New York (the "Noon Buying Rate"). These translations are not representations that the sterling or euro amounts actually represent these U.S. dollar amounts or could be converted to U.S. dollars at the rates indicated.

Pounds Sterling

The Noon Buying Rate for sterling on 26 September 2007, the latest practicable date prior to the date of this document, was $2.0159 per pound sterling.

The following tables set forth, for the periods indicated, information concerning the Noon Buying Rate, expressed in dollars per pound sterling. Such rates are provided solely for your convenience. They are not necessarily the rates used by RBS in the preparation of its financial statements. No representation is made that the pound sterling could have been, or could be, converted into U.S. dollars at the rates indicated below:

	2007					
	August	**July**	**June**	**May**	**April**	**March**
	(U.S. dollars per £1)					
Noon Buying Rate						
High	2.0426	2.0626	2.0063	1.9993	2.0061	1.9694
Low	1.9813	2.0114	1.9657	1.9695	1.9608	1.9235

	2006	**2005**	**2004**	**2003**	**2002**
Noon Buying Rate					
Period end rate	1.9586	1.7188	1.9160	1.7842	1.6095
Average rate for the period[(2)]	1.8582	1.8147	1.8356	1.6450	1.5084
Consolidation rate[(3)]					
Period end rate	1.9651	1.7214	1.9346	1.7857	1.6128
Average rate for the period	1.8436	1.8198	1.8325	1.6354	1.5032

Notes:

(1) The period end rate is the Noon Buying Rate announced on the last day of the period.

(2) The average of the Noon Buying Rates on the last business day of each month during the period.

(3) The rates used by RBS for translating U.S. dollars into sterling in the preparation of its financial statements.

Euros

The Noon Buying Rate for euros on 26 September 2007, the latest practicable date prior to the date of this document, was $1.4126 per euro.

The following tables set forth, for the periods indicated, information concerning the Noon Buying Rate, expressed in dollars per euro. Such rates are provided solely for your convenience. They are not necessarily the rates used by ABN AMRO in the preparation of its financial statements. No representation is made that the euro could have been, or could be, converted into U.S. dollars at the rates indicated below:

	2007					
	August	**July**	**June**	**May**	**April**	**March**
	(U.S. dollars per euro)					
Noon Buying Rate						
High	1.3808	1.3831	1.3526	1.3616	1.3660	1.3374
Low	1.3402	1.3592	1.3295	1.3419	1.3363	1.3094

	2006	**2005**	**2004**	**2003**	**2002**
Noon Buying Rate					
Period end rate(1)	1.3197	1.1842	1.3538	1.2597	1.0485
Average rate for the period(2)	1.2661	1.2400	1.2478	1.1411	0.9495

Notes:

(1) The period end rate is the Noon Buying Rate announced on the last day of the period.

(2) The average of the Noon Buying Rates on the last business day of each month during the period.

RISK FACTORS

In deciding whether to accept this U.S. offer, you should carefully consider the following risks that relate to the U.S. offer and the transactions contemplated thereby as well as the risk factors incorporated by reference into this document from RBS's Annual Report on Form 20-F for the year ended 31 December 2006 and from ABN AMRO's Annual Report on Form 20-F for the year ended 31 December 2006, together with the other information contained in or incorporated by reference into this document.

RBS's business, financial condition or results of operations could be materially and adversely affected by any of the risks described below. In that event, the value of the RBS ordinary shares could decline, and you could lose all or part of your investment in the RBS ordinary shares.

Governmental policy and regulation may have an adverse effect on our results.

Our businesses and earnings can be affected by the fiscal or other policies and other actions of various governmental and regulatory authorities in the United Kingdom, the European Union, the United States and elsewhere.

There is continuing political and regulatory scrutiny of the operation of the retail banking and consumer credit industries in the United Kingdom and elsewhere. The nature and impact of future changes in policies and regulatory action are not predictable and are beyond our control but could have an adverse impact on our businesses and earnings.

In the European Union, these regulatory actions included an inquiry into retail banking in all of the then 25 member states by the European Commission's Directorate General for Competition. The inquiry examined retail banking in Europe generally. On 31 January 2007, the European Commission announced that barriers to competition in certain areas of retail banking, payment cards and payment systems in the European Union had been identified. The European Commission indicated that it will use its powers to address these barriers and will encourage national competition authorities to enforce European and national competition laws where appropriate. Any action taken by the European Commission and national competition authorities could have an adverse impact on our payment cards and payment systems businesses and on our retail banking activities in the European Union countries in which we operate.

In the United Kingdom, in September 2005, the Office of Fair Trading, or OFT, received a super-complaint from the Citizens Advice Bureau relating to payment protection insurance, or PPI. As a result, the OFT commenced a market study on PPI in April 2006. In October 2006, the OFT announced the outcome of the market study and, on 7 February 2007, following a period of consultation, the OFT referred the PPI market to the U.K. Competition Commission for an in-depth inquiry. This inquiry could continue for up to two years. Also, in October 2006, the FSA published the outcome of its broad industry thematic review of PPI sales practices in which it concluded that some institutions fail to treat customers fairly.

In April 2006, the OFT commenced a review of the undertakings given following the conclusion of the Competition Commission Inquiry in 2002 into the supply of banking services to small and medium enterprises, or SMEs.

The OFT has carried out investigations into Visa and MasterCard credit card interchange rates. The decision by the OFT in the MasterCard interchange case was set aside by the Competition Appeals Tribunal in June 2006. The OFT's investigations in the Visa interchange case and a second MasterCard interchange case are ongoing. The outcome is not known, but these investigations may have an impact on the consumer credit industry in general and, therefore on RBS's business in this sector. On 9 February 2007, the OFT announced that it was expanding its investigation into interchange rates to include debit cards.

On 7 September 2006, the OFT announced that it had decided to undertake an investigation of the application of its statement on credit card fees to current account unauthorised overdraft fees. The investigation was completed in March 2007. On 29 March 2007, the OFT announced its decision to conduct a formal in-depth investigation into the fairness of bank current account charges. On 26 April 2007, the OFT announced a formal market study into personal current accounts in the United Kingdom. The study will focus on the impact of free-if-in-credit current accounts on competition and whether they deliver value to consumers. The OFT expects to complete the market study by the end of 2007. In common with other banks in the United Kingdom, RBS has received claims from customers in respect of current account administrative charges. The financial performance of RBS could be adversely affected if, by legal process or regulatory action, such charges are determined to be, in whole or in part, penalties or unfair.

On 26 January 2007, the FSA issued a Statement of Good Practice relating to Mortgage Exit Administration Fees. On 1 March 2007, the Group adopted a policy of charging all customers the fee applicable at the time the customers took out the mortgage. In addition, any customers who had previously been charged a higher fee than was applicable at the time they took out the mortgage and who complained were refunded the difference in fees. This approach was one of the options recommended by the FSA.

On 26 April 2007 the Office of Rail Regulation referred the leasing of rolling stock for franchised passenger services and the supply of related maintenance services in Great Britain to the U.K. Competition Commission for an inquiry lasting up to two years. RBS owns the Angel Trains group, a rolling stock leasing business operating in this market.

On 15 May 2007 the Competition Commission published its final report into the supply of personal current account banking services in Northern Ireland. It is anticipated that a statutory instrument implementing the remedies set out in the report will be made in October 2007. RBS owns Ulster Bank, which is active in the Northern Ireland current account market.

Other areas where changes could have an adverse impact include:

- the monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy or changes in regulatory regimes that may significantly influence investor decisions in particular markets in which we operate or may increase the costs of doing business in those markets;
- other general changes in the regulatory requirements, such as prudential rules relating to the capital adequacy framework;
- changes in competition and pricing environments;
- further developments in the financial reporting environment;
- expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership; and
- other unfavourable political, military or diplomatic developments producing social instability or legal uncertainty which, in turn, may affect demand for our products and services.

Risks Relating to the Transaction

The value of the RBS ordinary shares and U.S. dollar cash consideration being offered will fluctuate.

There will be no adjustment to the consideration offered for changes in the market price of either ABN AMRO ordinary shares or ABN AMRO ADSs, on the one hand, or RBS ordinary shares, on the other, or for movements in exchange rates. Accordingly, the market value of the RBS ordinary shares that holders of ABN AMRO ordinary shares and ABN AMRO ADSs will receive upon completion of the U.S. offer and the exchange rate between the pound sterling and the U.S. dollar at the time could vary significantly from the market value of RBS ordinary shares and the pound sterling to U.S. dollar exchange rate on the date of this document or on the date the offers were first announced. The market value of the RBS ordinary shares to be issued in the U.S. offer and the pound sterling to U.S. dollar exchange rate will also continue to fluctuate after completion of the U.S. offer.

In addition, the cash portion of the consideration that you will receive for your ABN AMRO ordinary shares and ABN AMRO ADSs is determined in euros. As a result, the value of this consideration in U.S. dollars will vary depending on the exchange rate between the euro and the U.S. dollar, which is expected to fluctuate between the date of this document and the date on which you will receive your cash consideration.

For historical exchange rate information, please see "Exchange Rate Information". You should obtain current market quotations for RBS ordinary shares and for ABN AMRO ordinary shares and ABN AMRO ADSs.

The uncertainties about the effects of the offers and any competing offers could materially and adversely affect the business and operations of ABN AMRO.

Uncertainty about the effects of the offers and any competing offers on employees, partners, regulators and customers may materially and adversely affect the business and operations of ABN AMRO. These uncertainties could cause customers, business partners and other parties that have business relationships with ABN AMRO to defer the consummation of other transactions or other decisions concerning ABN AMRO's business, or to seek to change existing business relationships with ABN AMRO. In addition, employee retention at ABN AMRO may be challenging until the offers are completed.

Obtaining required regulatory approvals may delay completion of the reorganisation of ABN AMRO, and compliance with conditions and obligations imposed in connection with regulatory approvals could adversely affect our businesses and the businesses of ABN AMRO.

The acquisition and subsequent proposed restructuring of ABN AMRO will require various approvals or consents from, among others, the Dutch Minister of Finance (*Minister van Financiën*) and the Dutch Central Bank, as the case may be, the FSA, the Bank of Spain, the European Commission and various other antitrust authorities outside the European Union, other bank regulatory, securities, insurance and other regulatory authorities worldwide. 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 Minister of Finance (*Minister van Financiën*), 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 a number of jurisdictions, including the Netherlands and the United Kingdom, such approvals have already been granted. Other than as contemplated in "The U.S. Offer Conditions to the U.S. Offer

(g) Competition and Antitrust", obtaining regulatory approval for the reorganisation (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. The governmental entities from which these approvals are required, including the Dutch Central Bank, may refuse to grant such approval, or, may impose conditions on, or require divestitures or other changes in connection with, the completion of the reorganisation of ABN AMRO (the "Transaction"). These conditions or changes could have the effect of delaying completion of the Transaction, reducing the anticipated benefits of the Transaction or imposing additional costs on us or limiting our revenues following completion of the Transaction, any of which might have a material adverse effect on our business, results of operations, financial condition or prospects after completion of the Transaction. In order to obtain these regulatory approvals, we may have to divest, or commit to divesting, certain of the businesses of ABN AMRO and/or the Banks to third parties. In addition, we may be required to make other commitments to regulatory authorities. These divestitures and other commitments, if any, may have an adverse effect on our business, results of operations, financial condition or prospects after the completion of the Transaction.

Following completion of the offers and insofar as not already obtained, regulatory approvals for the reorganisation of the ABN AMRO Group will be sought from the relevant regulators once the Banks have obtained the necessary information to be able to prepare and complete the approval applications. Whilst the Banks will be aiming to obtain these regulatory approvals as soon as practicable following completion of the offers, the period from completion of the offers to receipt of such approvals for the reorganisation will be largely dependent on the time required to obtain the necessary information to submit the applications for approval, the duration of the relevant regulatory review process and effects of any conditions imposed on the reorganisation by any regulator. There could therefore be a delay in completing the reorganisation, reducing the anticipated benefits of the Transaction or imposing additional costs on us or limiting our revenues following completion of the Transaction, any of which might have a material adverse effect on our business, results of operations, financial condition or prospects after completion of the Transaction.

Certain jurisdictions claim jurisdiction under their competition or antitrust laws in respect of acquisitions or mergers that have the potential to affect their domestic marketplace. A number of these jurisdictions may claim to have jurisdiction to review both the acquisition and reorganisation of ABN AMRO. Such investigations or proceedings may be initiated and, if initiated, may have an adverse effect on our business, results of operations, financial condition or prospects after the completion of the Transaction. For further details on the status of the approval process, see "The U.S. Offer Regulatory Matters".

The information relating to ABN AMRO contained in this document is derived primarily from publicly available information, which we have been unable independently to verify. As a result, our estimates of the impact of the Transaction on the pro forma financial information in this document may be incorrect.

The information about ABN AMRO presented in, or incorporated by reference into, this document, including all ABN AMRO financial information, is derived primarily from information made publicly available by ABN AMRO, including periodic and other reports ABN AMRO has filed with or furnished to the SEC. While the Banks have no knowledge that would indicate that any statements contained in this document based upon information contained in such reports filed with or furnished to the SEC are inaccurate, incomplete or untrue, the Banks were not involved in the preparation of such reports and, therefore, cannot verify the accuracy, completeness or truth of the information obtained from such reports or any failure by ABN AMRO to disclose events that may have occurred, but that are unknown to the Banks, that may affect the significance or accuracy of the information contained in such reports. In addition, RBS does not have the information necessary independently to verify certain adjustments and assumptions, and therefore did not verify such adjustments and assumptions, with respect to ABN AMRO's financial information in preparing the pro forma financial information presented in this document. Any financial information regarding ABN AMRO that may be detrimental to the Banks (including, after the completion of the Transaction, the ABN AMRO Businesses) and that has not been publicly disclosed by ABN AMRO, may have an adverse effect on the benefits each of the Banks expect to achieve in the Transaction.

Risks Relating to the RBS Ordinary Shares and RBS ADSs

We may fail to realise the business growth opportunities, revenue benefits, cost savings and other benefits anticipated from, or may incur unanticipated costs associated with, the Transaction and our results of operations, financial condition and the price of our ordinary shares may suffer.

There is no assurance that our acquisition of certain of ABN AMRO's businesses will achieve the business growth opportunities, revenue benefits, cost savings and other benefits we anticipate. We believe the offer consideration is justified in part by the business growth opportunities, revenue benefits, cost savings and other benefits we expect to achieve by combining our operations with certain ABN AMRO Businesses. However, these expected business growth opportunities, revenue benefits, cost savings and other benefits may not develop and other assumptions upon which the Banks determined the offer consideration may prove to be incorrect, as, among other things, such assumptions were based on publicly available information.

In particular, the reorganisation plan currently contemplated may have to be modified as a result of employee consultations and approvals, which may delay its implementation. We may also face challenges with the following: obtaining the required approvals of various regulatory agencies, any of which could refuse or impose conditions or restrictions on its approval; retaining key employees; redeploying resources in different areas of operations to improve efficiency; minimising the diversion of management attention from ongoing business concerns; and addressing possible differences between our business culture, processes, controls, procedures and systems and those of the ABN AMRO Businesses that we will acquire. In addition, because the Banks have had access only to publicly available information regarding ABN AMRO's tax situation and structure, unanticipated substantial tax costs may be incurred in the implementation of the reorganisation plan.

The complex nature of the reorganisation plan and the level of cooperation required among the Banks could have adverse consequences for the Transaction and our ability to realise benefits therefrom.

Although the CSA provides a mechanism for assets to be re-allocated or transferred between the Banks where it is established that any asset is held by or will be held by the wrong Bank, disputes may otherwise arise in implementing the CSA. Such disputes would be resolved in accordance with the dispute resolution processes set out in the CSA. Whilst these processes have been designed to resolve any disagreements swiftly, such disputes could result in delay to implementation of the reorganisation.

Under any of these circumstances, the business growth opportunities, revenue benefits, cost savings and other benefits anticipated by RBS to result from the reorganisation may not be achieved as expected, or at all, or may be delayed. To the extent that RBS incurs higher integration costs or achieves lower revenue benefits or fewer cost savings than expected, RBS's results of operations, financial condition and the price of its ordinary shares may suffer.

The Banks may become subject to unknown liabilities of ABN AMRO, which may have an adverse effect on our financial condition and results of operations.

In making the offers and determining their terms and conditions, the Banks used publicly available information relating to ABN AMRO, including periodic and other reports for ABN AMRO, filed with or furnished to the SEC on Form 20-F and Form 6-K. This information has not been subject to comment or verification by ABN AMRO, the Banks or their respective directors. In addition, the Banks were able to carry out only a limited due diligence exercise in respect of the business of ABN AMRO. As a result, after the completion of the offers, we may be subject to unknown liabilities of ABN AMRO, which may have an adverse effect on our financial condition and results of operations.

Consummation of the offers may result in adverse tax consequences resulting from a change of ownership of ABN AMRO.

The Banks have had access only to publicly available information concerning ABN AMRO's tax situation. It is possible that the consummation of the offers may result in adverse tax consequences arising from a change of ownership of ABN AMRO and its subsidiaries. The tax consequences of a change of ownership of a corporation can lead to an inability to carry-over certain tax relief and other tax benefits, including, but not limited to, tax losses and tax credits. Moreover, a change of ownership may result in other tax costs not normally associated with the ordinary course of business. Such other tax costs include, but are not limited to, stamp duties, land transfer taxes, franchise taxes and other levies. In addition, consummation of the offers will result in RBS becoming, through RFS Holdings, the holding company of ABN AMRO and certain of its subsidiaries. There are differences between the U.K. and Dutch tax regimes for holding companies. These differences could result in additional tax being paid in the United Kingdom in respect of the profits of the relevant businesses of ABN AMRO as a result of their acquisition by a U.K. resident company.

Change of control provisions in ABN AMRO's agreements may be triggered upon the completion of the offers, upon RFS Holdings' acquisition of ABN AMRO or upon the completion of the reorganisation and may lead to adverse consequences for RBS, including the loss of significant contractual rights and benefits, the termination of joint venture and/or licensing agreements or the requirement to repay outstanding indebtedness.

ABN AMRO may be a party to joint ventures, licences and other agreements and instruments that contain change of control provisions that will be triggered upon the completion of the offers, upon RFS Holdings' acquisition of ABN AMRO or upon completion of the reorganisation. ABN AMRO has not provided the Banks with copies of any of the agreements to which it is party, and these agreements are not generally publicly available. Agreements with change of control provisions typically provide for or permit the termination of the agreement upon the occurrence of a change of control of one of the parties or, in the case of debt instruments, require repayment of all outstanding indebtedness. If, upon review of these agreements after completion of the offers, the Banks determine that such provisions can be waived by the relevant counterparties, the Banks will consider whether to seek these waivers. In the absence of these waivers, the operation of the change of control provisions, if any, could result in the loss of material contractual rights and benefits, the termination of joint venture agreements and licensing agreements or the requirement to repay outstanding indebtedness.

In addition, employment agreements with members of ABN AMRO senior management and other ABN AMRO employees may contain change of control provisions providing for compensation to be paid in the event the employment of these employees is terminated, either by ABN AMRO or by those employees, following the completion of the offers, RFS Holdings' acquisition of ABN AMRO or completion of the reorganisation. Such employment agreements may also contain change of control provisions providing for compensation to be paid following the occurrence of such events even if the employment is not terminated. RBS has taken into account potential payments arising on the operation of change of control provisions, including compensation arising on change of control provisions in employment agreements but such payments may exceed RBS's expectations.

There has been no prior public market for the RBS ADSs, and an active market for such securities may not develop or be sustained and trading prices may vary.

Prior to completion of the U.S. offer, we intend to establish an ADR facility in the United States pursuant to which holders of ABN AMRO ordinary shares or ABN AMRO ADSs who receive RBS ordinary shares in the U.S. offer will be able to exchange such newly issued RBS ordinary shares (upon payment of the taxes (including a 1.5% SDRT charge), governmental charges and fees described in this document) for RBS ADSs by electing to deposit or by otherwise depositing the newly issued RBS ordinary shares with The Bank of New York, the depositary for the RBS ADSs. We intend to apply to list the RBS ADSs on the NYSE. Although the RBS ordinary shares are listed and traded on the London Stock Exchange, neither RBS ordinary shares nor RBS ADSs are currently listed or traded in the United States and, before completion of the U.S. offer, there will be no public market for RBS ADSs. Even if the RBS ADSs are listed on the NYSE, an active market for the RBS ADSs may not develop or may not be sustained if it does develop.

RBS is a company governed by the laws of the United Kingdom, and being a shareholder of a company governed by the laws of the United Kingdom involves different rights and privileges from those of a shareholder of a Dutch company.

The rights of RBS's shareholders are governed by the laws of the United Kingdom and by its memorandum of association and articles of association. The laws of the United Kingdom extend to shareholders certain rights and privileges that may not exist under Dutch law and, conversely, do not extend certain rights and privileges that shareholders of a company governed by Dutch law may have. See "Comparison of Shareholders' Rights".

Following completion of the offers, if you elect to deposit or otherwise deposit your RBS ordinary shares in exchange for RBS ADSs, asserting your distribution, voting and pre-emptive rights will be more difficult than for holders of RBS ordinary shares.

It may not be possible, at certain times and for certain reasons outlined in "Description of RBS American Depositary Shares", for the RBS ADS depositary to make cash, share or other distributions to holders of RBS ADSs. In addition, holders of RBS ADSs will not be entitled to attend our shareholders' meetings and will be able to vote only by giving timely instructions to the RBS ADS depositary in advance of a meeting. Under some circumstances, including our failure to provide the RBS ADS depositary with voting materials on a timely basis, holders of RBS ADSs may not be able to vote by giving instructions to the RBS ADS depositary on how to vote. If no instructions are received by the RBS ADS depositary, the RBS ADS depositary shall deem that such holder of RBS ADSs to have instructed the RBS ADS depositary to give a discretionary proxy to a person designated by RBS; provided that no such instruction shall be deemed given with respect to matters where RBS informs the RBS ADS depositary that RBS does not wish to give such proxy, or where substantial opposition exists, or where such matter materially and adversely affects the rights of RBS ordinary shareholders.

In addition, we may not be able to offer our ordinary shares to U.S. holders of RBS ADSs pursuant to pre-emptive rights granted to holders of RBS ordinary shares in connection with any future issuance of RBS ordinary shares unless a registration statement under the Securities Act of 1933, as amended (the "Securities Act") is effective with respect to such ordinary shares and pre-emptive rights, or an exemption from the registration requirements of the Securities Act is available. We are not obligated to file a registration statement relating to pre-emptive rights with respect to RBS ordinary shares, and we cannot assure you that we will file any such registration statement. If such a registration statement is not filed and an exemption from registration does not exist, The Bank of New York, as RBS ADS depositary, may attempt to sell the pre-emptive rights, if a market for such rights exists, and holders of RBS ADSs will be entitled to receive the proceeds of such sale. However, these pre-emptive rights will expire and U.S. holders of RBS ADSs will not realise any value from the granting of such pre-emptive rights if the RBS ADS depositary does not sell them.

After completion of the offers, holders of ABN AMRO ordinary shares or ABN AMRO ADSs and holders of RBS ordinary shares will own a smaller percentage of RBS than they currently own of ABN AMRO and RBS, respectively, and will exercise less influence over management.

After the completion of the offers, holders of ABN AMRO ordinary shares or ABN AMRO ADSs and holders of RBS ordinary shares will own a smaller percentage of RBS than they currently own of ABN AMRO and RBS, respectively. Assuming that all of the outstanding ABN AMRO ordinary shares and ABN AMRO ADSs are exchanged in the offers, existing holders of RBS ordinary shares (other than RBS) and former holders of ABN AMRO ordinary shares or ABN AMRO ADSs (other than ABN AMRO) will own approximately 95% and 5%, respectively, of the RBS ordinary shares immediately after the completion of the offers, 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. Consequently, former holders of ABN AMRO ordinary shares or ABN AMRO ADSs, as a group, will have reduced ownership and voting power in RBS compared to their ownership and voting power in ABN AMRO, and existing holders of RBS ordinary shares will have reduced ownership and voting power in RBS compared to their current ownership and voting power in RBS. Following the completion of the offers, RFS Holdings will own the majority of the ABN AMRO ordinary shares (including ABN AMRO ordinary shares formerly represented by ABN AMRO ADSs) and thus control the nomination of all of the members of the ABN AMRO managing board and the ABN AMRO supervisory board, subject to compliance with applicable legal and regulatory requirements.

There may be difficulties in enforcing civil liabilities against RBS and its directors and senior management.

RBS is organised under the laws of the United Kingdom with its registered office and corporate headquarters in Edinburgh, Scotland. The majority of our directors and senior management and the experts named in this document are residents of jurisdictions outside the United States. The majority of RBS's assets and the assets of those persons are located outside the United States. As a result, U.S. investors may find it difficult to effect service of process within the United States upon us or these persons or to enforce outside the United States judgments obtained against RBS or these persons in U.S. courts, including actions predicated upon the civil liability provisions of the U.S. federal securities laws. Likewise, it may also be difficult for an investor to enforce in U.S. courts judgments obtained against RBS or these persons in courts in jurisdictions outside the United States, including actions predicated upon the civil liability provisions of the U.S. federal securities laws.

Risks Relating to Non-Tendering Security Holders

If the offers are successful, but some ABN AMRO ordinary shares or ABN AMRO ADSs remain outstanding, the liquidity and market value of the remaining ABN AMRO ordinary shares and ABN AMRO ADSs held by the public could be adversely affected by the fact that they will be held by a smaller number of holders.

Depending upon the number of ABN AMRO ordinary shares and ABN AMRO ADSs acquired pursuant to the offers, following the completion of the offers, the ABN AMRO ADSs may no longer meet the requirements of the NYSE for continued listing. Moreover, to the extent permitted under applicable law and stock exchange regulations, if RFS Holdings acquires control of ABN AMRO, RFS Holdings intends to seek to cause the delisting of the ABN AMRO's ordinary shares from Euronext Amsterdam and the ABN AMRO ADSs from the NYSE.

If the NYSE delists the ABN AMRO ADSs, or if Euronext Amsterdam delists the ABN AMRO ordinary shares, the market for the ABN AMRO ADSs and ABN AMRO ordinary shares will be adversely affected. Although it is possible that the ABN AMRO ADSs and/or the ABN AMRO ordinary shares could be traded in over-the-counter markets, such alternative trading markets may not occur. In addition, the extent of the public market for the ABN AMRO ADSs and ABN AMRO ordinary shares and the availability of market quotations would depend upon the number of holders and/or the aggregate market value of the ABN AMRO ADSs and ABN AMRO ordinary shares remaining at such time, the interest in maintaining a market in the ABN AMRO ADSs and ABN AMRO ordinary shares on the part of securities firms and the possible termination of registration of ABN AMRO ADSs under the Exchange Act. If such registration is terminated, ABN AMRO could cease filing periodic reports with the SEC, which could further impact the value of the ABN AMRO ADSs. To the extent the availability of such continued listings or quotations depends on steps taken by RFS Holdings, the Banks or ABN AMRO, RFS Holdings, the Banks or ABN AMRO may or may not take such steps. Therefore, if the offers are successful, you should not rely on any such listing or quotation being available.

In addition, 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.

If RFS Holdings acquires 95% or more of the outstanding issued capital of ABN AMRO, RFS Holdings intends to utilise Dutch squeeze-out proceedings to acquire the ABN AMRO ordinary shares of non-tendering ABN AMRO shareholders at a price that may be less than that which might have been received upon a sale of such ordinary shares prior to the squeeze-out.

If RFS Holdings 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. 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 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 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 in an amount determined by the Enterprise Chamber (*Ondernemingskamer*) of the Amsterdam Court of Appeals (*Gerechtshof Amsterdam*), which amount may be lower than the consideration that ABN AMRO ordinary shareholders or holders of ABN AMRO ADSs received in the U.S. offer. The Amsterdam Court of Appeals may appoint one or three experts for advice on the value of the shares to be transferred and may set the squeeze-out price at a price lower than the consideration offered in the U.S. offer. Also, upon payment of the amount required to purchase the ABN AMRO ordinary shares 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. The only remaining right of the minority holders of ABN AMRO ordinary shares would be to receive payment for their ABN AMRO ordinary shares. If you do not tender your ABN AMRO ordinary shares in the U.S. offer and RFS Holdings is able to effectuate a squeeze-out, the price determined by the Dutch court for the purchase of ABN AMRO ordinary shares may be less than the amount which might have been received upon a sale of your ABN AMRO ordinary shares prior to the squeeze-out.

In the event that RFS Holdings acquires less than 95% of ABN AMRO's issued capital, RFS Holdings intends to take such legally permissible steps available to it under Dutch law to acquire the remaining outstanding ABN AMRO ordinary shares.

In the event that the squeeze-out procedures described above are not capable of being used because RFS Holdings has acquired less than 95% of the outstanding issued capital, RFS Holdings will have the right following the completion of the offers to use any other legally permitted method to obtain 100% of the ABN AMRO ordinary shares, including engaging in one or more corporate restructuring transactions, such as a legal merger, liquidation, transfer of assets or conversion of ABN AMRO into another form or corporate entity, or changing the ABN AMRO articles of association to alter the corporate or capital structure in a manner beneficial to RFS Holdings, or engaging in one or more transactions with minority holders of ABN AMRO ordinary shares including public or private exchanges or tender offers or purchases for consideration which may consist of RBS ordinary shares, other securities or cash. If you do not tender your ABN AMRO ordinary shares or ABN AMRO ADSs in the U.S. offer and RFS Holdings is able to effectuate such a transaction, the price paid for the ABN AMRO ordinary shares purchased may be less than what might have been received upon a sale of such shares prior to such a transaction and payments may attract Dutch withholding tax for certain categories of shareholder depending on the form they take. For further details of the impact this may have on holders of ABN AMRO ordinary shares and ABN AMRO ADSs, see "Effects of the Offers and Post-Closing Restructuring".

ABN AMRO ADSs may cease to be "margin securities".

ABN AMRO ADSs currently are "margin securities" under the regulations of the Board of Governors of the U.S. Federal Reserve System, which status has the effect, among other things, of allowing U.S. brokers to extend credit on the collateral of ABN AMRO ADSs for purposes of buying, carrying and trading in securities. Upon the delisting of ABN AMRO ADSs from the NYSE, ABN AMRO ADSs would not be "margin securities" and, therefore, would no longer be able to be used as collateral for the purpose of loans made by U.S. brokers.

INFORMATION INCORPORATED BY REFERENCE

This document incorporates important business and financial information about RBS and ABN AMRO by reference and, as a result, this information is not included in or delivered with this document. For a list of those documents that are incorporated by reference into this document, see "Additional Information for Securityholders Incorporation of Certain Documents by Reference".

Documents incorporated by reference are available from us upon request without charge. You may also obtain documents incorporated by reference into this document from the internet site of the SEC, at *http://www.sec.gov* or by requesting such documents in writing or by telephone from the global information agent:

D.F. King & Co., Inc.

48 Wall Street
New York, NY 10005

1-800-848-2998

To obtain timely delivery of these documents, you must request them no later than 26 September 2007.

In deciding whether to tender your ABN AMRO ordinary shares or ABN AMRO ADSs in the U.S. offer, you should rely only on the information contained in or incorporated by reference into this document or in the related U.S. offer documents. None of Fortis, RBS, Santander or RFS Holdings has authorised any person to provide you with any information that is different from, or in addition to, the information that is contained in this document or in other documents related to the U.S. offer.

PRESENTATION OF CERTAIN FINANCIAL AND OTHER INFORMATION

ABN AMRO Information

In commencing the offers and determining their terms and conditions, and in presenting financial and other information about ABN AMRO in this document, the Banks and RFS Holdings have relied upon publicly available information relating to ABN AMRO, including periodic and other reports for ABN AMRO as filed with or furnished to the SEC on Form 20-F and Form 6-K, and in its annual reports and accounts made available in the Netherlands. As a result of the limited information the Banks have about ABN AMRO, after the completion of the offers, the Banks may be subject to unknown liabilities of ABN AMRO, which may have an adverse effect on the Banks' respective profitability, results of operations and financial position.

Accounting Principles

RBS

As required by the U.K. Companies Act 1985 and Article 4 of the European Union IAS Regulation, our consolidated financial statements are prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, or IASB, and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB, or collectively IFRS, as adopted by the European Union. The EU has not adopted the complete text of IAS 39 "Financial Instruments: Recognition and Measurement". It has relaxed some of the standard's hedging requirements. We have not taken advantage of this relaxation and have adopted IAS 39 as issued by the IASB. On implementation of IFRS on 1 January 2005, we took advantage of the option in IFRS 1 "First-time Adoption of International Financial Reporting Standards" to implement IAS 39 "Financial Instruments: Recognition and Measurement", IAS 32 "Financial Instruments: Disclosure and Presentation" and IFRS 4 "Insurance Contracts" from 1 January 2005 without restating our 2004 income statement and balance sheet. The date of our transition to IFRS and the date of our opening IFRS balance sheet was 1 January 2004. Our published 2004 financial statements were prepared in accordance with then-current U.K. GAAP, comprising standards issued by the U.K. Accounting Standards Board, pronouncements of the Urgent Issues Task Force, relevant Statements of Recommended Accounting Practice and provisions of the U.K. Companies Act 1985.

IFRS differs in certain important respects from U.S. GAAP. For a discussion of the principal differences between IFRS and U.S. GAAP relevant to us, together with a reconciliation of certain IFRS amounts to U.S. GAAP, see note 47 to our audited consolidated financial statements included in our Annual Report on Form 20-F for the year ended 31 December 2006, which is incorporated by reference into this document.

ABN AMRO

For all periods up to and including the year ended 31 December 2004, ABN AMRO prepared its consolidated financial statements in accordance with Dutch GAAP. From 1 January 2005, it was required under EU regulations to prepare its consolidated financial statements in accordance with IFRS. ABN AMRO's financial statements for 2005 are its first financial statements prepared in accordance with IFRS. For a discussion of the principal differences between IFRS and U.S. GAAP relevant to ABN AMRO, together with a reconciliation of certain IFRS amounts to U.S. GAAP, see Note 50 to ABN AMRO's audited consolidated financial statements included in its Annual Report on Form 20-F for the year ended 31 December 2006, which is incorporated by reference into this document.

Market Information

This document includes industry data and projections about the Banks' and ABN AMRO's respective markets obtained from industry surveys, industry publications, market research and other publicly available third-party information. Industry surveys and industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. We have not independently verified this data or determined the reasonableness of such assumptions.

In addition, in many cases statements in this document regarding the banking and financial services industry and the Banks' and ABN AMRO's positions in that industry have been made based on internal surveys, industry forecasts, market research, as well as the Banks' own experiences. While these statements are believed by the Banks to be reliable, they have not been independently verified.

Financial Information

The financial information and certain other information presented in a number of tables in this document has been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

No Internet Site is Part of This Document

Each of Fortis, RBS, Santander and ABN AMRO maintains an internet site. The Fortis internet site is at *http://www.fortis.com*. The RBS internet site is at *http://www.rbs.com*. The Santander internet site is at *http://www.santander.com*. The ABN AMRO internet site is at *http://www.abnamro.com*. In addition, the Banks have established an internet site for the offers which is accessible through each of the Banks' websites. Information contained in or otherwise accessible through these internet sites is not a part of this document. All references in this document to these internet sites are inactive textual references to these internet addresses and are for your information only.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This document contains or incorporates by reference "forward-looking statements" regarding the intent, belief or current expectations of RFS Holdings, Fortis, RBS, Santander, ABN AMRO and their respective directors and officers about RFS Holdings, Fortis, RBS, Santander or ABN AMRO, their respective businesses and the transactions described herein. Generally, words such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "seek", "continue" or similar expressions identify forward-looking statements.

These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of RFS Holdings, Fortis, RBS, Santander or ABN AMRO and are difficult to predict, that may cause actual results or developments to differ materially from any future results or developments expressed or implied from the forward-looking statements. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include, among other factors:

costs (including taxes) or difficulties related to the integration of acquisitions, including the proposed acquisition of ABN AMRO, may be greater than expected;

the risk of unexpected consequences resulting from acquisitions, including the proposed acquisition of ABN AMRO;

the Banks' respective abilities to achieve revenue benefits and cost savings from the integration of certain of ABN AMRO's businesses and assets;

Fortis's, RBS's, Santander's and RFS Holdings' ability to obtain regulatory approvals for the proposed acquisition of ABN AMRO without materially onerous conditions;

any change-of-control provisions in ABN AMRO's agreements that might be triggered by the transactions described in this document;

the potential exposure of the Banks and ABN AMRO to various types of market risks, such as interest rate risk, foreign exchange rate risk and commodity and equity price risk. For example, certain of the market risk disclosures are dependent on choices about key model characteristics and assumptions and are subject to various limitations. By their nature, certain of the market risk disclosures are only estimates and, as a result, actual future gains and losses could differ materially from those that have been estimated;

general economic conditions in the European Union, in particular in the United Kingdom, the Netherlands, Belgium, Spain and in other countries in which the Banks or ABN AMRO have business activities or investments, including the United States;

the monetary and interest rate policies of central banks, in particular the Bank of England, the Dutch Central Bank, the Central Bank of Belgium, the Bank of Spain, the European Central Bank, the Board of Governors of the Federal Reserve System and other G-7 central banks;

changes or volatility in interest rates, foreign exchange rates (including the exchange rates between sterling, U.S. dollars and euros), asset prices, equity markets, commodity prices, inflation or deflation;

the effects of competition and consolidation in the markets in which the Banks or ABN AMRO operate, which may be influenced by regulation, deregulation or enforcement policies;

tax consequences of restructuring;

- changes in consumer spending and savings habits, including changes in government policies which may influence investment decisions;

- changes in applicable laws, regulations and taxes in jurisdictions in which the Banks and ABN AMRO operate, including the laws and regulations governing the structure of the transactions described in this document, as well as actions or decisions by courts and regulators;

- natural and other disasters;

- the inability of RBS or ABN AMRO to hedge certain risks economically;

- the adequacy of our or ABN AMRO's impairment provisions and loss reserves;

- technological changes; and

- the success of the Banks or ABN AMRO in managing the risks involved in the foregoing.

The Banks caution that these statements are further qualified by the risk factors disclosed in or incorporated by reference in this document that could cause actual results to differ materially from those in the forward-looking statements. See "Risk Factors". Subject to compliance with applicable laws and the rules and regulations of relevant stock exchanges, none of the Banks or RFS Holdings undertakes any obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The Banks do not as a matter of course make public projections as to future net revenues, costs, or other results. However, the Banks have prepared prospective financial information for inclusion in this document mainly related to estimated cost savings, estimated revenue benefits, adjusted earnings per share and return on investment, among others, to present the estimated impacts of the acquisition of ABN AMRO. This prospective financial information was not prepared in accordance with the guidelines established by the American Institute of Certified Public Accounts (the "AICPA") with respect to prospective financial information.

Statements relating to the revenue benefits, cost savings, adjusted earnings per share, returns on investment, internal rates of return, capital ratios and business growth opportunities the Banks expect to achieve following the transactions described in this document are based on assumptions which in the view of each Bank's respective management, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of such management's knowledge and belief, the expected course of action and the expected future financial impact on performance of the relevant bank due to the acquisition of ABN AMRO. However, the assumptions about these expected revenue benefits, cost savings, adjusted earnings per share, returns on investment, internal rates of return, capital ratios and business growth opportunities are inherently uncertain and, though considered reasonable by management as of the date of its preparation, are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. There can be no assurance that the Banks will be able to successfully implement the strategic or operational initiatives that are intended.

Neither RBS's independent auditors, nor any other independent accountants, have complied with, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, or disclaim any association with, the prospective financial information.

BACKGROUND TO AND REASONS FOR THE OFFERS

Background to the Offers

In the ordinary course of managing their respective businesses, each Bank has regularly reviewed and evaluated its business strategy and strategic alternatives, potential acquisitions and business combinations.

During the two-year period covered in this section, as part of its review of non-organic growth opportunities for RBS, the RBS Board discussed a range of strategic opportunities, including the potential benefits of an acquisition of ABN AMRO, at its annual strategy offsite meetings and at a number of other RBS Board meetings.

In February 2005, Sir Fred Goodwin (Group Chief Executive of RBS) met with Mr Rijkman Groenink (Chairman of the Managing Board of ABN AMRO) to exchange views about various issues affecting banking in Europe. They also discussed whether there were any opportunities for a potential combination between the two companies, but nothing further came from this initial discussion.

In the summer of 2005, Sir Fred Goodwin and Mr. Groenink corresponded in connection with ABN AMRO's proposed acquisition of Banca Antonveneta. On 5 July 2005, in reaction to market speculation regarding Italian bank transactions, Sir Fred Goodwin wrote to Mr. Groenink confirming RBS's statement in its 2004 full year results that it had no interest in European cross-border bank acquisitions at that time.

On 31 October 2006, Sir Fred Goodwin wrote to Mr. Groenink regarding market speculation of a potential acquisition of ABN AMRO and to arrange a time to meet with Mr. Groenink to catch up generally. Mr. Groenink responded the next day, and a meeting was scheduled for 9 January 2007.

Between January and March 2007, Santander engaged in preliminary discussions and negotiations with ABN AMRO regarding the possible purchase by Santander of certain discrete businesses in different geographic locations being offered for sale by ABN AMRO. These preliminary discussions and negotiations between Santander and ABN AMRO did not result in the acquisition by Santander of any ABN AMRO Businesses.

On 9 January 2007, Sir Fred Goodwin met Mr. Groenink in Amsterdam, and, during a wide-ranging conversation, discussed whether a combination of parts of the ABN AMRO Group and certain RBS businesses could be attractive. The discussion related to the merits of combining RBS's U.S. operations with ABN AMRO's U.S. retail and commercial banking activities and their respective global corporate banking businesses. Mr. Groenink said that ABN AMRO would approach RBS if it decided to take any action in the United States and indicated that an internal review was underway at ABN AMRO with respect to the issue. It was left with Mr. Groenink to consider the discussion further and he agreed to revert to Sir Fred Goodwin. During these conversations, Mr. Groenink disclosed to Sir Fred Goodwin that ABN AMRO shareholder Tosca Holdings ("Tosca") had met with him to recommend that ABN AMRO merge with RBS. Sir Fred Goodwin confirmed that RBS was not working with Tosca, or, in this regard, with any other ABN AMRO shareholder.

The next day, Sir Fred Goodwin wrote to Mr. Groenink thanking him for the meeting and welcoming Mr. Groenink's thoughts in due course.

On 20 February 2007, a letter from The Children's Investment Fund ("TCI") to ABN AMRO was publicly disclosed, which urged ABN AMRO to actively pursue the potential break up, spin off, sale or merger of ABN AMRO or of its various businesses.

On 8 March 2007, Sir Fred Goodwin telephoned Mr. Groenink to discuss press and market speculation regarding a potential acquisition of ABN AMRO. During that conversation, Sir Fred Goodwin confirmed to Mr. Groenink that RBS was not the source of such speculation and offered to put this in writing to Mr. Groenink. However, he also reiterated a continued interest in working with ABN AMRO to explore the opportunities that might be available by combining RBS's U.S. operations with ABN AMRO's U.S. retail and commercial banking activities and RBS's and ABN AMRO's global corporate banking businesses. The call was concluded with both parties confirming they would give further consideration to the matter.

By letter dated 12 March 2007 to Mr. Groenink, Sir Fred Goodwin further reiterated that RBS was interested in exploring with ABN AMRO any opportunities which might exist in relation to the U.S. or more widely to work together to create value. He also re-confirmed that RBS had no involvement with Tosca.

In the course of regular dialogue, representatives of RBS and Santander held two meetings, in January and March 2007, in which the potential for a joint RBS-Santander acquisition of ABN AMRO was discussed.

On 19 March 2007, Barclays announced that it was in exclusive preliminary discussions with ABN AMRO concerning a potential combination of the two organisations and, on 20 March 2007, announced the principles of any potential combination between ABN AMRO and Barclays.

On 30 March 2007, Merrill Lynch arranged a meeting where Sir Fred Goodwin met with Count Maurice Lippens (Chairman of Fortis) and Mr. Jean-Paul Votron (Chief Executive of Fortis) to discuss a potential joint offer by RBS, Santander and Fortis for ABN AMRO.

During April 2007, representatives of the Banks and their financial adviser Merrill Lynch had a series of meetings during which the Banks agreed to work together on the potential acquisition of ABN AMRO and together formulated the Banks' proposed offer for ABN AMRO. These meetings culminated in the Banks sending a joint letter dated 12 April 2007, to Mr. Arthur Martinez (Chairman of the Supervisory Board of ABN AMRO) and Mr. Groenink, to express their strong interest in putting forward a joint offer for ABN AMRO which the Banks believed would provide ABN AMRO shareholders with immediate and superior value at a materially higher level than Barclays. The letter requested the opportunity to discuss the proposals with ABN AMRO. After the close of the market on 13 April 2007, in response to market and press speculation and a request by the AFM for the Banks to make a public announcement of their proposal to ABN AMRO, the Banks issued a joint announcement confirming the proposal they had made to ABN AMRO. The announcement was published on Regulatory News Service on 16 April 2007.

By letter dated 17 April 2007, ABN AMRO invited the Banks to a meeting on 23 April 2007 to discuss the Banks' proposals, and issued an announcement disclosing this invitation. By letter dated 19 April 2007, the Banks accepted the invitation of Mr. Groenink and Mr. Martinez to meet to clarify the Banks' intentions and interest with respect to ABN AMRO and, on the same day, the Banks issued an announcement confirming that they had agreed to attend the meeting.

On 20 April 2007, Sir Fred Goodwin telephoned Mr. Groenink to discuss the Banks' interest in acquiring ABN AMRO.

On 22 April 2007, there was a call between Count Maurice Lippens and Mr. Groenink concerning the relationship between Fortis and ABN AMRO.

On 23 April 2007, ABN AMRO announced that it had entered into a merger protocol (the "Merger Protocol") with Barclays in respect of a proposed €67 billion offer by Barclays for ABN AMRO that would be recommended by the ABN AMRO Managing and Supervisory Boards (the "ABN AMRO Boards") and that ABN AMRO Bank, an ABN AMRO subsidiary, had also entered into an agreement with Bank of America for the sale of LaSalle to Bank of America for $21 billion in cash. The proposed offer by Barclays was conditional on the completion of the sale of LaSalle either to Bank of America pursuant to the terms of the Bank of America Agreement or pursuant to a purchase and sale agreement with another party. The Bank of America Agreement included a "go shop" provision that permitted ABN AMRO Bank, for a period of 14 days ending on 6 May 2007, to enter into an alternative acquisition agreement for LaSalle with another bidder, provided that, among other things, such bidder's acquisition proposal was a "superior proposal" in that it was superior from a financial point of view to the Bank of America Agreement, for cash and not subject to a financing condition. The "go shop" provision also required that any alternative acquisition agreement would automatically terminate upon the exercise by Bank of America of its right to match any such superior proposal. The Bank of America Agreement also granted ABN AMRO Bank the right to terminate the Bank of America Agreement if Bank of America failed to exercise its matching right, provided that ABN AMRO Bank simultaneously paid a $200 million termination fee to Bank of America.

On the same day, ABN AMRO postponed the pre-arranged early afternoon meeting scheduled between the Banks and ABN AMRO, first to later in the afternoon and then to early evening. In reaction to ABN AMRO's announcement, the Banks sent a letter to Mr. Martinez and Mr. Groenink and issued a press release cancelling their meeting that had been arranged for that day. In the letter, the Banks stated that their proposals required the retention of LaSalle by ABN AMRO and requested details of the circumstances under which the sale of LaSalle to Bank of America could be terminated. The Banks also requested access to the same due diligence information provided to Barclays.

On 23 April 2007, Citizens, a wholly owned subsidiary of RBS, received a letter from UBS, on behalf of ABN AMRO, regarding a potential acquisition by Citizens of LaSalle. UBS asked Citizens to confirm that it would be able to propose a cash purchase price in excess of $21 billion not subject to financing and that Citizens was prepared to enter into an agreement on terms at least as favourable as the Bank of America Agreement. UBS also sent Citizens a proposed draft of a confidentiality agreement to be executed prior to the commencement of a due diligence review of LaSalle (the "LaSalle Confidentiality Agreement").

On 24 April 2007, the Banks received a letter from ABN AMRO seeking further details of their proposal for the acquisition of ABN AMRO and suggesting a meeting to discuss them.

On 25 April 2007, Sir Fred Goodwin responded by letter on behalf of the Banks to Mr. Groenink outlining the key terms of the Banks' proposed offer, including a price indication, and proposing a time to meet in Edinburgh that day. The Banks' proposals were subject to certain pre-conditions, including LaSalle remaining within the ABN AMRO Group as well as satisfactory completion of a limited due diligence review.

On 25 April 2007, the Banks issued a press release and held a press conference outlining the contents of this proposal. Following the issue of the press release, Sir Fred Goodwin, Mr. Guy Whittaker (Group Finance Director of RBS) and Mr. Votron had various discussions on the proposed offer with Mr. Groenink, Mr. Martinez and Mr. Wilco Jiskoot (a director on the ABN AMRO Managing Board) and other representatives of ABN AMRO.

On the same day, ABN AMRO announced that it would provide the Banks with the same information it had previously provided to Barclays.

On 26 April 2007, ABN AMRO held its annual general meeting at which ABN AMRO shareholders approved (amongst other resolutions) a resolution by TCI that ABN AMRO should "actively pursue any possibilities to sell, spin-off or merge some or all of the major businesses of the [C]ompany to maximize shareholders' value". On the same day, the shareholder group VEB filed a suit in the Enterprise Chamber of the Amsterdam Court of Appeals (the "Dutch Enterprise Chamber") seeking, among other things, a provisional injunction restraining ABN AMRO and ABN AMRO Bank from proceeding to completion of the sale of LaSalle to Bank of America without the approval of the shareholders of ABN AMRO.

During the same day, Sir Fred Goodwin corresponded with Mr. Martinez to discuss access to be afforded to the Banks to conduct a limited due diligence review of ABN AMRO, consistent with that provided to Barclays. On the same day, ABN AMRO sent the Banks a proposed draft of a confidentiality agreement with respect to such information (the "ABN AMRO Confidentiality Agreement") to be entered into by ABN AMRO and each Bank. The draft ABN AMRO Confidentiality Agreement contained a standstill provision that would have prevented the Banks from making an offer for ABN AMRO for 12 months without ABN AMRO's prior written consent. The Banks requested that ABN AMRO remove the standstill provision from the ABN AMRO Confidentiality Agreement and issued a press release that day disclosing the request. Sir Fred Goodwin met with Mr. Martinez after the ABN AMRO annual general meeting to discuss due diligence access and to inform Mr. Martinez that the letter (referred to below) that was being sent by the Banks was of a technical nature in order to satisfy requirements of the Dutch takeover regulations and that the Banks' preference was to hold direct, constructive discussions with ABN AMRO.

Given that any offer for ABN AMRO made prior to the expiration of the "go shop" period could, under Dutch takeover regulations, be made only on seven days' notice to ABN AMRO, the Banks provided such notification by letter dated 26 April 2007. On 27 April 2007, the Banks issued a press release announcing the delivery of the notification to ABN AMRO. The same day, ABN AMRO agreed to remove the standstill provision, and the ABN AMRO Confidentiality Agreement was executed. On 28 April 2007, the Banks and ABN AMRO Bank also entered into a definitive LaSalle Confidentiality Agreement regarding a possible acquisition proposal by the Banks.

On 30 April 2007, the Banks delivered a letter to UBS confirming that the Banks were confident that they would be able to make an acquisition proposal for LaSalle that would constitute a superior proposal under the terms of the Bank of America Agreement. Shortly thereafter, the Banks and their advisers were granted access to begin their due diligence review of LaSalle, and the Banks' legal counsel made preliminary contact with ABN AMRO's legal counsel.

During the period between 30 April 2007 and 5 May 2007, the Banks met with ABN AMRO to conduct a limited due diligence review of ABN AMRO. Representatives from various ABN AMRO departments, including finance, human resources, legal, risk and compliance, group audit, group risk management, asset and liability management, general counsel and Business Units Latin America, Europe, Netherlands, Asia and Global Markets, met with their counterparts from Fortis, RBS and Santander to discuss due diligence materials. Representatives from Citizens also met with LaSalle executives to discuss LaSalle's due diligence materials.

By letter dated 1 May 2007, Mr. Groenink asked the Banks to provide additional information regarding, among other things, the financing arrangements in place for the €50 billion cash element of the Banks' indicative offer; how the risks to capital, clients and employees would be managed in a break up of ABN AMRO; how the revenues, capital and group debt of ABN AMRO would be divided by the Banks; and how the capital gains tax, stranded costs and restructuring charges would be borne by the Banks.

In a telephone call on 2 May 2007, ABN AMRO counsel advised RBS counsel that ABN AMRO would be concerned about any cross-conditionality between an acquisition proposal for LaSalle and completion of a public offer for ABN AMRO. ABN AMRO counsel also indicated a willingness to discuss issues relating to the structure of the Banks' proposal before its submission. Later that day, the Banks received a letter from UBS, on behalf of ABN AMRO Bank, inviting them to submit a final binding offer for the acquisition of LaSalle between 2 May 2007 and 4 May 2007 and providing details of the procedures under which the offer should be made. The letter included a draft of a purchase and sale agreement between the Banks and ABN AMRO Bank with respect to LaSalle and the related disclosure schedules. Thereafter, the Banks' respective counsel had a preliminary discussion with ABN AMRO's counsel regarding the terms and structure of the Banks' acquisition proposal for LaSalle, including the fact that the acquisition proposal would be conditional upon the

Banks completing an offer to acquire ABN AMRO and the Banks' belief that this was not precluded by the Bank of America Agreement.

On 2 May 2007, representatives of the Banks and Merrill Lynch met with Mr. Hugh Scott-Barrett (then Chief Financial Officer of ABN AMRO) and Mr. Jiskoot, together with representatives of Morgan Stanley and UBS, to discuss the proposed offer. Sir Fred Goodwin joined for part of the meeting.

On 3 May 2007, the Banks sent a letter to Mr. Groenink in response to his letter of 1 May 2007 in which he requested further information regarding the Banks' proposed offer. The Banks answered the questions in Mr. Groenink's letter, including explaining that any offer would not be subject to a financing condition, that Merrill Lynch had confirmed its intention to underwrite the Banks' securities issuances in respect of the €50 billion cash element of the proposed offer and that any changes to ABN AMRO's capitalisation and structure would be made only with regulatory approval following completion of the offer.

On the same day, the Dutch Enterprise Chamber granted VEB a provisional injunction restraining ABN AMRO and ABN AMRO Bank from proceeding to completion of the sale by ABN AMRO Bank of LaSalle to Bank of America without the approval of ABN AMRO shareholders.

Later on 3 May 2007, ABN AMRO counsel called RBS counsel to discuss whether any acquisition proposal by the Banks for LaSalle would be conditional on the completion of a public offer for ABN AMRO. ABN AMRO counsel encouraged the Banks to submit an unconditional acquisition proposal in light of the "various ramifications of a conditional bid". ABN AMRO counsel also indicated that ABN AMRO Bank would seek clarification from the Dutch Enterprise Chamber as to whether its order barred ABN AMRO from continuing the "go shop" process.

On 4 May 2007, Bank of America filed a lawsuit against ABN AMRO in the United States District Court of the Southern District of New York, seeking unspecified monetary damages for breach of representation, an injunction preventing ABN AMRO from negotiating the sale of or selling LaSalle, other than as provided for in the Bank of America Agreement, and an order of specific performance for the delivery of LaSalle to Bank of America. The same day, ABN AMRO asked the Dutch Enterprise Chamber for clarity on whether its preliminary injunction affected the "go shop" deadline provided for in the Bank of America Agreement.

On 4 May 2007, Sir Fred Goodwin, Count Maurice Lippens and Mr. Votron, as representatives of the Banks, met with Mr. Groenink and Mr. Martinez over dinner in Amsterdam to discuss the Banks' proposal for LaSalle and to explain how their proposal was superior to the Barclays proposed offer and the Bank of America agreement to acquire LaSalle.

In a 5 May 2007 letter, in accordance with the "go shop" provision of the Bank of America Agreement, the Banks submitted to both ABN AMRO's and ABN AMRO Bank's Boards their acquisition proposal to acquire LaSalle for $24.5 billion in cash, not subject to financing, but conditional on the completion of a proposed public offer to be made by the Banks for ABN AMRO. The letter enclosed a confidential memorandum describing the details of the proposed public offer that the Banks would make for ABN AMRO if the Banks' acquisition proposal for LaSalle were accepted, including the price of €38.40 per share. The memorandum also described the rationale for the proposed offer, the Banks' plans with respect to ABN AMRO, the expected benefits of the offer to customers and employees, the low execution risk of the offer and the financing of the offer consideration.

Included with the Banks' acquisition proposal was a purchase and sale agreement for LaSalle in the form that the Banks were prepared to execute. The agreement included a provision requiring the approval of ABN AMRO shareholders for the acquisition of LaSalle and a mutual termination right in the event that ABN AMRO recommended or pursued an alternative transaction involving the acquisition of ABN AMRO. In addition to the closing conditions included in the Bank of America Agreement, the agreement proposed by the Banks included conditions relating to the receipt of Fortis shareholder approval and the absence of any litigation arising out of or related to the Bank of America Agreement. The Banks also indicated that they were prepared to enter into a merger protocol with ABN AMRO that would outline the terms of their proposed public offer for ABN AMRO. By its terms, the Banks' acquisition proposal was to expire at 11:59 p.m. (New York City time) on 6 May 2007.

Throughout 5 and 6 May 2007, the Banks, Merrill Lynch and the Banks' respective legal advisers had discussions by telephone and correspondence with ABN AMRO and its financial and legal advisers regarding the acquisition proposal for LaSalle and the proposed offer for ABN AMRO. On 5 May 2007, ABN AMRO counsel asked RBS counsel to eliminate the conditions relating to the Bank of America litigation and the Fortis shareholder vote. ABN AMRO counsel and financial advisers also expressed dissatisfaction with the inter-conditionality between the Banks' acquisition proposal for LaSalle and the proposed offer to acquire ABN AMRO. The Banks' legal counsel and Merrill Lynch explained, however, that the inter-conditionality was not precluded by the Bank of America Agreement.

Later that day, RBS counsel sent a letter on behalf of the Banks to ABN AMRO stating that the Banks would eliminate the conditions relating to the Bank of America litigation and the Fortis shareholder vote. ABN AMRO counsel subsequently requested that the inter-conditionality also be eliminated and, on 6 May 2007, confirmed that request in writing.

During the afternoon (London time) of 6 May 2007, the Banks responded to a number of legal questions submitted by Morgan Stanley, on behalf of ABN AMRO. The Banks then received an email from Morgan Stanley and UBS, again on ABN AMRO's behalf, attaching a list of 31 detailed questions on the Banks' proposed offer for ABN AMRO. In response, a representative of Merrill Lynch sent Morgan Stanley and UBS an email to the effect that the Banks had provided sufficient information for ABN AMRO to be able to determine that the Banks' acquisition proposal was a superior proposal and that the Banks would provide confirmatory due diligence on the financing of the proposed offer if ABN AMRO accepted their offer in principle.

The parties' respective legal counsel continued to negotiate the terms of the purchase and sale agreement for LaSalle into the night of 6 May 2007, ahead of the expiry of the "go shop" provision at 11:59 p.m. (New York City time) and resolved substantially all the open issues in the purchase and sale agreement for LaSalle other than those that related to the inter-conditionality between the Banks' acquisition proposal for LaSalle and the Banks' proposed public offer to acquire ABN AMRO.

The Banks informed ABN AMRO through telephone calls and emails between Merrill Lynch, UBS and Morgan Stanley, and between Sir Fred Goodwin and Mr. Martinez and Mr. Groenink in the evening of 6 May 2007, that they were not prepared to remove the inter-conditionality between their acquisition proposal for LaSalle and their proposed public offer for ABN AMRO, that the interconditionality was not precluded by the Bank of America Agreement and that the Banks' offer for LaSalle was superior.

Later that night, UBS emailed Merrill Lynch to inform the Banks that the ABN AMRO Boards did not accept the inter-conditionality of the acquisition proposal and the proposed offer and therefore would not consider the Banks' acquisition proposal for LaSalle to be a superior proposal within the terms of the "go shop" provision.

On 7 May 2007, the Banks confirmed by press release that they had submitted an acquisition proposal for LaSalle to ABN AMRO on 5 May 2007, which had been rejected by ABN AMRO on 6 May 2007. In particular, the Banks noted that their proposed price for LaSalle was materially greater than the price that Bank of America had agreed to pay and would have led to a public offer from the Banks for ABN AMRO on terms consistent with the indicative proposals announced on 25 April 2007.

From the week commencing 7 May 2007 until the week ending 8 June 2007, there was intermittent contact between representatives of RBS, Santander and their advisers and Bank of America and its legal advisers regarding the possibility of resolving the situation with respect to the sale of LaSalle, in particular regarding a possible split of the LaSalle business between RBS and Bank of America. As at the date of this document, discussions are not ongoing.

On 14 May 2007, at the request of the AFM and ABN AMRO, the Banks issued a press release to clarify certain aspects of the Banks' acquisition proposal for LaSalle submitted to ABN AMRO on 5 May 2007, including the proposed purchase price of $24.5 billion. At the request of the AFM, ABN AMRO and the Banks also disclosed on their websites a number of previously non-public documents, including letters between the Banks and ABN AMRO and the draft purchase and sale agreement. The Banks' press release also stated that the Banks' proposals for the acquisition of ABN AMRO were still under consideration by the Banks and remained conditional, among other things, on LaSalle remaining within the ABN AMRO Group. The Banks stated that under the timetable set by the Dutch public offer rules, the Banks would make a further statement regarding their position on or before 27 May 2007.

On 15 May 2007, ABN AMRO filed an appeal in the Supreme Court of the Netherlands requesting that the Supreme Court nullify the decision of the Dutch Enterprise Chamber issued on 3 May 2007. On the same date, both Bank of America and Barclays also filed an appeal seeking similar relief with the Supreme Court of the Netherlands.

On 19 May 2007, Sir Fred Goodwin spoke with Mr. Martinez regarding progressing the Banks' proposed offer for ABN AMRO.

On 24 May 2007, executives from the Banks held preliminary discussions on their proposals in relation to ABN AMRO with ABN AMRO's Works Council. These discussions were continued on 4 June 2007.

On 25 May 2007, the Banks issued a press release announcing that, in light of the forthcoming bank holiday on Monday, 28 May 2007 in the Netherlands, Belgium and the United Kingdom, the Banks would make an announcement on 29 May 2007, rather than 27 May 2007, as previously indicated, clarifying whether or not, and if so under what circumstances, the Banks would make an offer for ABN AMRO.

Sir Fred Goodwin having advised Mr. Groenink and Mr. Martinez in advance by telephone, the Banks sent a letter dated 28 May 2007, confirming to ABN AMRO their intention to announce an offer on 29 May 2007 and enclosing a draft of the announcement to be released on 29 May 2007. The letter explained that the Banks' proposed offer was substantially the same as in the confidential memorandum dated 5 May 2007, but also indicated that the Banks intended to defer €1.00 of cash per ABN AMRO share from the proposed consideration pending resolution of the situation with respect to the sale of LaSalle. The letter also outlined the benefits of the Banks' proposals to ABN AMRO shareholders, employees and other stakeholders.

On 29 May 2007, the Banks announced their proposed offer for ABN AMRO and held investor and press conferences about the proposed offer. Among other things, the Banks confirmed the following terms of the proposed offer:

- €30.40 in cash plus 0.844 RBS ordinary shares for each ABN AMRO ordinary share (including €1.00 in cash to be retained by the Banks pending resolution of the situation with respect to the sale of LaSalle);

Valued at €38.40 per ABN AMRO ordinary share, a 13.7% premium to the value of Barclays' proposed offer (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 of their proposals including a price indication, and the price of RBS ordinary shares of 642.5p at the close of business on 25 May 2007, the last full trading day prior to the announcement of the terms of the proposed offer);

Total value of €71.1 billion; €8.6 billion higher than Barclays' proposed offer (based on an undiluted number of shares, and 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 of their proposals including a price indication, and on the price of RBS ordinary shares of 642.5p at the close of business on 25 May 2007, the last full trading day prior to the announcement of the terms of the proposed offer);

Approximately 79% of the consideration in cash, providing greater certainty of value than Barclays' proposed offer;

Proposed offer not subject to any financing condition, with capital raisings fully underwritten; and

Proposed offer conditional, among other things, on the Dutch Supreme Court upholding the provisional injunction granted by the Dutch Enterprise Chamber on 3 May 2007 restraining ABN AMRO and ABN AMRO Bank from selling LaSalle to Bank of America without the prior approval of ABN AMRO shareholders and the result of the ABN AMRO shareholder vote on the sale of LaSalle to Bank of America.

On 30 May 2007, in response to the Banks' offer announcement, ABN AMRO issued a press release stating that it had formed a Transaction Committee that would liaise with the Managing Board and key staff and advisers of ABN AMRO on an ongoing basis on all matters with respect to the proposed offers by Barclays and the Banks or other potential bidders.

Throughout June 2007, following the announcement of the terms of the proposed offer, UBS and Morgan Stanley (on behalf of ABN AMRO) and Merrill Lynch (on behalf of the Banks) had intermittent contact, none of which was substantive, to discuss the terms of the Banks' proposed offer.

By letter dated 4 June 2007, ABN AMRO advised the Banks that the ABN AMRO Boards were in the process of considering the Banks' proposed offer, requested clarification of various points and proposed a meeting between ABN AMRO's working team and the Banks for the week beginning 11 June 2007. Enclosed was a preliminary list of questions intended, according to the letter, to elicit information that would enable ABN AMRO to assess the likelihood that the Banks would obtain the necessary shareholder approvals to complete the proposed offer and to give ABN AMRO a better understanding of the Banks' plans for the split of the ABN AMRO business units in the Netherlands. The letter also noted that any interaction between the Banks and ABN AMRO must be predicated on preserving the rights and obligations under ABN AMRO's Merger Protocol with Barclays and the Bank of America Agreement.

By letter dated 5 June 2007, RBS (on behalf of the Banks) responded, stating that the Banks were willing to meet with ABN AMRO to discuss the proposed offer earlier than the week beginning 11 June 2007. The letter also requested further clarification from ABN AMRO regarding the Transaction Committee formed by ABN AMRO the previous week, as well as the implications of ABN AMRO's reference to "preserving the rights and obligations under [the] Merger Protocol". The Merger Protocol had not been made public at that stage.

On 7 June 2007, Mr. Votron spoke with Mr. Jiskoot regarding valuation issues with respect to the Banks' proposed offer and ABN AMRO's Transaction Committee.

By a letter dated 8 June 2007, Mr. Groenink responded to RBS's 5 June 2007 letter, stating that the Barclays Merger Protocol (which would be publicly filed early in the week commencing 11 June 2007) contained no provisions preventing ABN AMRO from seeking clarifications or prohibiting the ABN AMRO Boards from recommending to ABN AMRO's shareholders a superior competing offer to that of Barclays; however, the ABN AMRO Boards were not in a position to engage in a dialogue with the intent to recommend the Banks' proposed offer for ABN AMRO as it was conditional upon LaSalle not being sold. Mr. Groenink also suggested further meetings with him and Mr. Martinez if the Banks felt it necessary after review of the Merger Protocol and reiterated ABN AMRO's proposal for a meeting between ABN AMRO's working team and the Banks.

On 12 June 2007, Sir Fred Goodwin and Mr. Groenink met in Amsterdam to further discuss the terms of the Banks' proposal. The following day, Mr. Gilbert Mittler (Chief Financial Officer of Fortis), Mr. Whittaker, Mr. José A. Álvarez (Chief Financial Officer of Santander) and a representative of Merrill Lynch met with Mr. Jiskoot and representatives of Morgan Stanley and UBS to discuss the Banks' proposed offer in further detail, to answer the questions set out in Mr. Groenink's letter and to discuss the basis for cooperation between ABN AMRO and the Banks regarding their proposed offer.

Between 18 June and 20 June 2007, UBS contacted Merrill Lynch several times by email, on ABN AMRO's behalf, to request additional information and to clarify certain issues with respect to the Banks' proposed offer, in order to better understand the proposed offer so that the ABN AMRO Boards could determine whether to recommend the proposed offer. On 20 June 2007, UBS sent an email to Merrill Lynch confirming that other than the wording of the "material adverse change" clause in the Banks' proposed offer and ABN AMRO's request to have access to, for verification purposes, the Banks' funding and/or underwriting agreements, ABN AMRO and UBS had no further major outstanding questions about the Banks' proposed offer at that stage.

On 4 July 2007, Mr. Votron and Mr. Jiskoot met to discuss the merits of the Banks' proposed offer, valuation issues and the impact of the Transaction on clients and others.

On 10 July 2007, Mr. Groenink sent Sir Fred Goodwin a letter commenting on the Banks' plans for the Dutch businesses of ABN AMRO, suggesting a further meeting between the Banks and Mr. Jiskoot and offering to provide detailed management accounting information relating to ABN AMRO. Sir Fred Goodwin replied the next day, welcoming the opportunity to meet and obtain further information relating to ABN AMRO as a helpful step forward as part of a constructive dialogue between ABN AMRO and the Banks.

On 11 July 2007, Mr. Groenink called Sir Fred Goodwin regarding VEB's 10 July 2007 submission to the Dutch Enterprise Chamber requesting the appointment of independent directors to ABN AMRO's Supervisory Board. Sir Fred Goodwin confirmed that RBS did not support that strategy. Mr. Martinez called Sir Fred Goodwin later, when the same matters were discussed.

On 13 July 2007, the Dutch Supreme Court overruled the Dutch Enterprise Chamber's injunction restraining ABN AMRO and ABN AMRO Bank from proceeding to completion of the sale by ABN AMRO Bank of LaSalle to Bank of America without the approval of ABN AMRO's shareholders. The Dutch Supreme Court decision did not deal with VEB's request to the Dutch Enterprise Chamber for an investigation into the policy of ABN AMRO as from 1 January 2006; this request is still pending before the Dutch Enterprise Chamber. Soon after the announcement of the Dutch Supreme Court's decision, ABN AMRO announced its intention to complete the sale of LaSalle to Bank of America.

On the same day, Mr. Groenink called Sir Fred Goodwin to seek clarification of the Banks' position following the Dutch Supreme Court's ruling. Sir Fred Goodwin confirmed that the Banks would clarify their position shortly. During a subsequent telephone conversion, Sir Fred Goodwin advised Mr. Martinez that the Banks intended to make a revised offer which would be materially higher than

Barclays' proposed offer and that it would be a condition of that revised offer that ABN AMRO did not make any further disposals of a material part of its business or assets. Mr. Martinez confirmed that ABN AMRO would treat any revised offer by the Banks for ABN AMRO, without LaSalle, on a level playing field with Barclays' proposed offer. There was a subsequent follow up call between Mr. Groenink and Sir Fred Goodwin.

Later that day, the Banks wrote to Mr. Martinez and Mr. Groenink confirming that they still intended to bid for ABN AMRO, that their bid would be conditional, amongst other things, upon there being no further disposals by ABN AMRO of a material part of its business or assets, and that it remained the Banks' preference to work with the ABN AMRO Boards to secure their recommendation for the Banks' proposals. The Banks also issued a press release confirming their intention to proceed with a revised bid for ABN AMRO excluding LaSalle.

On 15 July 2007, during separate telephone conversations with each of Mr. Martinez and Mr. Groenink, Sir Fred Goodwin confirmed that the Banks would be making a revised proposed offer at €38.40 per ABN AMRO ordinary share. Mr. Martinez and Mr. Groenink each reconfirmed that this revised proposed offer would be treated on a level playing field with Barclays' proposed offer and that ABN AMRO had no intention of making any major assets disposals at the current time.

Sir Fred Goodwin indicated in the foregoing calls that the Banks would make reference in their announcement to the assurance regarding a level playing field.

On 16 July 2007, the Banks issued an announcement confirming their intention to proceed with their revised proposed offer for ABN AMRO on the following terms, amongst others:

- €35.60 in cash plus 0.296 RBS ordinary shares for each ABN AMRO ordinary share;

- Valued at €38.40 per ABN AMRO ordinary share, with a total value of €71.1 billion;

- Approximately 93% of the consideration in cash, providing greater certainty of value than Barclays' proposed offer;

- No pre-conditions or conditions relating directly to claims arising from the sale of LaSalle and no element of contingent consideration; and

- Conditional upon ABN AMRO not having made or agreed to make any acquisitions or disposals of a material part of its business or assets, with the exception of the disposal of LaSalle.

Further to the letter received by the Banks on 10 July 2007 from ABN AMRO, on 16 July 2007, representatives of RBS and Fortis met with ABN AMRO representatives to discuss and share limited historical management accounting information for periods in 2005 and 2006 relating to ABN AMRO's business units.

Mr. Votron and Mr. Jiskoot spoke by telephone on 17 July 2007 and discussed ABN AMRO's concerns about VEB.

On 18 July 2007, ABN AMRO issued a press release acknowledging receipt of the Banks' revised proposed offer. In the press release, ABN AMRO confirmed it would discuss the revised proposed offer with the Banks, and that, under the terms of the Merger Protocol, it would also discuss with Barclays its offer and the implications of the Banks' revised proposed offer. ABN AMRO also confirmed that it would assess the proposed offers in a fair and transparent manner and that it had no intention of making any major asset disposals at that time.

On the same day, during telephone conversations between Mr. Groenink and Sir Fred Goodwin, Mr. Groenink confirmed that the Banks' revised proposed offer would be assessed in a fair and transparent manner and that ABN AMRO had no intention of making any major asset disposals at that time. Mr. Groenink and Sir Fred Goodwin also discussed the VEB's 10 July 2007 submission to the Dutch Enterprise Court requesting the appointment of independent directors to ABN AMRO's Supervisory Board.

On 20 July 2007, the Banks announced their revised offer for ABN AMRO as outlined in the Banks' announcement of 16 July 2007, and RBS filed with the SEC its Registration Statement on Form F-4 with respect to the Banks' offer. On the same day, the Dutch offer document with respect to the Banks' offer was filed with the AFM, with no further comments from the AFM, and the UK prospectus with respect to the Banks' offer was filed with and approved by the FSA.

On 23 July 2007, RBS filed with the SEC an amendment to its Registration Statement on Form F-4, and RFS Holdings and the Banks filed with the SEC a Tender Offer Statement on Schedule TO to commence the offer to exchange.

The same day, Barclays announced the revised terms of its offer.

On 24 July 2007, Mr. Groenink wrote to Sir Fred Goodwin inviting the Consortium to make a presentation about its offer the following day. The same day, Sir Fred Goodwin responded to Mr. Groenink by letter, stating that the Banks would be pleased to meet with ABN AMRO, but that it was not feasible to prepare a presentation for the next day. In the letter, Sir Fred Goodwin suggested finding an alternative date and requested a clearer understanding of the matters ABN AMRO wished to discuss, in light of the Banks' understanding from ABN AMRO's advisers that all outstanding questions had been answered.

The following day, on 25 July 2007, Mr. Groenink wrote to Sir Fred Goodwin requesting an alternative date for the meeting and noting further issues that ABN AMRO wanted to raise with the Banks with respect to their offer.

Also on 25 July 2007, Mr. Martinez called Sir Fred Goodwin asking if Sir Fred Goodwin had any message or information that he would like to have passed on to the ABN AMRO Supervisory Board. Sir Fred Goodwin responded that all of the relevant information had been previously communicated or was in the offer. During that conversation, Sir Fred Goodwin also raised certain issues presented by the Barclays Merger Protocol and ABN AMRO's recommendation of the Barclays proposed offer, which he believed compromised the prospects for future dialogue between ABN AMRO and the Banks. It was left to Mr. Martinez and the ABN AMRO Supervisory Board to "clear a pathway" to constructive and substantive dialogue between ABN AMRO and the Banks.

On 27 July 2007, at an extraordinary general meeting, Santander shareholders passed the necessary resolutions to enable Santander to proceed with a rights issue and the issuance of mandatorily convertible securities, through which Santander intends to partially finance its portion of the offer consideration.

On 30 July 2007, ABN AMRO issued an offer update in which it announced that it was not in a position to recommend either the Banks' or Barclays' offer for ABN AMRO and that it would continue to engage with both parties with the aim of continuing to ensure a level playing field.

By letter dated 30 July 2007, Sir Fred Goodwin responded to Mr. Groenink's letter of 25 July 2007, and referring to ABN AMRO's announcement on 30 July 2007, Sir Fred Goodwin confirmed that the Banks would move rapidly once ABN AMRO was in a position to establish a constructive and substantive dialogue with the Banks.

On 3 August 2007, Sir Fred Goodwin called Mr. Martinez to express his concern about purported comments by Mr. Groenink to a Dutch newspaper recommending that Fortis shareholders vote against the rights issue contemplated by Fortis and queried whether such comments undermined the existence of a level playing field. Mr. Martinez reaffirmed the position of the ABN AMRO Supervisory Board to maintain a level playing field and said that Mr. Groenink had been misquoted.

Later on the same day, Sir Tom McKillop (Chairman of RBS) spoke to Mr. Martinez by telephone about the same issues.

On 4 August 2007, Mr. Jiskoot called Mr. Votron to discuss the media reports about the Fortis shareholder vote ahead of the Fortis EGM to be held on 6 August 2007.

Over the course of 4 August 2007 to 5 August 2007, Mr. Votron spoke with Mr. Jiskoot several times to discuss issuing a joint press release about the current offer situation. During the same period, Mr. Votron also exchanged emails with Mr. Groenink regarding the joint press release.

Also on 4 August 2007, Mr. Martinez and Sir Fred Goodwin had a separate telephone conversation during which they agreed that ABN AMRO and the Banks should issue a joint statement about the fact that Mr. Groenink had been misquoted and to acknowledge on the part of both the Banks and the ABN AMRO Boards that a level playing field would be maintained.

On 5 August 2007, the Banks and ABN AMRO issued a joint press release stating that the Banks had accepted assurances by ABN AMRO that Mr. Groenink was misquoted regarding the Fortis shareholder vote and that ABN AMRO and the Banks had agreed to engage in constructive dialogue and to maintain a level playing field.

On 6 August 2007, at an extraordinary general meeting, Fortis shareholders voted in favour of the participation of Fortis in the Banks' offer and in favour of amendments to the Fortis articles of association required to allow an increase in the share capital of both Fortis SA/NV and Fortis N.V. in order to finance Fortis's share of the Banks' offer.

On 9 August 2007, Mr. Whittaker and other representatives of RBS and Santander, Mr. Herman Verwilst (Chief Operating Officer and deputy Chief Executive Officer of Fortis), Mr. Juan Poswick (Director of Mergers & Acquisitions of Fortis) and Merrill Lynch representatives met with Mr. Jiskoot, Mr. Maurice Oostendorp (Group Functions/Head of Group Finance of ABN AMRO), Mr. Alexander Pietruska (Managing Director and Head of Corporate Development of ABN AMRO Ltd.) and UBS representatives for a general discussion on the status of the Banks' offer and to discuss proposed further meetings regarding due diligence.

On 10 August 2007, an extraordinary general meeting of RBS shareholders passed the necessary resolutions for RBS to participate in the offer.

Mr. Whittaker wrote to Mr. Jiskoot on 13 August 2007 and included an initial schedule of names of senior executives in ABN AMRO whom the Banks would propose to meet to initiate a dialogue between ABN AMRO and the Banks. Mr Whittaker stressed that the discussions would be confined to general business issues at this stage and would not cover non-public or price sensitive information relating to ABN AMRO.

The same day, the Banks issued a press release announcing that their aggregate shareholding in ABN AMRO had been increased to 3.25% of voting rights through market purchases made between 10 August 2007 and 13 August 2007 of a total of 40.76 million ABN AMRO ordinary shares.

During the evening of 13 August 2007, Sir Fred Goodwin spoke with Mr. Martinez regarding the Banks' offer.

Mr. Groenink contacted Sir Fred Goodwin's office by email on 13 August 2007 requesting a telephone meeting. Mr. Groenink and Sir Fred Goodwin subsequently spoke by telephone on 14 August 2007 to discuss the Banks' offer.

On 15 August 2007, Mr. Whittaker received a letter from Mr. Jiskoot regarding potential changes to the condition language in the Banks' offer and suggesting further meetings among the Banks' advisors to discuss these. The same day, Mr. Jiskoot met with Mr. Johnny Cameron (a member of the RBS Board and Chief Executive, Corporate Markets) for lunch during which they discussed general market conditions and due diligence planning. Mr. Cameron also met with Mr. Piero Overmars (an ABN AMRO Managing Board member) for dinner and discussed the Banks' offer, general market conditions and due diligence.

On 16 August 2007, Sir Fred Goodwin met with Mr. Jiskoot to discuss the Banks' offer and reiterate the Banks' commitment to their offer. Sir Fred Goodwin also met with Mr. Ron Teerlink, a member of the Managing Board of ABN AMRO.

Mr. Whittaker and Mr. Jiskoot also corresponded by email during 17 August 2007 regarding setting up a dialogue between ABN AMRO and the Banks. The same day, Mr. Votron also spoke to Mr. Jiskoot regarding the offer process.

On 20 August 2007, Sir Fred Goodwin met with Mr. Groenink in Edinburgh to discuss the Banks' offer.

Later that evening, Sir Fred Goodwin called Mr. Martinez to update him on the Banks' offer. Sir Fred Goodwin also spoke with Mr. Jiskoot to update him.

On 22 August 2007, Mr. Neil Roden (Head of Group Human Resources at RBS) and Mr. Michel Deboeck (Head of Human Resources at Fortis) met with Ms. Pauline van der Meer Mohr (Head of Group Human Resources at ABN AMRO) and a representative from ABN AMRO's Corporate Development Area to discuss human resource matters generally and to discuss the Banks' approach going forward.

On 23 August 2007, Mr. Brian Crowe (Chief Executive, Global Banking & Markets at RBS) met with Michiel de Jong (Head of BU Europe at ABN AMRO) and subsequently with Ms. Alexandra Cook- Schaapveld (Head of BU Global Clients at ABN AMRO). A representative from ABN AMRO's Corporate Development Area was also present at each meeting. The meetings covered a mutual discussion on the relevant business areas for each of RBS and ABN AMRO. The next day, 24 August 2007, Mr. Crowe met with Ms. Ann Cairns (Head of BU Transaction Banking at ABN AMRO) with a representative of Morgan Stanley, and they discussed transaction banking within ABN AMRO and RBS and the transaction banking market generally.

On 24 August 2007, Mr. Overmars met with Sir Fred Goodwin in Edinburgh, and they discussed the Banks' offer. Mr. Martinez met with Sir Fred Goodwin in Edinburgh later that day and also with Sir Tom McKillop to discuss the Banks' offer.

On 27 August 2007, Mr. Jiskoot called Sir Fred Goodwin to discuss the Banks' offer and to arrange to meet later in the week. A meeting was subsequently arranged for 31 August 2007.

During the week commencing 27 August 2007, representatives from the Banks met and spoke by telephone with a number of representatives from ABN AMRO to discuss ABN AMRO's business, the relevant market segments and due diligence matters generally.

On 29 and 30 August 2007, Mr. Jiskoot spoke with representatives from the Banks to discuss the process between ABN AMRO and the Banks going forward and to organise meetings between key individuals of ABN AMRO and the Banks over the following weeks.

On 30 August, Mr. Jiskoot met with representatives from Merrill Lynch to discuss the Banks' offer.

On 31 August 2007, Sir Fred Goodwin had meetings with Mr. Joost Kuiper (Managing Board Member, ABN AMRO), Mr. Boumeester and Mr. Jiskoot in Amsterdam at which the Banks' offer was discussed.

Mr. Kuiper also met with Mr. Cameron in London later the same day and discussed the Banks' offer.

During the week commencing 3 September 2007, representatives from the Banks had meetings and conversations by telephone with representatives from ABN AMRO to discuss ABN AMRO's business, the relevant market segments, due diligence, the process of continued engagement and certain other matters, including certain integration matters, in the event that the Banks' offer is successful.

Visits to RBS in Edinburgh were made by representatives from ABN AMRO's Central Works Council on 3 September 2007 and by representatives from ABN AMRO's European Staff Council on 10 September 2007. The primary purpose of the visits was to provide information about RBS.

Mr. Votron had meetings with Mr. Overmars, Mr. Teerlink, Mr. Boumeester and Mr. Jiskoot on 4 September 2007 at which the process between ABN AMRO and the Banks going forward was discussed.

Sir Fred Goodwin spoke with Mr. Jiskoot by telephone on 5 September 2007 to discuss the progress of meetings between key individuals from the Banks and ABN AMRO. Mr. Jiskoot also spoke with Mr. Whittaker. Sir Fred Goodwin and Mr. Jiskoot met in London the next day and they discussed the role of DNB in relation to the Banks' offer.

Sir Fred Goodwin spoke with Mr. Martinez on 6 September 2007 to discuss the Banks' offer.

During the week commencing 10 September 2007, representatives from the Banks had further meetings and conversations by telephone with representatives from ABN AMRO to continue their discussion of ABN AMRO's business, the relevant market segments, due diligence matters generally and integration matters in the event that the Banks' offer is successful.

Sir Fred Goodwin spoke with Mr. Jiskoot on 10 and 11 September 2007 to discuss the Banks' offer. Mr. Jiskoot also spoke with Mr. Whittaker to schedule further meetings with representatives of ABN AMRO's finance function.

Sir Fred Goodwin spoke with Mr. Jiskoot on 12 September 2007 and discussed the Banks' offer. The same day, Sir Fred Goodwin also spoke with Mr. Martinez about the Banks' offer.

On 12 September 2007, Mr. Votron spoke with Mr. Boumeester regarding the process between ABN AMRO and the Banks. Mr. Votron also spoke with Mr. Jiskoot by telephone to discuss the position of the Central Works Council.

Sir Fred Goodwin spoke with Mr. Groenink and Mr. Jiskoot on 14 September 2007 to discuss the Banks' offer. On the same date, Mr. Votron also spoke with Mr. Jiskoot to discuss the process between ABN AMRO and the Banks.

On 15 September 2007, Sir Fred Goodwin's office received an e-mail from Mr. Groenink's office relating to the ABN AMRO circular to be issued on 16 September 2007.

On 15 and 17 September 2007, Mr. Votron spoke again with Mr. Jiskoot regarding the process between ABN AMRO and the Banks.

During the week commencing 17 September 2007, representatives from the Banks met and spoke by telephone with a number of representatives from ABN AMRO to continue discussions on ABN AMRO's business, the relevant market segments and due diligence matters generally and integration matters in the event that the Banks' offer is successful.

On 17 September 2007, the Dutch Minister of Finance, in conjunction with the Dutch Central Bank, granted the Banks the Declarations of No Objection which they require in respect of the offers.

On 17 and 18 September 2007, Sir Fred Goodwin spoke to Mr. Martinez about the Banks' offer.

On 18 September 2007, Mr. Votron spoke with Mr. Jiskoot and discussed Morgan Stanley's role as advisor to ABN AMRO.

On 19 September 2007, Sir Fred Goodwin spoke separately to Mr. Martinez and Mr. Groenink regarding the Banks' Declaration of No Objection from the Dutch Central Bank. Sir Fred Goodwin arranged to meet Mr. Jiskoot in London on 21 September 2007.

On 19 September 2007, Mr. Votron received a letter from Mr. Jiskoot regarding competition matters raised by the European Commission. The letter referred to several conversations between representatives of Fortis and ABN AMRO regarding competition matters raised by the European Commission prior to 19 September 2007.

On 20 September 2007, Sir Fred Goodwin's office telephoned Mr. Teerlink's office to arrange a meeting between Sir Fred Goodwin and Mr. Teerlink for the following week. On the same day, Mr. Martinez called Sir Fred Goodwin to update him following the ABN AMRO EGM.

On 21 September 2007, Mr. Jiskoot met Sir Fred Goodwin in London to discuss structure issues.

On 21 September 2007, Fortis and ABN AMRO representatives discussed competition matters raised by the European Commission. Over the next several days, the parties, including Mr. Kloosterman and Mr. Jan Peter Schmittmann (President of ABN AMRO Netherlands), continued such discussions.

On 22 September 2007, Mr. Groenink sent an email to the Banks regarding ABN AMRO's shareholder circular.

During the week commencing 24 September 2007, representatives from the Banks met and spoke by telephone with a number of representatives from ABN AMRO to continue discussions on ABN AMRO's business, the relevant market segments and due diligence matters generally and integration matters in the event that the Banks' offer is successful.

On 25 September 2007, Mr. Martinez called Sir Fred Goodwin to discuss the Banks' offer generally.

On 26 September 2007, Mr. Camille Fohl (Fortis's Head of Commercial Banking Europe) and Mr. Filip Dierckx (Fortis's Chief Executive Office of Merchant & Private Banking) spoke with Mr. Jan Peter Schmittmann and Mr. Wietse Reehoorn, two representatives of ABN AMRO, about Fortis's discussions with the European Commission.

On 27 September 2007, Sir Fred Goodwin met Mr. Teerlink to discuss structure issues. Later the same day, Sir Fred Goodwin also met with Mr. Overmars regarding structure issues.

In addition, there has been other intermittent contact, none of which was substantive, between representatives of the Banks and ABN AMRO and their respective advisers.

Other than as set forth in this document, including in this section, since 20 July 2005, to the best knowledge of the Banks, there have been no negotiations, transactions or material contacts between Fortis, RBS, Santander, RFS Holdings or any of their affiliates or any of the persons named in Annex A, on the one hand, and ABN AMRO or any of its affiliates, on the other hand, relating to any merger, consolidation, acquisition, tender offer for any class of ABN AMRO's securities, election of the directors of ABN AMRO, or any sale or other transfer of a material amount of the assets of ABN AMRO.

Other than in the ordinary course of business, or as set forth in this document, including in the section entitled "Interests of RFS Holdings, Fortis, RBS, Santander and ABN AMRO and Their Directors and Executive Officers", since 20 July 2005, to the best knowledge of the Banks, there has been no transaction, or series of related transactions, between Fortis, RBS, Santander, RFS Holdings or any of the persons named in Annex A to this document, on the one hand, and any executive officer, director or affiliate of ABN AMRO that is a natural person, on the other hand, that exceeded U.S.$60,000 in the aggregate.

In the normal course of their businesses, ABN AMRO, on one hand, and Fortis, RBS and Santander, on the other hand, are parties to transactions and agreements with each other. None of Fortis, RBS or Santander or, to the best knowledge of the Banks, any of the persons named in Annex A to this document has since 20 July 2005 engaged in any transaction with ABN AMRO or its affiliates that is not a natural person that would require disclosure under the rules and regulations of the SEC applicable to these offers.

Reasons for the Offers

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 the inclusion within their groups of the ABN AMRO Businesses will create substantial value for shareholders through cost savings and revenue benefits. In 2006, ABN AMRO's cost:income ratio was 69.6%, compared to 61.2% for Fortis Bank, 42.1% for RBS and 48.5% for Santander. The Banks believe that the combinations of complementary and overlapping businesses will enable substantial rationalisation of costs. In aggregate, it is expected that the Banks' cost savings, before tax, will reach approximately €3.46 billion per annum by the end of 2010.

While the expected cost saving opportunities underpin the potential value creation, the Banks also believe that there are considerable opportunities for them to create sustainable increases in profitable revenue growth. The Banks believe that relatively limited scale and resources, combined with a lack of focus, have made it difficult for ABN AMRO to take advantage of the many growth opportunities across its broad range of attractive but widely-spread franchises, products and geographies. The combination of complementary businesses and capabilities will create additional opportunities for growth which are not available to ABN AMRO alone, or to any single buyer. The Banks have the resources to capitalise on these opportunities for growth. The Banks estimate that the aggregate revenue benefits identified, net of associated costs and impairment losses, before tax, will be approximately €0.85 billion per annum by the end of 2010.

The Banks believe that, because of their collective presence in and understanding of the broad range of markets in which ABN AMRO operates, and because of their proven track records of successful acquisitions and delivery of promised results, their acquisition of ABN AMRO will have lower integration risk than its acquisition by a single buyer.

The Banks expect that the stronger businesses created by combining the ABN AMRO's Businesses with their own complementary operations will generate benefits for customers and employees. The enhanced presence, product strengths and distribution capabilities of these strengthened businesses are expected to deliver benefits to customers, who will also gain from the increased scale and efficiency of the businesses that serve them. 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.

Businesses to be Acquired

Upon successful completion of the offers, the ABN AMRO Businesses are to be acquired by RFS Holdings, a company formed by the Banks and to be controlled by RBS. Following completion of the offers, 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 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[1]

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(1) On 31 July 2007, ABN AMRO announced that it had entered into an agreement with Sofinco pursuant to which Sofinco agreed to acquire ABN AMRO's Interbank and DMC business. The announcement states that ABN AMRO anticipates that the acquisition should be effective before year-end. See "Recent Developments of ABN AMRO Recent Agreements".

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. For further information on the plans and proposals for each of the Banks with respect to ABN AMRO and the acquired businesses see "Plans and Proposals for ABN AMRO".

RBS

RBS believes that the acquisition of the ABN AMRO Businesses will enhance the RBS Group's prospects for growth, both by enabling it to accelerate existing strategies for growth and by providing attractive new opportunities.

Global Wholesale Businesses

The combination of RBS Global Banking & Markets, or GBM, and ABN AMRO's Global Wholesale Businesses will create a leading corporate and institutional business with both scale and global reach, and with significantly enhanced growth prospects. For the purposes of this document, ABN AMRO's Global Wholesale Businesses consist of Business Unit Global Clients and the wholesale clients in Business Unit Europe (excluding Antonveneta), Business Unit Asia and the continuing businesses of Business Unit North America, and wholesale clients in the Netherlands and Latin America, excluding Brazil.

GBM has over recent years established a strong platform for growth outside the United Kingdom in Continental Europe, the United States and the Asia-Pacific region, with scale in financing and risk management products and with deep customer relationships. GBM is now focused on leveraging this platform by adding new customers in existing geographic areas and by achieving greater geographic reach. ABN AMRO's Global Wholesale Businesses, while lacking scale in some important products, have extensive geographic reach and large but relatively under-developed customer franchises in Continental Europe, the United States and Asia. In the combined business, GBM expects to generate greater value from ABN AMRO customer relationships by applying its relationship-driven model, which has delivered significantly higher revenue per customer and revenue per employee metrics.

ABN AMRO is one of a small number of banks with a strong global capability in international cash management, payments and trade finance. These products often form the foundation of long-term relationships which should provide opportunities for GBM to sell other, higher value products. In addition, GBM expects to be able to enhance its customer relationships by offering ABN AMRO's stronger products and capabilities in cash management and trade finance.

In North America, GBM has been implementing a strategy with the objective of becoming a top five corporate bank. RBS believes that the combination with ABN AMRO's Global Wholesale Businesses will enable GBM to accelerate the implementation of this strategy. In addition to the significant opportunity to grow the large corporate and institutional franchise in the United States, the combined business is expected to be able to deliver a full range of financial and risk management solutions to mid-corporate customers.

A current objective for GBM is to increase its exposure to high growth markets in Asia and the Middle East. RBS believes that the acquisition of ABN AMRO's Global Wholesale Businesses will enable GBM to make substantial progress on this objective, and will give GBM opportunities to sell a broader range of products to ABN AMRO's large but relatively under-developed corporate customer base in these areas. At the same time, the acquisition of the ABN AMRO Global Wholesale Businesses should enable GBM to increase its exposure to high growth areas such as emerging markets and equity derivatives.

In Latin America, RBS will acquire ABN AMRO's global clients and, except in Brazil, corporate customers and the branches that support them. Although relatively small, this presence and capability in Latin America is expected to enable GBM to enhance relationships with corporate customers operating in this region.

Based on 2006 data, the combined business would have top five positions across a broad range of products and a presence in over 50 countries and it would be ranked the number one corporate and institutional bank in the United Kingdom and Continental Europe and the number five corporate and institutional bank in the United States and Asia (excluding Japan), by client relationships. RBS believes that this combination of product strengths and leading customer franchises globally will give GBM enhanced competitive advantage in a market that is consolidating, and will provide a strong platform for organic growth.

International Retail Businesses

RBS expects that the combination of ABN AMRO's retail businesses in Asia and the Middle East and RBS's credit card and wealth management operations will create a valuable opportunity to build retail businesses in selected countries with large populations and high growth rates. For the purposes of this document, ABN AMRO's International Retail Businesses consist of the retail activities in Business Unit Asia and Business Unit Europe, excluding Antonveneta.

In Asia, RBS's wealth management business is growing strongly from its locations in Hong Kong and Singapore, serving a rapidly growing number of affluent customers in the region. RBS has also established partnership businesses with Bank of China in credit cards and wealth management. Across ABN AMRO's branch network in Asia, the Middle East and Europe are retail activities, offering retail banking products including current accounts and credit cards, and an affluent banking proposition. While RBS is of the view that these retail activities are thinly spread, RBS believes that there will be opportunities to build businesses in selected countries with large populations and high growth rates, accelerating RBS's wealth management strategy and adding the capability to distribute credit cards, and potentially a broader product range.

Diversification by Geography

The acquisition of the ABN AMRO Businesses is expected to increase RBS's geographic diversity and will strengthen its platform for growth outside the United Kingdom. On the basis of 2006 results, and full transaction benefits, the proportion of RBS's operating profit coming from outside the United Kingdom will increase from 42% to approximately 47%.

Cost Savings and Revenue Benefits

RBS believes that the combination of its and the ABN AMRO Businesses creates the opportunity for significant cost savings and revenue benefits. RBS believes that it will deliver cost savings amounting to €1,237 million (or €1,319 million, including its share of central cost savings), or 23% of the 2006 costs associated with the relevant ABN AMRO Businesses and net revenue benefits amounting to €481 million, or 8% of the 2006 income associated with the relevant ABN AMRO Businesses, in the third year after completion of the offers. RBS expects the total integration costs to be €2.57 billion (€2.73 billion including RBS's share of central integration costs).

The following table sets out the pre-tax benefits that RBS expects to gain within three years of completion of the offers as a result of the integration of the relevant ABN AMRO Businesses. For further information about the plans and proposals of RBS for achieving these benefits, see "Plans and Proposals for ABN AMRO RBS".

RBS

	Estimated Cost Savings per Annum by end of 2010	**Estimated Net Revenue Benefits per Annum by end of 2010**
	(euro millions)	***(euro millions)***
Global Wholesale Businesses	1,237	481
International Retail Businesses		
Shared Assets	82	
Total	1,319	481

Expected Financial Impact

Based on RBS's forecasts for business growth and transaction benefits, the acquisition of the ABN AMRO Businesses is expected to lead to 7.0% accretion in adjusted earnings[(a)] per RBS ordinary share and to produce a return on investment[(b)] of 13.2% in the third year after completion of the offers. The internal rate of return of the Transaction is expected to be 15.5% post tax.

Allowing for the acquisition of the relevant ABN AMRO Businesses, RBS's Tier 1 capital ratio is expected to remain within the group's target range of 7% to 8%[(c)] at the end of 2007.

Notes:

(a) Adjusted for purchased intangibles amortisation and integration costs.

(b) Return on investment defined as profit after tax plus post-tax transaction benefits over consideration plus post-tax integration costs.

(c) On a pro forma proportional consolidated basis Tier 1 ratio is expected to be approximately 7%.

Fortis

The following discussion is based on certain assumptions in respect of the outcome of discussions with the European Commission on certain divestment measures proposed to be implemented by Fortis following the Transaction (the "Proposed Divestment"). There is no certainty that the European Commission will ultimately accept the Proposed Divestment, nor can it be ruled out that Fortis must propose a different divestment package. Any change in the ultimate divestment package compared to the Proposed Divestment will modify the estimated impact of the Proposed Divestment on the financial parameters of the combination of Fortis with the acquired ABN AMRO Businesses. The ultimate financial impact of the Proposed Divestment on the contemplated business combination will also depend on the net sale proceeds that Fortis will be able to realise from this divestment.

The successful combination of Fortis and ABN AMRO Businesses is expected to create a top European financial institution. Based on 2006 published data, on a pro forma basis, the combined Fortis and ABN AMRO business will have more than 80,000 employees worldwide, more than 10 million retail customers in the Benelux region alone, projected banking revenues of €16.4 billion, total Banking and Insurance net profit of more than €5.5 billion (which is among the top five in countries that use the euro), 2,500 retail branches and 145 business centers across Europe.

The combined businesses of Fortis and ABN AMRO will enjoy pre-eminent positions in all major market segments in the Benelux region.

- Leading positions in the Netherlands. In 2006, Fortis was #3 in insurance (based on Gross Written Premiums), and the new combined group is expected to occupy a leading position in Retail Banking (#3 based on client assets), Small and Medium Enterprise, or SME, Banking (#2 based on revenues), Commercial Banking (#1 based on revenues) and Private Banking (#1 based on assets under management, or AuM).

- A leading European Private Bank. Fortis's enlarged private bank is expected to become the third largest European private bank with more than €200 billion in AuM globally based on 2006 data. With one integrated network and a large European and Asian footprint, the combined private bank will be positioned to be the service provider of choice for high net worth clients and ultra high net worth clients, based on a dedicated, broad and differentiated service offering.

- Top-tier Asset Management Company. The combined business will be a top-tier European asset manager, with more than €300 billion in AuM globally based on 2006 data, making it the twelfth largest in Europe. The combined asset management business is expected to benefit from a larger geographic footprint and enhanced offering to third-party distributors, leveraging on a wide, innovative and well-performing product range. The combined product range is anticipated to reach top quartile positions across many asset classes and achieve scale in core growth products.

Fortis believes that the combined activities will allow it to accelerate its strategy to become one of Europe's most dynamic and sustainable financial services providers, helping it to grow its businesses in "Enlarged Europe", and selectively in Asia and North America.

Fortis believes that its combination with ABN AMRO will benefit all stakeholders. Clients will benefit from an enhanced product offering and distribution network; employees will benefit from increased career opportunities; and both companies have a strong reputation for contributing to the local communities in which they operate.

Fortis values the strong brand of ABN AMRO in the Netherlands, and, as its owner, intends to capitalise on it, as well as on the Fortis brand. Both companies have best-in-class servicing models: while ABN AMRO has been named "Best Bank" on several occasions, including by Global Finance, and has an extremely well equipped retail branch network, Fortis has twice been awarded the title of Dutch "Commercial Bank of the Year" in the last three years and has a distinctive European network to service internationally active medium-sized enterprises.

Fortis believes that through combining their significant expertise in service quality, product development and distribution channels, the combined Fortis and ABN AMRO Businesses will provide enormous opportunities to innovate, to invest in the best talents in the market, and to take the lead in product and technological development.

The combined business intends to pursue a socially responsible approach to business, in active dialogue with all stakeholders, in all the countries where it is present, leveraging on both companies' experience in investing in the community (through sponsorship, funding and employee volunteering).

Cost Savings and Revenue Benefits

Fortis anticipates that this integration process will create substantial synergies. The expected pre-tax synergies are estimated at €1.3 billion, 87% on the cost side and 13% on the revenue side. Fortis expects that these synergies will be realised in stages, approximately 30% in 2008, another 40% in 2009 and the remaining 30% in 2010.

Fortis intends to integrate the ABN AMRO Businesses over a 36-month period focusing on, amongst others, the identification and mitigation of all relevant integration risks. During the integration process, Fortis will focus on ensuring minimal disruption for clients. Fortis expects the total integration costs to be €1.54 billion.

The following table sets out the pre-tax benefits that Fortis expects to gain within three years of completion of the offers as a result of the integration of the ABN AMRO Businesses.

Fortis	**Estimated Cost Savings per Annum by end of 2010**	**Estimated Revenue Benefits per Annum by end of 2010**
	(pre-tax) ***(euro millions)***	***(euro millions)***
Retail Banking Netherlands[(a)]	295-300	45-50
Commercial Banking Netherlands[(a)]	80-85	5-10
Private Banking	160	43
Asset Management	145	15
Information Technology and Operations	225	
Overhead	189	54
Total	**1,094-1,104**	**162-172**

Expected Financial Impact

Allowing for the acquisition of the relevant ABN AMRO Businesses, Fortis Bank's Tier 1 pro forma capital ratio is expected to be close to 6.7% immediately after completion of the reorganisation of ABN AMRO. After the acquisition, Fortis intends to maintain its previously announced solvency target (i.e., Tier 1 capital ratio at 7%). Based on Fortis's forecasts for business growth and transaction benefits, the acquisition is expected to lead to 2.7%[(b)] accretion in cash earnings per share in 2010[(c)] and to produce a return on investment on a cash basis of 11.1% in 2010[(d)].

The foregoing is based on the assumption that the proceeds of the Proposed Divestment will be used to reduce the core capital as appropriate. These calculations take into account the capital requirements of the organic growth plan for the 2006-2011 period and were calculated on the basis of the current solvency framework (Basel II and Solvency II were not taken into account).

Notes:

(a) Taking into account the impact of the Proposed Divestment.

(b) This percentage is based on a Fortis share price at the close of the relevant stock exchanges on 19 September 2007 and is computed compared to the analyst consensus.

(c) Adjusted for purchased intangibles amortization.

(d) Defined as profit after tax, adjusted for purchase intangibles amortization, plus post-tax transaction benefits divided by the consideration paid plus post-tax integration costs.

Santander

Santander believes the acquisition of the ABN AMRO Businesses it will acquire has a compelling strategic rationale for Santander, since it will increase Santander's exposure to attractive markets which it knows well through the acquisition of businesses which Santander believes have significant potential for growth. Santander believes that it has the necessary tools to execute a successful integration of back offices and operating functions, creating substantial value in the process.

Santander believes it can add significant value to the ABN AMRO Businesses it intends to acquire by implementing its retail and commercial business banking model, by introducing its proprietary technology platforms and by generating synergies. Santander believes that, in view of its strong integration track record both in Europe and in Latin America, the risk involved in integrating those businesses is relatively low.

Business Unit Latin America

Santander believes that the assets of ABN AMRO's Business Unit Latin America that it will acquire pursuant to the Transaction will be an excellent complement to its existing operations in Latin America. Following the Transaction and as a result of the acquisition of Real in Brazil, Santander expects that it will have a market share close to 15% in the two largest markets (Brazil and Mexico), a market share above 20% in Chile and a market share above 10% in other markets such as Argentina, Venezuela and Puerto Rico. Santander's market share in the Latin American region as a whole is expected to reach between 10% and 15% in all major products (e.g., lending deposits, mutual funds).

Real is an attractive franchise with an excellent customer franchise in Brazil, with a broad distribution network and, in 2006 it was the fourth largest bank in Brazil by total loans, deposits and revenues. Based on 2006 data, the combination of Santander's Banespa and Real is expected to create one of the leading banks in Brazil, ranked second in deposits, third for network size (with more than 3,900 branches and banking service points), third in total loans and fourth in revenues.

Santander believes that this increased presence will deliver greater economies of scale, stronger commercial capability and an advantage in distribution intensive businesses. The combined bank is expected to be on par with Bradesco and Itaú in terms of market presence. From a geographical point of view, the combined bank will have a leading presence in the South/South East of Brazil, the economic hub of the country, which is the source of approximately 64% of the Brazilian gross domestic product, with a 16% combined market share. In particular, the combined bank is expected to have branch market shares of 20% in São Paulo, 13% in Rio de Janeiro, 11% in Rio Grande do Sul and 9% in Minas Gerais, based on 2006 data.

In addition, Santander believes that Real's geographic coverage is complementary to that of Santander Banespa since Real provides presence in areas where Santander is currently underrepresented, such as Rio de Janeiro and Minas Gerais, whilst Santander Banespa is strong in regions in which Real is weaker, such as Rio Grande do Sul.

Santander Banespa and Real also have a complementary business mix since Real is stronger than Santander in areas such as mass market, consumer loans and SMEs whilst Santander Banespa is stronger than Real in areas such as affluent banking and business/corporate banking.

Banca Antonveneta

Antonveneta is a commercial bank headquartered in Padua (Veneto) with operations across Italy but with its core operations in the North East of Italy, principally Veneto and Friuli.

Santander believes that Antonveneta is an attractive franchise with significant potential. Antonveneta has a strong retail banking franchise, especially in some of the affluent regions in the North of Italy. Santander believes Antonveneta is well placed to benefit from the long-term growth opportunity that the Italian market offers.

Antonveneta's branch market share in the Italian market is around 3% but it has strong market positions in its core regions. Santander is confident that the Antonveneta franchise and its 1,045 associated branches are an excellent platform from which to create value through organic growth and develop a strong retail and commercial banking franchise in Italy. Antonveneta has a clear bias towards retail and commercial banking, which accounts for around 80% of its loan portfolio. It has more than 1.5 million retail clients, with 600,000 credit cards issued and 200,000 SME customers.

Antonveneta has critical mass in its two main home markets with branch market shares of 8.9% in Veneto and 6.8% in Friuli, and a good starting position in other key markets in Italy, such as Lazio (2.4%), Emilia Romagna (1.7%), Piedmont (1.3%) and Lombardia (1.1%). In summary, Antonveneta has leading positions in regions representing 12% of the Italian GDP and a good starting base in regions representing another 50% of the Italian GDP and which are the core of the Italian economy.

Antonveneta has a 3.2% branch market share in Italy with just a 2.2% share in loans and 2.3% in deposits.

Italy shares certain behavioural patterns with Spain, and it has underdeveloped areas such as retail mortgages or consumer finance and large revenue pools in areas such as SME lending or mutual funds, which allow the sector to achieve good structural profitability. Santander is already present in consumer finance and private banking in Italy. This experience supports Santander's positive view of the Italian market.

Santander believes Antonveneta has significant potential to improve its performance and that it offers an excellent platform from which to grow organically. Although in Italy as a whole its market share is below 5%, it has strong positions in core regions. Santander believes that Antonveneta has an adequate critical mass, comparable to its Banesto and Santander Totta businesses, which should enable it to reach levels of efficiency and profitability in line with the other retail banking operations in the Santander Group. Santander also believes that, once its scalable information technology system will be in place, Santander will be in an excellent position to expand its presence in Italy at limited cost.

ABN AMRO Interbank and DMC Consumer Finance[(1)]

The Interbank business is active in consumer finance in Holland, through a proprietary and third party broker distribution network. The business will be integrated into the Santander Consumer Finance structure and use the Interbank distribution network to distribute Santander products.

Santander Consumer Finance is present in 14 countries globally and had more than nine million customers at the end of 2006. It operates mainly in Europe and the United States and already has activities in the Netherlands in car financing (both new vehicles and second hand vehicles) and a Stock Finance business line. At the same time DMC is a network of brokers that generate business for Interbank.

(1) On 31 July 2007, ABN AMRO announced that it had entered into an agreement with Sofinco pursuant to which Sofinco agreed to acquire ABN AMRO's Interbank and DMC business. The announcement states that ABN AMRO anticipates that the acquisition should be effective before year-end. See "Recent Developments of ABN AMRO Recent Agreements".

Cost Savings and Revenue Benefits

Overall, by the end of 2010, Santander expects the Transaction to deliver €855 million of cost savings (which will be achieved mainly through the implementation of Santander's proprietary IT system and the integration of back office structures) and €175 million of revenue benefits (which will follow from the more efficient use of distribution networks and sharing of best practices with the acquired businesses). Santander expects the total integration costs relating to the ABN AMRO Businesses it will acquire to be €1.0 billion.

The following table sets out the pre-tax benefits that Santander expects to gain by the end of 2010 as a result of the integration of the ABN AMRO Businesses.

	Estimated Cost Savings per annum by end of 2010	**Estimated Revenue Benefits per annum by end of 2010**
	(euro millions)	***(euro millions)***
Real	700	110
Banca Antonveneta	150	60
Consumer Finance Business[1]	5	5
Total	855	175

Note:

(1) Estimation made at the time the offers were launched, assuming inclusion of Interbank and DMC Consumer Finance among businesses to be acquired by Santander. These estimated cost savings and revenue benefits will not be achieved if the sale of ABN AMRO's Interbank and DMC businesses to Sofinco is closed. See "Recent Developments of ABN AMRO Recent Agreements".

Expected Financial Impact

Allowing for the acquisition of the relevant ABN AMRO Businesses, Santander's Tier 1 capital ratio is expected to be in excess of 7% at the end of 2007, assuming that there is a full consolidation of the acquired businesses by the end 2007. Based on Santander's forecasts for business growth and transaction benefits, the acquisition is expected to lead to accretion in earnings per share in 2010 in excess of 5% and to produce a return on investment in excess of 12.5%[a] in 2010.

Note:

(a) Expected 2010 earnings (including synergies) divided by consideration expected to be paid for the ABN AMRO Businesses by Santander, plus the net present value of Antonveneta acquired intangibles.

Cautionary Statement

The foregoing discussion is based on assumptions regarding the revenue benefits, cost savings and business growth opportunities the Banks expect to achieve following the Transaction. However, these expected revenue benefits, cost savings and business growth opportunities may not develop. There can be no assurance that the Banks will be able to successfully implement the strategic or operational initiatives that are intended. See also "Cautionary Statement Concerning Forward-Looking Statements" and "Risk Factors".

PLANS AND PROPOSALS FOR ABN AMRO

Overview

Immediately upon completion of the offers, ABN AMRO will be owned by the Banks through RFS Holdings and will be a subsidiary undertaking of RBS. However, there will be no immediate change to the structure or operations of ABN AMRO and the roles of the Supervisory and Managing Boards of ABN AMRO will remain unchanged in concept following settlement of the offers. Subject to legal and regulatory requirements, the Banks will propose three new members to the Supervisory Board and intend to retain at least five existing members (subject to their being willing to serve). The Chairman of the Supervisory Board will be an independent member of the Supervisory Board and will not be a nominee of any of the Banks. Three independent members will have special responsibility for ensuring that the interests of minority shareholders are protected until such time as such interests are acquired by RFS Holdings.

As is the current practice of ABN AMRO, appointments to the Managing Board will be nominated by the Supervisory Board and will be ultimately decided by the general meeting of shareholders. The Banks will recommend a number of appointments to the Managing Board, including Chairman, Chief Financial Officer and Chief Risk Officer. In addition, it is the Banks' intention to secure continuity by retaining ABN AMRO experience and knowledge on the Managing Board. The Banks will either retain a number of existing members if they are willing to serve or will identify candidates from the Group Business Committee.

The Banks' immediate priority will be to ensure that the organisation continues to provide high quality service to its customers and address the needs of all stakeholders of ABN AMRO and to meet all regulatory requirements.

RBS will co-operate with Bank of America to ensure an orderly separation of LaSalle and the continuing businesses of Business Unit North America.

Following completion of the offers, the Banks will work with the management of ABN AMRO to verify and expand the information received from, and assumptions made on the basis of, the limited due diligence access granted before announcement of the offers. In particular, in each function and business unit of ABN AMRO, the Managing Board of ABN AMRO will create a Transition Management Committee, which will institute a number of Transition Steering Groups. The Transition Steering Groups will be responsible for planning the orderly separation of businesses in line with the guiding principles agreed by the Banks. The Transition Steering Groups will report to the Transition Management Committee, but will liaise and consult with the Banks to understand the target organisation into which the business is to be transferred. As a result, within 45 days of completion of the offers, the Banks intend to have validated a base-lined plan for the achievement of synergies and for the separation and transfer of the ABN AMRO Businesses to the respective banks. This plan will form the basis for continued consultation with employee bodies and regulators with whom there have already been extensive discussions as part of an ongoing process. Implementation of the plan will begin only when the necessary approvals have been received.

To the extent considered appropriate by the Banks, as an interim step towards the separation of the ABN AMRO Businesses, ABN AMRO will be reorganised into three units containing the businesses that will ultimately be transferred to the respective banks. A fourth unit will contain the Head Office functions and assets which are regarded as non-strategic.

Additionally, as soon as reasonably practicable, certain businesses which can readily be separated will be legally transferred to the respective banks. Fortis and RBS will work together to separate the Netherlands retail and commercial banking operations from the global wholesale banking operations. The former will be transferred to Fortis while the latter will be owned by RBS. The separation and transfer of businesses will be subject to regulatory approval and appropriate consultation processes with employees, employee representatives and other stakeholders.

Information technology systems will in general be separated and transferred with the businesses they support. However, where appropriate, the Banks may take advantage of opportunities to create greater economic value by sharing platforms.

During the reorganisation, the Banks will retain a shared economic interest in all central functions (including Head Office functions) that provide support to the ABN AMRO Businesses. The Banks will also retain shared economic interests in certain assets and liabilities of ABN AMRO which the Banks regard as non-strategic. These include ABN AMRO's private equity portfolio, its stakes in Capitalia and Saudi Hollandi, and Prime Bank. These are expected to be disposed of over a period of time with a view to maximising value.

The Banks believe that the structure they intend to implement following completion of the offers will strengthen the ABN AMRO Businesses.

The Banks believe that holders of ABN AMRO's debt securities will, in general, benefit from the expected positive impact of the Transaction on ABN AMRO's credit profile.

At the outset, the entire portfolio of ABN AMRO derivative transactions will be managed to ensure that all the derivative risk management needs of the component ABN AMRO Businesses are satisfied. In time, there will be an orderly migration of transactions to the appropriate trading entities of the Banks in line with normal novation or assignment processes.

RBS

ABN AMRO's Global Wholesale Businesses

ABN AMRO has a large wholesale banking business with a global footprint and corporate banking operations in 53 countries. In addition to established positions with large numbers of customer relationships in Europe and the United States, ABN AMRO is present in emerging markets through offices in 11 countries in Asia, five countries in Eastern Europe and seven countries in Latin America.

ABN AMRO is one of a small number of banks with the global reach and product capability to be effective in international cash management, payments and trade finance. Through these transactional banking products, ABN AMRO has been able to establish large numbers of corporate and institutional customer relationships globally. However, RBS believes that many of these relationships are relatively under-developed, reflecting ABN AMRO's insufficient strength in many of the financing and risk management products which are most relevant and complementary for these customers.

In addition to its international activities with large corporate and institutional customers, ABN AMRO has extensive relationships with mid-corporate customers in Continental Europe, Asia and the Middle East.

The businesses which RBS will acquire are those that constituted ABN AMRO's Wholesale Clients Business Unit, or WCS, in 2005 (including the continuing businesses of Business Unit North America following the sale of LaSalle, and including the Netherlands, but excluding Brazil (other than Global Clients customers)) and the product capabilities serving wholesale clients within its Global Markets and Transaction Banking Product Business Units. In 2006, WCS customers were transferred to the regional Business Units, except for the largest customers which were maintained in ABN AMRO's Global Clients Business Unit. In 2007, Global Clients customers have also been allocated to the regional Business Units. RBS estimates that ABN AMRO's Global Wholesale Businesses generated income of €5,677 million and profit before tax of €630 million in 2006, on an IFRS basis.

Strategic Rationale

RBS believes that there is a strong strategic fit between GBM and ABN AMRO's Global Wholesale Businesses. GBM has considerable strength across a broad range of financing and risk management products and in 2006 had what it believes to be an industry leading cost:income ratio of 40%, reflecting deep client relationships and strong income per customer metrics. However, whilst GBM has been expanding its international reach in recent years, it still has limited presence outside major financial centres. The acquisition of ABN AMRO's global branch network should enable GBM to accelerate this expansion relative to its current strategy, under which the establishment of a global branch network and customer base would take a significant period and would require significant investment.

ABN AMRO's considerable reach, through its global branch network, supports its strength in transactional products such as international cash management and trade finance. ABN AMRO is also strong in faster growth, but more specialised areas including equity derivatives and emerging markets. However, RBS believes that ABN AMRO's lack of depth and scale in some important products has led to relatively weak income per customer and per employee, resulting in a high estimated cost:income ratio for its Global Wholesale Businesses of 89% in 2006.

RBS's relationship-driven model and focus on deepening customer relationships enables it to generate high levels of income from its customers. GBM believes that this revenue generation is significantly above the level achieved by ABN AMRO from its Global Clients franchise. For these equivalent customer groups, GBM estimates that it generated more than 50% higher income per customer than ABN AMRO and more than 150% higher income per front office employee than ABN AMRO.

RBS expects that it will be able to deepen customer relationships and increase revenues per customer and per employee across ABN AMRO's extensive base of large and mid-corporate customers. To achieve this, GBM will apply its relationship-driven model in which relationship managers are enabled and incentivised to deliver the bank's full range of products and services from debt capital markets to cash management. The RBS model focuses on the overall profitability of customer relationships and encourages a collaborative approach between relationship and product teams. The model is supported by clear client and revenue accountabilities, transparent incentives for collaboration, a focus on higher value added income streams and a simple organisation structure which encourages the development of cross-product customer solutions.

In addition to the application of its relationship management model, GBM expects to be able to create additional value from ABN AMRO's customer franchise through leveraging its strengths in the product areas that are both most relevant to large corporate and institutional customers and which offer the highest value revenue streams, for example in structured finance, risk management and securitisation. GBM believes that it brings the requisite scale and strength in these key product areas that ABN AMRO currently lacks.

RBS expects that the combined business will have product leadership across a broad range of corporate banking products, benefiting from the complementary and overlapping product strengths of GBM and ABN AMRO. The combined business will rank third in all bonds and loans globally, first in global securitisations, global project finance and all international bonds, second in emerging markets syndicated credits, third in foreign exchange and fifth in international cash management. RBS also expects it to be a leading player in the global interest rate derivatives market, where GBM has had particular success in the distribution of sophisticated risk management products to its large and mid-corporate customers.

Ranking by Product[1]	2006 GBM	2006 ABN AMRO	2006 Combined GBM + ABN AMRO[2]
GBM Strengths			
Global All Bonds and Loans	# 6	# 17	# 3
Foreign Exchange	# 4	# 12	# 3
Global Securitisations	# 2	# 18	# 1
European Leveraged Loans	# 2	# 16	# 1
Global Project Finance	# 1	# 5	# 1
EMEA Syndicated Loans	# 1	# 9	# 1
ABN AMRO Strengths			
Euro Denominated Bonds	# 8	# 4	# 1
International Covered Bonds	# 18	# 1	# 1
Emerging Markets Syndicated Credits	# 31	# 2	# 2
International Cash Management	# 28	# 6	# 5
GBM + ABN AMRO Strengths			
All International Bonds	# 8	# 10	# 1
Asia-Pacific Syndicated Loans	# 13	# 15	# 5
U.S. Syndicated Loans	# 8	# 18	# 7

Notes:

(1) Data derived from Dealogic, Thomson Financial and Euromoney Polls.

(2) Combined estimates based on publicly available 2006 data derived from Dealogic, Thomson Financial and Euromoney Polls.

RBS believes that the combined business will be well diversified by geography across the United Kingdom, the rest of Europe, the United States and Asia-Pacific, with a small contribution from Latin America. Within these regions, it is anticipated that the combined business will have considerable local presence through which to distribute its strong and broad product offering.

In Europe, including the United Kingdom, it is expected that the combined business will consolidate its position as the leading wholesale and fixed i