

RBS N.V. – Standard and Poor’s Credit Rating: External FAQs

RBS N.V. receives A+ credit rating from Standard & Poors

We are pleased to note the announcement from S&P confirming the strength and growth prospects for RBS N.V. which is reflected within the A+/A-1/stable credit rating which they have confirmed.

What has S&P announced?

- Standard & Poor’s has announced a credit rating for RBS N.V., the entity that will take shape within the RBS group after the legal segregation of ABN AMRO. This credit rating is A+/A-1/stable.

What are the reasons for this announcement?

- The major credit ratings agencies are currently in the process of reviewing information and presentations on RBS N.V. S&P are the first to publish their conclusions and the others are expected to publish in February.

When will the demerger and rename of ABN AMRO take place and isn’t that when RBS N.V. finally takes shape?

- Legal Segregation will take place on 6 February 2010, this will be followed by final legal separation.

What are the other rating agencies saying and when will they issue a rating

- Moody’s published some initial comments around the future credit rating of RBS N.V. at the same time as they published a rating on ABN AMRO in August. They, and Fitch, are expected to make their formal announcements on RBS N.V. in February.

Is RBS still stable and secure?

- RBS is one of the best capitalised international banks with strong capital ratios. RBS remains in a strong financial position which has been further strengthened with a GBP25.5bn equity injection from the UK Government. We continue to make good progress in managing our balance sheet and reducing our wholesale funding need. Furthermore, the UK Government has stated that its intention is not to be a major shareholder of any bank in the long term.
- The UK Government’s ownership of RBS Group plc ordinary voting shares is presently at 70%. Following the issuance of the £25.5 billion B shares HM Treasury’s economic interest is now 84.4%.
- RBS Group entered into the “Asset Protection Scheme” (APS) with Her Majesty’s Treasury in November 2009.. The APS is secure asset insurance that protects and enhances the capital strength and outlook for RBS. The assets covered by the APS, extended by the UK Government, will include those of several subsidiaries of RBS Group including RBS N.V.
- The RBS Group Q3 financial results as at 30 September 2009 were announced on 6 November[LINK] showing a strong financial performance with core Tier 1 and Tier 1 capital ratios of 6.4% and 9.0% respectively - on a pro forma basis, the ratios were 11.7% and 17%. The same ratios at ABN AMRO as at 30 September 2009 were 15.1% and 20.2% respectively.

Why should counterparties continue to place deposits with us?

- We remain financially stable and secure (see previous answer). The combination of our existing large deposit base, and our broad franchise, including a large retail operation, are attractive characteristics for our depositors. They also distinguish us from a number of our competitors.

RBS N.V. is expected to have a strong balance sheet and robust risk framework and conservative risk profile. . It will be systemically important to the Dutch payment system and RBS is providing capital injections to exceed the minimum ratios set by the Dutch regulator (DNB).

How will the S&P announcement impact our ability to secure funding in the money markets?

- RBS, and ABN AMRO, continue to have good access to funding and liquidity. We continue to focus on securing further deposits and remain confident that we can continue to meet our funding obligations going forward.

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