

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, solicitor, accountant, fund manager or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your RBS Ordinary Shares, you should send this document and the accompanying documents, as soon as possible, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or the transferee. However, the distribution of this document and any accompanying documents into certain jurisdictions may be restricted by law and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe any such restrictions. In particular, such documents should not be distributed, forwarded or transmitted in or into any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of such jurisdiction.

This document should be read in conjunction with the Prospectus relating to RBS which has been prepared in accordance with the Prospectus Rules made under section 84 of the Financial Services and Markets Act 2000. A copy of the Prospectus has been filed with the FSA and has been made available to the public as required by section 3.2 of the Prospectus Rules.

This document does not constitute an offer of any securities for sale.



The Royal Bank of Scotland Group plc

(Incorporated under the Companies Acts 1948 to 1967 and registered with registered number SC45551)

Proposed Offers for ABN AMRO Holding N.V. and Notice of Extraordinary General Meeting

Please read the whole of this document and the Prospectus and, in particular, the section headed “Risk Factors” on pages 14 to 20 of Part II of the Prospectus. You should not rely solely on any key or summarised information set out in this document.

Your attention is drawn to the letter from the Chairman of RBS which is set out on pages 6 to 14 of this document and which recommends you to vote in favour of the Ordinary Resolution to be proposed at the Extraordinary General Meeting referred to below.

Notice of an Extraordinary General Meeting of RBS to be held at The RBS Conference Centre, RBS Gogarburn, Edinburgh EH12 1HQ at 2.00 p.m. on Friday 10 August 2007 is set out at the end of this document. A Form of Proxy for use at the Extraordinary General Meeting is enclosed and, to be valid, should be completed, signed and returned so as to be received at the Company’s transfer office at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8FB as soon as possible but, in any event, so as to arrive no later than 2.00 p.m. on Wednesday 8 August 2007. Completion and return of a Form of Proxy will not prevent members from attending and voting in person should they wish to do so.

Applications will be made to the FSA for the New RBS Ordinary Shares proposed to be issued in connection with the Offers to be admitted to the Official List, and to the London Stock Exchange for the New RBS Ordinary Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities. It is expected that Admission will become effective, and that dealings in the New RBS Ordinary Shares will commence, shortly following the date on which it is announced that all conditions to the Offers have been fulfilled or waived.

Merrill Lynch International, which is authorised and regulated in the United Kingdom by the FSA, is acting as financial adviser to RBS, Fortis and Santander and as underwriter for RBS, Fortis and Santander and is acting for no one else in connection with the Offers and will not be responsible to anyone other than RBS, Fortis and Santander for providing the protections afforded to customers of Merrill Lynch International or for providing advice to any other person in relation to the Offers.

The contents of this document are not to be construed as legal, business or tax advice. Each investor should consult his, her or its own solicitor, independent financial adviser or tax adviser for legal, financial or tax advice.

FORWARD LOOKING STATEMENTS

This document contains or incorporates by reference “forward looking statements” regarding the intent, belief or current expectations of RFS Holdings, RBS, Fortis, Santander, ABN AMRO and their respective directors and officers about RFS Holdings, RBS, Fortis, Santander or ABN AMRO, their respective businesses and the transactions described in this document. 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, RBS, Fortis, 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;
- RBS’s ability 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 RBS 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 and Spain, and in other countries in which RBS 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 U.S. 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. Dollar and euros), asset prices, equity markets, commodity prices, inflation or deflation;
- the effects of competition and consolidation in the markets in which RBS or ABN AMRO operate, which may be influenced by regulation, deregulation or enforcement policies;
- the 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 RBS 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 RBS's or ABN AMRO's impairment provisions and loss reserves;
- technological changes; and
- the success of RBS and/or ABN AMRO in managing the risks involved in the foregoing.

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" in paragraph 4 of Part II of this document.

The 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 RBS expects to achieve following the transactions described in this document are based on assumptions. However, these expected revenue benefits, cost savings, adjusted earnings per share, returns on investment, internal rates of return, capital ratios and business growth opportunities may not be achieved. There can be no assurance that RBS will be able to implement successfully the strategic and operational initiatives that are intended.

These forward looking statements speak only as at the date of this document. Except as required by the FSA, the London Stock Exchange, Part VI of FSMA or applicable law, RBS does not have any obligation to update or revise publicly any forward looking statement, whether as a result of new information, future events or otherwise. Except as required by the FSA, the London Stock Exchange, Part VI of FSMA or applicable law, RBS expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statement contained herein to reflect any change in RBS's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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COPIES OF THE PROSPECTUS

The Prospectus, from which certain information has been incorporated by reference into this document, can be obtained from the RBS website (which is at <http://www.rbs.com>) or free of charge from RBS Gogarburn, Edinburgh EH12 1HQ provided that, subject to certain exceptions, the Prospectus will not be mailed or otherwise distributed into a Restricted Jurisdiction.

INDICATIVE TIMETABLE OF PRINCIPAL EVENTS

| <u>Event</u> | <u>Calendar Date</u> |
|--|---|
| Publication of advertisement announcing the availability of the Offer Document | 20 July 2007 |
| Commencement of the Offer Period | 23 July 2007 |
| Extraordinary General Meetings of Fortis shareholders (first call) | 26 July 2007 ⁽¹⁾ |
| Extraordinary General Meeting of Santander shareholders (first call) | 26 July 2007 ⁽²⁾ |
| Extraordinary General Meeting of Santander shareholders (second call) | 27 July 2007 ⁽²⁾ |
| Expected date of publication of interim results for the six months ending 30 June 2007 by ABN AMRO | 30 July 2007 |
| Expected date of publication of interim results for the six months ending 30 June 2007 by RBS | 3 August 2007 |
| Extraordinary General Meetings of Fortis shareholders (second call) | 6 August 2007 ⁽¹⁾ |
| Extraordinary General Meeting of RBS shareholders | 10 August 2007 |
| End of initial Offer Period (deadline for tendering ABN AMRO Ordinary Shares into the Offers) | 5 October 2007 ⁽³⁾ |
| Announcement by RFS Holdings on whether or not the Offers are declared unconditional | Within five Euronext Amsterdam Trading Days after the end of the Offer Period |
| Settlement of the Offers; Admission to trading of the RBS Ordinary Shares on the London Stock Exchange and Euronext Amsterdam ⁽⁴⁾ | Within five Euronext Amsterdam Trading Days after the Dutch Offer is declared unconditional |

Note:

- (1) The Extraordinary General Meetings of Fortis shareholders are likely to occur at the second call for which there will be no quorum requirement.
- (2) The Extraordinary General Meeting of Santander shareholders is likely to occur at the second call for which there is a lower quorum requirement.
- (3) This date will change if RFS Holdings extends the Offer Period in accordance with applicable law.
- (4) Subject to approval by the relevant listing authorities.

PART I

LETTER FROM THE CHAIRMAN OF THE ROYAL BANK OF SCOTLAND GROUP plc

Sir Tom McKillop
Chairman



PO Box 1000
Gogarburn
Edinburgh EH12 1HQ

20 July 2007

Dear Shareholder

OFFERS FOR ALL OUTSTANDING ABN AMRO ORDINARY SHARES BY RBS, FORTIS AND SANTANDER

1 Introduction

I am delighted to be writing to you in connection with the cash and share offers which RBS and its partners Fortis and Santander (collectively the “Banks”) have today made for ABN AMRO.

The Offers are being made by the Banks through their acquisition vehicle, RFS Holdings. Assuming the Offers are successful, it is intended that RBS will acquire ABN AMRO’s Global Wholesale Businesses and International Retail Businesses, as described in section 2 “Background to and Reasons for the Offers”, (collectively, together with RBS’s consortium proportion of the Shared Assets, the “ABN AMRO Businesses”) for a consideration of €16 billion, net of the sale of LaSalle.

At our Annual General Meeting in April, I explained that an opportunity that fits so closely with RBS’s strategic priorities does not arise often, and that it was therefore incumbent on us to explore this opportunity to the full. I assured you that we would not proceed without careful evaluation to ensure that it was in your best interests to do so. As set out in greater detail in this document, this transaction will enable us to accelerate significantly the delivery of our existing objectives to extend our global reach in corporate and institutional banking and expand our presence and activities in the Asia-Pacific region. At our Annual General Meeting, I also mentioned our intention to develop a strong position in the United States in mid-corporate and commercial banking. RBS would have preferred to be able to acquire LaSalle in the United States to accelerate this strategy but the ruling of the Dutch Supreme Court has prevented this. We shall, however, have received value for LaSalle and remain confident that we can achieve our goals in this area by organic growth.

The acquisition of ABN AMRO’s Global Wholesale Businesses and International Retail Businesses, however, presents in its own right an exciting opportunity to accelerate our strategic development, opening up many new markets and growth opportunities for the Group. For this reason, the Directors believe that the acquisition of the ABN AMRO Businesses, even without LaSalle, represents an attractive opportunity for RBS, providing the Group with enhanced growth prospects, substantial transaction benefits and financial returns that remain compelling. The purpose of this document is to (i) explain the background to and reasons for the Offers, (ii) provide you with information about ABN AMRO and the ABN AMRO Businesses, (iii) explain why the Directors consider the acquisition of the ABN AMRO Businesses by way of the Offers to be in the best interests of the shareholders as a whole given the likely sale of LaSalle to Bank of America and (iv) recommend that you vote in favour of the Ordinary Resolution to be proposed at the Extraordinary General Meeting.

The Royal Bank of Scotland Group plc
Registered in Scotland No 45551
Registered Office: 36 St Andrew Square
Edinburgh EH2 2YB

2 Background to and 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 ABN AMRO's 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.

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 ("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.

International Retail Businesses

RBS expects 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%.

Further information on the reasons for the Offers is contained on pages 38 to 41 in Part VI of the Prospectus.

3 Plans for ABN AMRO

Overview

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:

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).

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

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 upon the Business Units as defined in ABN AMRO's Annual Report and Accounts for the year ended 31 December 2006.

There will be no immediate change to the structure or operations of ABN AMRO. Subject to legal and regulatory requirements, a limited number of senior appointments will be made by the Banks to the Managing Board and the Group Business Committee of ABN AMRO. The Banks' immediate priority will be to ensure that the organisation continues to provide high quality service to its customers 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. 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 information set out below relating to ABN AMRO and the ABN AMRO Group has been sourced from ABN AMRO's Annual Report and Accounts for the years ended 31 December 2005 and 31 December 2006 and a publicly available ABN AMRO Investor Day Presentation from 2005 entitled "Opening up WCS to the Group". As the ABN AMRO Businesses do not correspond precisely to the Business Unit definitions in ABN AMRO's Annual Report and Accounts for the year ended 31 December 2006, certain information below is derived from estimates of the financial information attributable to such businesses.

ABN AMRO's Global Wholesale Businesses

The businesses which RBS will acquire are those that constituted ABN AMRO's Wholesale Clients Business Unit ("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.

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.

GBM believes that it will be able to generate significantly higher revenues from ABN AMRO's customer franchise by leveraging the combined businesses' enhanced product strengths and by applying its proven management capabilities. The expected net revenue benefits of €481 million in the third year after completion of the Offers represent 8% of ABN AMRO's relevant 2006 revenues. RBS believes that it will also be able to achieve substantial cost savings through de-duplication of infrastructure and support activities. The expected cost savings amount to €1,237 million in the third year after completion of the Offers, representing 24% of ABN AMRO's relevant 2006 expenses.

International Retail Businesses

ABN AMRO has an extensive network of branches in Asia and the Middle East, principally to support its international cash management, payments and trade finance businesses for commercial customers. Many of these branches are also active in retail banking, although generally only on a limited scale.

ABN AMRO has retail activities in nine markets in Asia and the Middle East⁽¹⁾:

- East Asia: China, Hong Kong, Singapore, Indonesia, Malaysia, Taiwan
- South Asia: India, Pakistan
- Middle East: United Arab Emirates

The most significant presence is in India, where ABN AMRO has 27 branches, and United Arab Emirates, with 17 locations. The branches in India are in major conurbations across the country and include six branches in New Delhi and three in Mumbai. In United Arab Emirates the network is focused on key locations in Abu Dhabi and Dubai.

ABN AMRO also has a presence in Mainland China, with 11 branches, and Taiwan, with five branches. In Pakistan, ABN AMRO has 12 branches (excluding Prime Bank, which will be included in the Shared Assets).

The principal product lines currently offered by ABN AMRO in Asia and the Middle East are mass market retail banking, affluent banking, under the Van Gogh brand, and credit cards. ABN AMRO has about 3.5 million retail customers in the region, including about 100,000 Van Gogh customers and approximately 3 million credit cards, which are mainly in Taiwan and India, with smaller portfolios in Singapore, Indonesia, Hong Kong and United Arab Emirates.

ABN AMRO also has retail businesses in Spain, Romania and Kazakhstan and stockbroking businesses in India, Australia and New Zealand.

RBS believes that there are attractive opportunities for growth, building on ABN AMRO's established infrastructure to support retail activities in countries with large populations and high growth rates. However, RBS notes that the retail businesses in Asia, the Middle East and Europe are thinly spread across many countries. RBS estimates that ABN AMRO's retail businesses in Asia, the Middle East and Europe together generated income of €607 million and profit before tax of €88 million in 2006, on an IFRS basis. Because of limited scale, some of these retail businesses may have relatively high operating costs and customer acquisition costs, and so lack competitive advantage.

After completion of the Offers, RBS will analyse the retail activities country by country. RBS expects to focus on growing significant retail businesses in selected ABN AMRO countries. Factors affecting the selection of countries will include competitive advantage and scalability of the existing operations, economic growth rates and the competitive and regulatory environment for financial services. RBS also expects to focus on affluent banking and credit cards, products where RBS is strong in the United Kingdom and has significant activities outside the United Kingdom, and products likely to appeal to growing numbers of affluent customers in these high growth economies. The existing infrastructure supporting current accounts provides the possibility of a broader product offering.

RBS will seek to exit retail businesses not having critical mass or credible growth prospects.

(1) Excluding ABN AMRO's 40% stake in Saudi Hollandi which, although reported in BU Asia, will be included in the Shared Assets.

RBS has not at this stage included any specific initiatives and transaction benefits in its overall estimates of revenue benefits and cost savings.

Further information on RBS's plans for the ABN AMRO Businesses is contained on pages 42 to 48 in Part VII of the Prospectus.

4 Information on RFS Holdings

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 on behalf of RBS, Fortis and Santander. If the Offers have been declared unconditional, RFS Holdings will be funded by RBS, Fortis and Santander in the following proportions:

- RBS: 38.3%
- Fortis: 33.8%
- Santander: 27.9%

Following the Offers having been declared unconditional, RBS, Fortis 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 issued to RBS, Fortis 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.

5 Information on ABN AMRO

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, with total consolidated assets of €987 billion at 31 December 2006. 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. ABN AMRO's net profit for the year ended 31 December 2006 was €4,780 million. Please see pages 25 to 27 of Part IV of the Prospectus for a summary of selected financial information relating to ABN AMRO for the years ended 31 December 2004, 31 December 2005 and 31 December 2006. The consolidated financial statements of ABN AMRO for the years ended 31 December 2006, 31 December 2005 and 31 December 2004 are included in sections A, C and E, respectively of the Appendix to the Prospectus on pages F-1 to F-109, F-112 to F-205 and F-207 to F-262, respectively. Interim financial statements in respect of ABN AMRO for the three months ended 31 March 2007 are contained on pages 89 to 121 of Section B of Part XVII of the Prospectus. Additional information about ABN AMRO is also contained on pages 75 to 79 of Part XIV of the Prospectus.

6 LaSalle

On 22 April 2007, ABN AMRO Bank entered into a contract to sell LaSalle to Bank of America and subsequently announced a recommended all-share offer from Barclays.

On 3 May 2007, the Dutch Enterprise Chamber issued a preliminary ruling prohibiting completion of the sale by ABN AMRO Bank of LaSalle to Bank of America without ABN AMRO shareholder approval. This preliminary ruling was subject to review by the Dutch Supreme Court. The Banks' Offers, as announced on 29 May 2007, were conditional, among other matters, on the preliminary ruling of the Dutch Enterprise Chamber being upheld by the Dutch Supreme Court (or otherwise remaining in force) and, if the matter were put to shareholders, ABN AMRO Shareholders failing to approve the proposed sale of LaSalle to Bank of America.

The Dutch Supreme Court gave its ruling on this matter on 13 July 2007. That ruling was to the effect that the board of directors of ABN AMRO was entitled to sell LaSalle without the prior approval of ABN AMRO Shareholders. As a result of the decision, the injunction granted by the Dutch Enterprise Chamber

ceased to exist. Following the ruling of the Dutch Supreme Court, the Banks now expect that LaSalle will be sold to Bank of America.

Whilst RBS would have preferred to acquire LaSalle as part of the ABN AMRO Businesses, the Global Wholesale and International Retail Businesses represent acquisitions consistent with, and able to accelerate, RBS's strategy.

Under the terms of the Offers, RBS will contribute 38.3% of the total consideration paid to ABN AMRO Shareholders, or €27.2 billion. The consideration for the ABN AMRO Businesses net of the sale of LaSalle will be €16 billion. The reduction comprises US\$21 billion proceeds from the sale of LaSalle less inter-company balances of US\$6 billion as set out in the Bank of America Agreement.

7 Financing the Offers

Assuming all 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 556,143,700⁽²⁾ New RBS Ordinary Shares to the holders of ABN AMRO Ordinary Shares and, in addition, RFS Holdings would be obliged to pay an aggregate cash consideration of €66 billion. Further details on the terms of the Offers are set out in Part VIII of the Prospectus.

The Banks propose to finance the cash portion of the consideration through a combination of rights issues, issuances of debt and preferred securities and from internal resources.

RBS, whose portion of the cash consideration payable on Settlement of the Offers is €22 billion⁽²⁾, 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.

8 Financial Effects of the Offers

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 costs associated with the ABN AMRO Businesses in 2006, and net revenue benefits amounting to €481 million, or 8% of the income associated with the ABN AMRO Businesses in 2006, 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).

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⁽³⁾ per RBS Ordinary Share and to produce a return on investment⁽⁴⁾ 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 ABN AMRO Businesses, RBS's Tier 1 capital ratio is expected to be approximately 7.4%⁽⁵⁾ at the end of 2007.

Further information on the combination of RBS and the ABN AMRO Businesses is set out on pages 126 to 129 in Part XX of the Prospectus.

9 Current Trading and Prospects of RBS

RBS's interim results for the six months to 30 June 2007 are expected to reflect good organic growth in income, disciplined expense control, measured investment in faster growing businesses and continued strong credit metrics. Profit before tax, intangibles amortisation and integration costs for the six months to 30 June 2007 is expected to be not less than £5,000 million. Adjusted earnings per share before intangibles amortisation and integration costs are expected to exceed 37 pence per RBS Ordinary Share based on an effective tax rate of 26%. The effective tax rate reflects an underlying rate of 29% adjusted to record the full effect (£160 million) on deferred tax of the change in the UK corporation tax rate in the first half of 2007.

(2) On a fully diluted basis, as disclosed in the Prospectus.

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

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

(5) On a pro forma proportional consolidated basis Tier 1 ratio is expected to be 7.1%.

The profit estimate has been made in respect of profit before tax, intangibles amortisation and integration costs rather than in respect of profit before tax, as RBS considers this measure provides more meaningful information to shareholders and allows for greater comparability with prior years. The profit estimate is based on the management accounts for the five months to 31 May 2007 and the preliminary results for the month of June 2007.

10 Summary of the Offers

A summary of the terms of the Offers is set out in Part I of the Prospectus.

11 Consortium and Shareholders' Agreement

RBS, Fortis and Santander entered into a Consortium and Shareholders' Agreement on 28 May 2007. A summary of the Consortium and Shareholders' Agreement is set out in Part IX of the Prospectus.

12 Extraordinary General Meeting

In view of the size of the Transaction, the approval of RBS shareholders is required under the Listing Rules. Accordingly, completion of the Offers is conditional upon RBS shareholders' approval being obtained at the Extraordinary General Meeting. Accordingly, you will find set out at the end of this document a notice convening an Extraordinary General Meeting to be held at The RBS Conference Centre, RBS Gogarburn, Edinburgh EH12 1HQ at 2.00 p.m. on Friday 10 August 2007 at which the following Ordinary Resolution will be proposed:

- 1. The first part of the resolution proposes that the proposed acquisition of ABN AMRO by RFS Holdings by way of the Offers or on the terms of such other offers or agreements as may be announced (as any of such offers or agreements may be amended, extended, revised or renewed) be approved and the Board be authorised to agree with Fortis and Santander any waivers, extensions, non-material amendments or variations to the terms and conditions of the offers and to do all such things as are considered necessary or desirable in connection with the offers. Any such new offer or offers or agreements will not involve consideration that is materially higher than that payable under the Offers.*
- 2. The second part of the resolution proposes that subject to RFS Holdings announcing that all the conditions to the offers are fulfilled or waived, the Company's authorised ordinary share capital be increased by approximately 4.8% from £2,878,587,005.50 to £3,017,622,930.50 by the creation of 556,143,700 New RBS Ordinary Shares. This is to enable the Company to be able to allot sufficient New RBS Ordinary Shares to satisfy its obligations in connection with the Offers and for the Company to retain sufficient headroom for its general purposes. If this resolution is passed, and the Offers complete, RBS will have 2,057,900,017 authorised but unissued RBS Ordinary Shares, assuming that: (i) the maximum number of 556,143,700 New RBS Ordinary Shares are issued pursuant to the Offers; and (ii) no RBS Ordinary Shares are issued from 23 July 2007 other than in connection with the offers.*
- 3. The third part of the resolution authorises the Board, subject to RFS Holdings announcing that all the conditions to the offers have been fulfilled or waived, to allot the New RBS Ordinary Shares. This authority is in addition to the authority granted at the Annual General Meeting of the Company on 25 April 2007, which will expire at the next Annual General Meeting of the Company. The number of New RBS Ordinary Shares as set out in the resolution (being an aggregate nominal amount of approximately £139 million) represents approximately 5.9% of the issued share capital of the Company as at 16 July 2007, the last practicable date before the publication of this document and approximately 5.6% of the enlarged issued share capital of the Company immediately following the issue of the New RBS Ordinary Shares (assuming that the maximum number of 556,143,700 New RBS Ordinary Shares are issued pursuant to the Offers and there is no other issue of ordinary shares by the Company between 23 July 2007 and the date on which the offers complete).*

The full text of the Ordinary Resolution is set out in the notice convening the Extraordinary General Meeting at the end of this document.

13 Action to be Taken

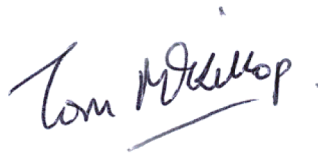
You will find enclosed a Form of Proxy for use at the Extraordinary General Meeting. Whether or not you intend to be present at the Extraordinary General Meeting, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it as soon as possible and in any case so as to be received at the Company's transfer office at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8FB no later than 2.00 p.m. on Wednesday 8 August 2007. The return of a Form of Proxy will not prevent you from attending the meeting and voting in person if you wish.

14 Recommendation

The Board, who have received financial advice from Merrill Lynch International, consider the acquisition of the ABN AMRO Businesses by way of a public offer for ABN AMRO (for the avoidance of doubt, excluding LaSalle) to be in the best interests of the RBS shareholders as a whole. In providing advice to the Directors, Merrill Lynch International has relied on the Directors' commercial assessment of the Transaction.

The Board unanimously recommend shareholders to vote in favour of the Ordinary Resolution as they intend to do in respect of their own beneficial holdings of RBS Ordinary Shares.

Yours faithfully

A handwritten signature in black ink, appearing to read "Tom Widdow". The signature is written in a cursive style with a horizontal line underneath the name.

Chairman

PART II

ADDITIONAL INFORMATION

1 Responsibility

The Directors, whose names are set out in paragraph 3 below, accept responsibility for the information contained in this document (including the information incorporated into this document by reference to the Prospectus). To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Directors confirm that the information relating to ABN AMRO, which has been sourced from information published by ABN AMRO, has been accurately reproduced from those sources and, as far as the Company is aware and is able to ascertain from information published by ABN AMRO, no facts have been omitted which would render the reproduced information inaccurate or misleading.

2 Incorporation by reference

Your attention is drawn to the following disclosures in the Prospectus which are incorporated by reference into this document:

- (a) the summary of the terms of the Offers set out on pages 6 to 13 of Part I;
- (b) the risk factors in relation to RBS, ABN AMRO and the Offers which are set out on pages 14 to 20 of Part II;
- (c) the historical financial information in relation to RBS for the years ended 31 December 2004, 31 December 2005 and 31 December 2006 set out on pages 21 to 24 of Part III;
- (d) the historical financial information in relation to ABN AMRO for the years ended 31 December 2004, 31 December 2005 and 31 December 2006 set out on pages 25 to 27 of Part IV and in sections A, C and E of the Appendix;
- (e) the trading update released by RBS set out on pages 122 to 123 of Part XVIII;
- (f) the trading update released by ABN AMRO set out on page 123 of Part XVIII;
- (g) the unaudited interim financial information in relation to ABN AMRO for the three months ended 31 March 2007 set out on pages 89 to 121 of Part XVII;
- (h) the adjusted three-year track record income statements on pages 127 to 129 of Part XX;
- (i) the narrative description of the impact on RBS's balance sheet and profit and loss statement of the acquisition of ABN AMRO set out on page 126 of Part XX;
- (j) the details of the Directors' service contracts contained in paragraph 3 on pages 148 to 153 of Part XXIII;
- (k) the details of the Directors' interests in RBS Ordinary Shares and non-cumulative preference shares contained in paragraph 2.6 on pages 145 to 148 of Part XXIII;
- (l) the details of major interests in the RBS Ordinary Shares contained in paragraph 5 on page 166 of Part XXIV;
- (m) the details of the related party transactions contained in paragraph 9 on page 176 of Part XXIV;
- (n) the details of the material litigation to which RBS or ABN AMRO is a party contained in paragraphs 10.1 and 10.2 on pages 176 to 177 of Part XXIV;
- (o) the no significant change statements of RBS and ABN AMRO contained in paragraphs 13.1 and 13.2 on pages 179 to 180 of Part XXIV;
- (p) the details of the material contracts entered into by RBS and ABN AMRO contained in paragraphs 8.1 and 8.2 on pages 173 to 175 of Part XXIV;
- (q) the working capital statement contained in paragraph 12 on page 179 of Part XXIV; and
- (r) the report of Deloitte & Touche LLP on RBS's profit estimate contained on pages 124 to 125 of Part XIX.

The consolidated financial statements of RBS and its subsidiary undertakings included in the Annual Report and Accounts of RBS for the years ended 31 December 2004, 31 December 2005 and 31 December 2006 together with the report of the auditors thereon are incorporated by reference to documents filed with the FSA. The following table provides details of the page numbers of the Annual Report and Accounts of RBS on which certain consolidated financial information in relation to RBS can be found:

| | Annual Report and Accounts for the period ending | | |
|---|---|-------------------------|-------------------------|
| | 31 December 2004 | 31 December 2005 | 31 December 2006 |
| Accounting Policies | Pages 139 to 142 | Pages 136 to 144 | Pages 130 to 138 |
| Profit and Loss Account | page 143 | n/a | n/a |
| Income Statement | n/a | page 145 | page 139 |
| Balance Sheet | page 144 | page 146 | page 140 |
| Statement of Total Recognised Gains and Losses | page 145 | n/a | n/a |
| Statement of Recognised Income and Expense | n/a | page 147 | page 141 |
| Cash Flow Statement | page 146 | page 148 | page 142 |
| Notes to accounts | pages 148 to 199 | pages 149 to 229 | pages 143 to 224 |
| Report of the auditors | page 138 | pages 134 to 135 | pages 128 to 129 |

3 Directors

The Directors of RBS are listed below:

| Directors | Title |
|------------------------------|---|
| Sir Tom McKillop | Chairman |
| Sir Fred Goodwin | Group Chief Executive |
| Guy Whittaker | Group Finance Director |
| Lawrence Fish | Chairman, Citizens Financial Group Inc. |
| Gordon Pell | Chief Executive, Retail Markets |
| Johnny Cameron | Chief Executive, Corporate Markets |
| Mark Fisher | Chief Executive, Manufacturing |
| Colin Buchan* | Non Executive Director |
| Jim Currie* | Non Executive Director |
| Bill Friedrich* | Non Executive Director |
| Archie Hunter* | Non Executive Director |
| Charles "Bud" Koch | Non Executive Director |
| Janis Kong* | Non Executive Director |
| Joe MacHale* | Non Executive Director |
| Sir Steve Robson* | Non Executive Director |
| Bob Scott* | Non Executive Director |
| Peter Sutherland* | Non Executive Director |

Note:

* Independent Non-Executive Director

Each of the Directors' business address is the Company's registered office at 36 St Andrew Square, Edinburgh EH2 2YB.

4 Risk Factors

The Offers and an investment in ABN AMRO are subject to a number of risks. These risks are summarised below:

- (a) the uncertainties about the effects of the Offers and any competing offers could materially and adversely affect the business and operations of ABN AMRO;

- (b) RBS may fail to realise the business growth opportunities, synergies and other benefits anticipated from the Transaction and RBS's results of operations, financial condition and the price of the RBS Ordinary Shares may suffer;
- (c) obtaining required regulatory approvals may delay completion of the Offers, and compliance with conditions and obligations imposed in connection with regulatory approvals could adversely affect RBS's businesses and the businesses of ABN AMRO;
- (d) the Banks have conducted only a limited due diligence review of ABN AMRO and, therefore, RBS may become subject to unknown liabilities of ABN AMRO, which may have an adverse effect on RBS's financial condition and results of operations;
- (e) consummation of the Offers may result in adverse tax consequences resulting from a change of ownership of ABN AMRO;
- (f) change of control provisions in ABN AMRO's agreements may be triggered upon the completion of the Offers, upon RFS Holdings' acquisition of 100% 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;
- (g) after completion of the Offers, holders of RBS Ordinary Shares will own a smaller percentage of RBS than they currently own of RBS and will exercise less influence over management; and
- (h) RBS will incur substantial transaction and offer related costs in connection with the Offers.

In addition your attention is drawn to the Risk Factors in relation to RBS, ABN AMRO and the Offers contained on pages 14 to 20 of Part II of the Prospectus which are incorporated into this document by reference.

5 Consents

- (a) Merrill Lynch International has given and not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.
- (b) Deloitte & Touche LLP has given and has not withdrawn its written consent to the incorporation by reference in this document of its report on RBS's profit estimate in the form and context in which it is included.

6 Listing of the New RBS Ordinary Shares

Application will be made to the FSA for the New RBS Ordinary Shares issued in connection with the Offers to be admitted to the Official List and to the London Stock Exchange for the New RBS Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that listing will become effective and dealings, for normal settlement, on the London Stock Exchange will begin shortly following the date on which RFS Holdings announces that all conditions to the Offers have been fulfilled or, to the extent legally permitted, waived.

In addition, prior to the Offer being declared unconditional, RBS intends to list the New RBS Ordinary Shares on Euronext Amsterdam.

The New RBS Ordinary Shares to be issued pursuant to the Offers will, when issued, rank *pari passu* in all respects with the RBS Ordinary Shares, including the right to receive all dividends and other distributions (if any) declared, made or paid by RBS by reference to a record date on or after the date of issue of the New RBS Ordinary Shares.

It is expected that the New RBS Ordinary Shares issued in connection with the Offers will be issued as soon as practicable following announcement by RFS Holdings that all conditions to the Offers have been fulfilled or, to the extent legally permitted, waived, which is expected to be in or around October 2007.

The New RBS Ordinary Shares issued in connection with the Offers will be ordinary shares of 25 pence each in the capital of the Company. The New RBS Ordinary Shares will be created under the Companies Act and the legislation made thereunder and will be issued in registered form and will be capable of being held in both Certificated Form and Uncertificated Form.

7 Fractional entitlements

Fractions of New RBS Ordinary Shares will not be issued to accepting ABN AMRO Shareholders. Fractional entitlements will be aggregated and sold in the market with the net proceeds distributed pro rata to the ABN AMRO Shareholders entitled thereto.

8 Working Capital Supplementary Circular

A circular containing a working capital statement on the basis that the acquisition of ABN AMRO has taken place will be sent to RBS shareholders as soon as reasonably practicable following completion of the Offers.

9 Documents available for inspection

Copies of all the documents referred to in paragraph 19 of Part XXIV of the Prospectus will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at RBS Gogarburn, Edinburgh EH12 1HQ and at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ up to and including the date of Admission.

They will also be available for inspection at the place of the Extraordinary General Meeting from at least 15 minutes prior to the Extraordinary General Meeting until the conclusion of that meeting.

DEFINITIONS

The following definitions apply throughout this document, unless stated otherwise:

| | |
|---------------------------|---|
| ABN AMRO | ABN AMRO Holding N.V. |
| ABN AMRO ADS | an American Depositary Share of ABN AMRO which may be evidenced by an American depositary receipt, each representing one ABN AMRO Ordinary Share |
| ABN AMRO Bank | ABN AMRO Bank N.V. |
| ABN AMRO Businesses | Business Unit Global Clients and wholesale customers in the Netherlands and Latin America (excluding Brazil), Business Unit Europe (excluding Antonveneta), Business Unit Asia (excluding Saudi Hollandi), continuing businesses of Business Unit North America following the sale of LaSalle, together with RBS's consortium proportion of the Shared Assets |
| ABN AMRO Group | ABN AMRO and its subsidiaries and subsidiary undertakings |
| ABN AMRO Ordinary Share | an ordinary share in the capital of ABN AMRO, nominal value €0.56 per share (including such shares underlying ABN AMRO ADSs) |
| ABN AMRO Shareholder | a holder of an ABN AMRO Ordinary Share or an ABN AMRO ADS |
| Admission | the admission of the New RBS Ordinary Shares to the Official List and to trading on the London Stock Exchange's market for listed securities in accordance with, respectively, the Listing Rules and the Admission and Disclosure Standards |
| Bank of America | Bank of America Corporation, a company incorporated under the laws of the State of Delaware, United States of America |
| Bank of America Agreement | the Purchase and Sale Agreement, dated as of 22 April 2007, between Bank of America and ABN AMRO Bank in respect of ABN AMRO North America Holding Company, the holding company for LaSalle, including the subsidiaries LaSalle N.A. and LaSalle Midwest N.A., including any amendment thereto |
| Banks | RBS, Fortis and Santander |
| Board | the board of Directors of the Company |
| Certificated Form | recorded on the relevant register or other record of the share or other security concerned as being held in certificated form |
| Company or RBS | The Royal Bank of Scotland Group plc |
| Companies Act | the Companies Act 1985, as amended from time to time |
| CREST | the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK is the operator |
| CREST Regulations | the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/378), as amended |
| Directors | the directors of the Company, whose names are set out on page 16 of this document |
| euro or € | the lawful currency for the time being of the European Union |
| Euroclear UK | Euroclear UK & Ireland Limited, the central securities depository for the United Kingdom, Republic of Ireland, Isle of Man, Jersey and Guernsey |

| | |
|--------------------------------------|---|
| Euronext Amsterdam | as the context requires, Euronext Amsterdam N.V. or Eurolist by Euronext Amsterdam |
| Euronext Amsterdam Trading Day | any day on which Euronext Amsterdam is open for trading |
| Extraordinary General Meeting or EGM | the extraordinary general meeting of the Company to be held at The RBS Conference Centre, RBS Gogarburn, Edinburgh, EH12 1HQ on Friday 10 August 2007 at 2.00 p.m. (or any adjournment thereof), notice of which is set out at the end of this document |
| Form of Proxy | the form of proxy accompanying this document for use by shareholders in relation to the Extraordinary General Meeting |
| Fortis | Fortis N.V. and Fortis SA/NV |
| FSA | the U.K. Financial Services Authority |
| FSMA | Financial Services and Markets Act 2000 |
| GBM | the Global Banking & Markets division of the RBS Group |
| LaSalle | LaSalle Bank Corporation, a wholly owned subsidiary of ABN AMRO North America Holding Company |
| Listing Rules | the rules and regulations made by the FSA under Part VI of FSMA |
| London Stock Exchange | London Stock Exchange plc |
| New RBS Ordinary Shares | ordinary shares of 25 pence each in the capital of the Company being offered to ABN AMRO Shareholders pursuant to the Offers |
| Offer | the offer being made by RFS Holdings on the terms and conditions set out in the Offer Document, which offer is open to (i) all holders of ABN AMRO Ordinary Shares who are located in the Netherlands, and to (ii) all holders of ABN AMRO Ordinary Shares who are located outside of the Netherlands and the United States, if, pursuant to the local laws and regulations applicable to such holders, they are permitted to participate in such offer |
| Offer Document | the offer document expected to be published on 20 July 2007 and all other documents incorporated by reference therein whereby RFS Holdings addresses the Offers to ABN AMRO Shareholders |
| Offer Period | the period during which the holders of ABN AMRO Ordinary Shares can tender their ABN AMRO Ordinary Shares to RFS Holdings in the Offers, which begins on 23 July 2007 and ends at 15.00 hours, Amsterdam time (09.00 hours New York City time), on 5 October 2007, as such period may be extended |
| Offers | the Offer and the U.S. Offer, taken together |
| Official List | the list maintained by the FSA pursuant to Part VI of FSMA |
| Ordinary Resolution | the ordinary resolution to approve the Transaction, to increase the Company's authorised share capital and to grant the Directors authority to allot relevant securities, as set out in the notice of Extraordinary General Meeting at the end of this document |
| Prospectus | the prospectus prepared by the Company in connection with the Offer and listing of the New RBS Ordinary Shares which has been filed with the FSA and made available to the public as required by the Prospectus Rules |
| Prospectus Rules | the Prospectus Rules brought into effect on 1 July 2005 pursuant to Commission Regulation (EC) No. 809/2004 |

| | |
|--------------------------|---|
| RBS Group or the Group | the Company and its subsidiaries and subsidiary undertakings |
| RBS Ordinary Shares | the ordinary shares of 25 pence each in the share capital of RBS |
| Restricted Jurisdiction | Australia, Italy and Japan, and any other jurisdiction where the extension or availability of the Offers would breach any applicable law |
| RFS Holdings | RFS Holdings B.V., a company incorporated under the laws of the Netherlands (Trade Register number 34273228) whose registered office is at Strawinskylaan 3105, 1077 ZX Amsterdam, the Netherlands |
| Santander | Banco Santander, S.A., a company incorporated under the laws of Spain, with registered office in Santander, Spain at Paseo de Pereda 9-12. Santander's current legal name is Banco Santander Central Hispano, S.A. On 23 June 2007, the general meeting of shareholders of Santander approved the change of Santander's legal name to Banco Santander, S.A., which will become effective when regulatory approval has been obtained |
| Securities Act | the United States Securities Act of 1933, as amended |
| Settlement of the Offers | the payment of cash and issuance of New RBS Ordinary Shares as consideration for the ABN AMRO Ordinary Shares and ABN AMRO ADSs exchanged in the Offers |
| Shared Assets | ABN AMRO's Head Office and central functions, private equity portfolio, stakes in Capitalia and Saudi Hollandi, and Prime Bank |
| Sterling or £ | the lawful currency for the time being of the United Kingdom |
| Transaction | the proposed acquisition by RFS Holdings of ABN AMRO pursuant to the Offers and the reorganisation of the ABN AMRO Group following completion of the Offers, as further described in the Prospectus |
| U.K. or United Kingdom | the United Kingdom of Great Britain and Northern Ireland |
| Uncertificated Form | recorded on the relevant register or other record of the share or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST |
| U.S. or United States | the United States of America, its territories and possessions, any state of the United States and the District of Columbia |
| U.S. Dollar or US\$ | the lawful currency for the time being of the United States |
| U.S. Offer | the offer being made by RFS Holdings on the terms and conditions set out in the U.S. Prospectus, which offer is open to (i) all ABN AMRO Shareholders who are resident in the United States (within the meaning of Rule 14d 1(d) under the U.S. Securities Exchange Act of 1934, as amended) and to (ii) all holders of ABN AMRO ADSs, wherever located |
| U.S. Prospectus | the prospectus forming part of the registration statement on Form F-4 filed with the United States Securities and Exchange Commission in connection with the U.S. Offer |

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Royal Bank of Scotland Group plc

(Incorporated under the Companies Acts 1948 to 1967 with registered number SC45551)

NOTICE OF EXTRAORDINARY GENERAL MEETING NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of The Royal Bank of Scotland Group plc (the "Company") will be held at The RBS Conference Centre, RBS Gogarburn, Edinburgh EH12 1HQ on Friday 10 August 2007 at 2.00 p.m. to consider and, if thought fit, pass the following ordinary resolution:

Ordinary Resolution

THAT:

1. the proposed acquisition by the RBS Group of the ABN AMRO Businesses (as defined in the circular to shareholders of the Company dated 20 July 2007 (the "Circular")) through RFS Holdings B.V. ("RFS Holdings") making a public offer or offers for (or otherwise acquiring) shares in the capital of ABN AMRO Holding N.V. ("ABN AMRO") on the terms and subject to the conditions of the offers set out in the offer documents published by RFS Holdings on 20 July 2007 (the "Offer Documents") (copies of which documents are produced to the meeting and signed for identification purposes by the chairman of the meeting) or through RFS Holdings making any revised or new offer or offers for ABN AMRO or entering into other agreements to acquire shares in ABN AMRO, provided that the terms of any such revised or new offer or offers or other agreements do not result in consideration being offered which is materially higher than the consideration offered under the offers set out in the Offer Documents (the offers set out in the Offer Documents and/or any such revised or new offer or offers being the "Offers") be approved and that the Directors (or a committee of the Directors) be authorised to agree with Fortis and Santander any waivers, extensions, non-material amendments or variations to the terms and conditions of the Offers or such other agreements and to execute such documents and do all such things as they may consider to be necessary or desirable to implement and give effect to the Offers or any matters incidental thereto;
2. subject to, and immediately upon, RFS Holdings announcing that all the conditions to the Offers are fulfilled or waived, (other than any condition relating to the admission of any new ordinary shares in the capital of the Company to be issued pursuant to, in connection with or for the purposes of the Offers to the Official List of the UK Listing Authority and to trading on the London Stock Exchange), the authorised share capital of the Company be and is hereby increased from £2,878,587,005.50 to £3,017,622,930.50 by the creation of 556,143,700 new ordinary shares of 25 pence each;
3. subject to, and immediately upon, RFS Holdings announcing that all the conditions to the Offers are fulfilled or waived (other than any condition relating to the admission of the new ordinary shares in the capital of the Company to be issued pursuant to, in connection with or for the purposes of the Offers to the Official List of the UK Listing Authority and to trading on the London Stock Exchange) and in addition and without prejudice to the power conferred on the Directors by paragraph (1) of Article 13(B) of the Articles of Association:
 - 3.1 the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £139,035,925 provided that such authority shall be limited to the allotment of relevant securities pursuant to, in connection with or for the purposes of the Offers or otherwise in connection with the acquisition of shares in ABN AMRO;
 - 3.2 such authority shall expire on 10 August 2008;
 - 3.3 by such authority and power the Directors may during such period make offers or agreements which would or might require securities to be allotted after the expiry of such period; and

3.4 for the purposes of this resolution words and expressions defined in or for the purposes of Part IV of the Act shall bear the same meanings herein.

By order of the Board,
Miller McLean
Secretary
20 July 2007
Registered office:
36 St Andrew Square
Edinburgh EH2 2YB

Notes:

- (i) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders entered on the register of members of the Company at close of business on Wednesday 8 August 2007 will be entitled to attend and vote at the aforesaid meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after close of business on Wednesday 8 August 2007 will be disregarded in determining the rights of any person to attend or vote at the meeting.
- (ii) Every member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of the member. A proxy need not be a member of the Company. A form appointing a proxy is enclosed with this notice and may be returned in the enclosed pre-paid envelope. To be effective, it must be completed and be received at the Company's transfer office at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8FB by 2.00 p.m. on Wednesday 8 August 2007.
- (iii) CREST members who wish to appoint and/or give instructions to a proxy or proxies through the CREST electronic proxy appointment service may do so through the issuer's agent (ID 3RA50) by the latest time for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

