

## 4.00% CHF Double Coupon Notes with 2.00% Floor

### Final Termsheet CHF – 100% Capital Protection – due 2016

We are pleased to present for your consideration the transaction relating to the securities described below (the "Securities"). The contents of this termsheet are indicative, subject to change without notice and are intended for your sole use. No assurance can be given that the issue of the Securities could in fact be arranged or that any specific issuer is obligated to issue such Securities. We are willing to negotiate a transaction with you because we understand that you have sufficient knowledge, financial and operational resources, experience and professional advice to make your own evaluation of the merits and risks of a transaction of this type (and/or any related transaction) and you are not relying on The Royal Bank of Scotland N.V. (the "Issuer") nor its employees, agents or any of its group companies for information, advice or recommendations of any sort other than the factual terms of the transaction. This material should be read in conjunction with the Issuer's General Conditions and Product Conditions (collectively, the "Conditions") relating to the Securities. Terms used but not otherwise defined herein shall have the meanings assigned to them in the Conditions. This termsheet does not identify all the risks (direct or indirect) or other considerations which might be material to you when entering into the transaction. You should consult your own business, tax, legal and accounting advisors with respect to this proposed transaction and you should refrain from entering into a transaction with us unless you have (a) fully understood the potential associated risks and return of this, and / or any related, transaction and (b) independently determined that the transaction is appropriate for you given your objectives, experience, financial and operational resources and other relevant circumstances.

<b>Issuer:</b>	The Royal Bank of Scotland N.V. (Senior Long Term Debt Rating: S&P A+, Fitch AA-, Moody's A2)
<b>Lead Manager:</b>	The Royal Bank of Scotland N.V.
<b>Co-lead Manager:</b>	Migros Bank AG
<b>Calculation Agent:</b>	The Royal Bank of Scotland N.V., London Branch

#### Time Table

<b>Subscription Period:</b>	From and including 23 May 2011 up to and including 06 June 2011, which may be extended or shortened at the sole and absolute discretion of the Issuer.
<b>Pricing Date:</b>	06 June 2011
<b>Issue Date:</b>	14 June 2011
<b>Listing Date:</b>	14 June 2011
<b>Launch Date:</b>	23 May 2011
<b>Expiration Date:</b>	06 June 2016
<b>Maturity Date:</b>	14 June 2016

#### Product Terms

<b>Securities:</b>	Double Coupon Notes with Floor on 3M CHF LIBOR (the "Notes" or individually the "Note")
<b>Underlying:</b>	3M CHF LIBOR
<b>3M CHF LIBOR;</b>	The rate updated and displayed on Reuters page LIBOR02 for 3m CHF LIBOR at or around 11H00 London Time, 2 London business days prior to the start of the respective Calculation Period (fixing in advance)
<b>Issue Price:</b>	100%
<b>Settlement Currency:</b>	CHF
<b>Nominal Amount:</b>	CHF 25,000,000

<b>Denomination:</b>	CHF 1,000
<b>Security Codes:</b>	ISIN: CH0112792293; Valoren Code: 11279229, Symbol: MIGDC
<b>Standard Product Terms</b>	
<b>Quarterly Coupon:</b>	On each Coupon Payment Date, a cash amount equal to:  If 3M CHF LIBOR is below 2.00% p.a. Denomination * 2.00% p.a. * Day Count Fraction  Else Denomination * 4.00% p.a. * Day Count Fraction
<b>Coupon Floor:</b>	2.00% p.a.
<b>Double Coupon:</b>	4.00% p.a.
<b>Redemption Amount on Maturity Date:</b>	Each Note will entitle the holder to receive from the Issuer, on the Maturity Date, an amount in CHF equal to:  Denomination × 100%
<b>Coupon Payment Dates:</b>	Quarterly, commencing 3 months from the Issue Date up to (and including) the Maturity Date.
<b>Calculation Periods:</b>	The initial Calculation Period shall run from (and including) the Issue Date up to (but excluding) the first Coupon Payment Date. Thereafter Calculation Periods shall run from (and including) the previous Coupon Payment Date up to (but excluding) the next Coupon Payment Date.
<b>Interest Rate Convention/ Day Count Fraction:</b>	30 / 360 (unadjusted)
<b>Nature of Coupon:</b>	Dirty price: coupon amount is included in price
<b>Settlement:</b>	Cash
<b>Business Day:</b>	London and Clearing Agents
<b>Business Day Convention:</b>	Modified Following
<b>Form:</b>	Dematerialised Securities Transformed into Intermediated Securities
<b>Governing Law:</b>	English
<b>CH Classification for EU Savings Directive:</b>	Category 1 (in scope)
<b>Selling Restrictions:</b>	No sales to US persons or into the US. Standard U.K selling restrictions apply. No sales to Dutch residents or into the Netherlands. No offers, sales or deliveries of Securities or distribution of any offering material relating to the Securities may be made in or from any jurisdiction except in circumstances that would result in compliance with any applicable restrictions. Also see the section headed "Selling Restrictions" below.
<b>Associated Risks:</b>	Please refer to Appendix A
<b>Primary and Secondary Market</b>	
<b>Listing:</b>	SIX Swiss Exchange

<b>Public Offering:</b>	Switzerland
<b>Secondary Market:</b>	The Royal Bank of Scotland N.V. intends (but is not obliged) to provide a secondary market throughout the term of the Notes with a maximum spread of 1% on a daily basis (subject to normal market conditions).
<b>Secondary Settlement:</b>	Trade Date + 3 Business Days.
<b>Minimum Trading Size:</b>	1 Note
<b>Clearing System Trading Size:</b>	1 Note
<b>Clearing Agent:</b>	SIX SIS Ltd., Euroclear Bank S.A, Clearstream Banking S.A.
<b>Quotes / Information (indicative and for reference only)</b>	
<b>Info Line:</b>	+41 (0) 44 285 58 58
<b>Trading Line:</b>	+44 (0) 207 678 2776
<b>E-mail:</b>	markets.ch@rbs.com
<b>Reuters:</b>	RBSMF
<b>Bloomberg:</b>	RBSM
<b>Internet:</b>	<a href="http://www.rbsbank.ch/markets">www.rbsbank.ch/markets</a>

This term sheet is for information purposes only and does not constitute an offer to sell or a solicitation to buy any security or other financial instrument.

## Appendix A

### Disclaimer

This termsheet is for information purposes only and does not constitute an offer to sell or a solicitation to buy any security or other financial instrument. All prices are indicative and dependent upon market conditions and the terms are subject to change in the final documentation.

**WARNING:** The contents of this termsheet have not been reviewed by any regulatory authority in the countries in which it is distributed. Investors are advised to exercise caution in relation to the proposal set out in this termsheet. If you are in doubt about any of the contents of this termsheet, you should obtain independent professional advice.

Due to its proprietary nature, the contents of this termsheet are confidential. This termsheet is intended solely for the use of the intended recipient(s) and the contents may not be reproduced, redistributed, or copied in whole or in part for any purpose without the express authorisation of the Issuer.

Any purchase of the Securities should be made on the understanding that the purchaser shall be deemed to acknowledge, represent, warrant and undertake to the Issuer that: (i) it consents to the provision by the Issuer to any governmental or regulatory authority of any information regarding it and its dealings in the Securities as required under applicable regulations and/or as requested by any governmental or regulatory authority; (ii) it agrees to promptly provide to the Issuer, or directly to the relevant governmental or regulatory authority (and confirm to the Issuer when it has done so), such additional information that the Issuer deems necessary or appropriate in order for the Issuer to comply with any such regulations and/or requests; (iii) it has not relied and will not at any time rely (or if it is acting as an agent, trustee or authorised representative for its clients, it, its principal, its beneficiary and its clients have not relied and will not at any time rely) on the Issuer or any other member of the Issuer's group of companies in connection with its determination as to the legality, suitability, or the associated merits or risks of its purchase of the Securities; (iv) it has not (or if it is acting as an agent, trustee or authorised representative for its clients, it, its principal, its beneficiary and its clients have not) relied on any communication from the Issuer's group of companies (written or oral) in respect of the purchase of the Securities; and (v) none of the Issuer or any of their affiliates is acting as a fiduciary or an adviser to it in respect of the Securities or any related transaction.

From time to time the Issuer may enter into and receive the benefit of generic commission, discount and rebate arrangements from hedge providers and other transaction counterparties, and reserves the right to retain any such amounts received without any obligation to pass the benefit of the rebates to investors in the Securities.

The Issuer may exercise its absolute discretion not to issue the Securities if it deems there is insufficient interest in the Securities or if market conditions deteriorate during the offer period (if any). If the Issuer decides not to issue the Securities, all subscription monies received will be refunded (net of all applicable charges and without interest) as soon as practicable. Investors who subscribe for Securities from or through intermediaries will need to rely on such intermediaries to credit the return of the relevant refund.

The Issuer acts as principal in any transaction which results from this termsheet.

The information set out in this termsheet is a summary of some of the key features of the Securities. This summary should be read in conjunction with, and is qualified in its entirety by reference to, the full terms and conditions of the Securities.

The terms and conditions set out in this term sheet are, prior to the Issue Date, indicative. No assurance can be given that such an issue could in fact be arranged and that no specific Issuer is obligated to issue such Securities or obligations. This termsheet is neither a prospectus pursuant to article 652a or article 1156 of the Swiss Code of Obligations nor a simplified prospectus pursuant to article 5 para 4 Collective Investment Scheme Act ("CISA")

The Securities do not constitute units of a collective investment scheme and are not supervised by the Swiss Financial Market Supervisory Authority (FINMA) and investors do not benefit from the specific investor protection provided under the CISA. Investors should be aware, that they are exposed to the credit risk of the Issuer.

### Selling restrictions

**General.** In the case of private placements only, no action has been taken or will be taken by the Issuer that would permit a public offering of the Securities or possession or distribution of any offering material in relation to the Securities in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Securities, or distribution or publication of this document or any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances that would result in compliance with any applicable laws and regulations and would not impose any obligation on the Issuer.

These Securities may not be offered or sold: (i) to any person/entity listed on sanctions lists of the European Union, United States or any other applicable local competent authority; (ii) within the territory of Cuba, Sudan, Iran and Myanmar; (iii) to residents in Cuba, Sudan, Iran or Myanmar; or (iv) to Cuban Nationals, wherever located.

By purchasing the Securities, you will be deemed to acknowledge, represent, warrant and undertake to the Issuer that: (a) in the case of a private placement, no action will be taken by you (or if you are acting as an agent, trustee or authorised representative for your clients, no action will be taken by you, your principal, your beneficiary or your clients) that would, or is intended to, permit a public offer of the Securities in any country or jurisdiction; (b) you will not (or if you are acting as an agent, trustee or authorised representative for your clients, you, your principal, your beneficiary and your clients will not), directly or indirectly, offer or sell, or procure or induce or attempt to procure or induce the offer, sale or purchase of, the Securities or distribute or publish any prospectus, final terms, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations (unless otherwise agreed by the Issuer); (c) you will observe all applicable selling or distribution restrictions and requirements in respect of the Securities and that you will only sell any Securities in accordance with all applicable legal and regulatory requirements, including (but not limited to) the legal and regulatory requirements set out in the offering material, Prospectus, Base Prospectus and/or final terms; (d) you have obtained or will obtain any consent, licence, approval or permission required for the purchase, offer, sale, re-sale or delivery of the Securities under the laws and regulations of any relevant jurisdiction; (e) you will not, without the prior written permission of the Issuer, publish any marketing information relating to the Securities which makes any reference to any part of The Royal Bank of Scotland Group; (f) you will conduct any and all re-sales of Securities with third party investors (and, in the case of a private placement, such re-sales shall also be by way of private placement transactions) and acknowledge that you are solely responsible for determining the suitability or appropriateness of the Securities as investments for any person; and (g) you will indemnify and keep indemnified the Issuer and its officers and employees against any losses, liability, costs, claims, actions, demands or expenses which it may suffer as a result of or in relation to any actual or alleged breach by you of any of your undertakings in this section of this termsheet.

### United States of America

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (Securities Act) and the Securities may not be exercised, offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S under the Securities Act. Furthermore, trading in the Securities has not been approved by the United States Commodity Futures Trading

Commission under the United States Commodity Exchange Act, as amended and no U.S. person may at any time trade or maintain a position in the Securities.

Securities in bearer form having a maturity of more than one year will be issued in compliance with U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (the "D Rules") and, in accordance with the D Rules, may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Securities in dematerialised form having a maturity of more than one year will be issued in compliance with U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(C) (the "C Rules") and, in accordance with the C Rules, may not be offered, sold or delivered within the United States or its possessions, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the Code and the U.S. Treasury regulations thereunder.

The Issuer will require each dealer participating in the distribution of Securities subject to the D Rules:

(a) except to the extent permitted under the D Rules, (i) to represent that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, such Securities to a person who is within the United States or its possessions or to a United States person, and (ii) to represent that it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Securities that are sold during the restricted period;

(b) to represent that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Securities subject to the D Rules are aware that such Securities may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(c) if it is a United States person, each Dealer represents that it is acquiring Securities in bearer form for purposes of resale in connection with their original issuance and if it retains Securities in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6);

(d) with respect to each affiliate that acquires Securities from a dealer for the purpose of offering or selling such Securities during the restricted period, to repeat and confirm the representations and agreements contained in subclauses (a), (b) and (c) of this paragraph on such affiliate's behalf; and

(e) to agree that it will obtain from any distributor (within the meaning of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(4)(ii)) that purchases any Securities subject to the D Rules from it pursuant to a written contract with such dealer (except a distributor that is one of its affiliates or is another dealer), for the benefit of the Issuer and each other dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of subclauses (a), (b), (c) and (d) of this paragraph insofar as they relate to the D Rules, as if such distributor were a dealer hereunder.

The terms used in the preceding sentence have the meanings given to them by the Code and the U.S. Treasury regulations thereunder, including the D Rules.

The Issuer will require each dealer participating in the distribution of Securities subject to the C Rules to agree that it will not at any time offer, sell, resell or deliver, directly or indirectly, such Securities in the United States or to others for offer, sale, resale or delivery, directly or indirectly, in the United States. Further, the Issuer and each dealer to which it sells such Securities will represent and agree that in connection with the original issuance of such Securities that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States and will not otherwise involve its U.S. office in the offer or sale of such Securities. The terms used in the preceding sentence have the meanings given to them by the Code and the U.S. Treasury regulations thereunder, including the C Rules.

Each Distributor understands and agrees that the Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. For purposes of this paragraph, Distributor means "any underwriter, dealer, or other person who participates, pursuant to a contractual arrangement, in the distribution of the securities offered or sold in reliance on" Regulation S. Each Distributor represents, warrants and undertakes that it has not offered or sold, and will not offer or sell, any Securities (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in accordance with Regulation S. Each Distributor agrees that, at or prior to confirmation of a sale of the Securities, the Distributor will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Securities from it during such 40 day distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the Securities Act) and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the date of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the Securities Act (Regulation S). Terms used above have the meanings given to them in Regulation S."

#### **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), you will represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) you have not made and will not make an offer of Securities to the public in that Relevant Member State, except that you may, with effect from and including the Relevant Implementation Date, make an offer of Securities to the public in that Relevant Member State:

(a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;

(b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(c) at any time to any legal entity which has two or more of: (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or (e) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this provision, the expression an offer of Securities to the public in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### United Kingdom

(a) Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the FSMA)) may only be communicated or caused to be communicated in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA would not, if the Issuer were not an authorised person, apply to the Issuer; and

(b) all applicable provisions of the FSMA (and all rules and regulations made pursuant to the FSMA) must be complied with respect to anything done in relation to any Securities in, from or otherwise involving the United Kingdom.

### Risk Factors

The purchase of Securities involves substantial risks and will be suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Securities. The following summary of certain of these risks should be carefully evaluated before making an investment in the Securities and does not describe all possible risks of such an investment:

(a) **Investment risks.** The price of the Securities may fall in value as rapidly as it may rise and investors may not get back the amount invested. The price of the Securities may be affected by a number of factors, including changes in the value and volatility of the underlying asset(s), the creditworthiness of the Issuer, changes in foreign exchange rates and economic, financial and political events that are difficult to predict. The past performance of an underlying asset or other security or derivative should not be taken as an indication of the future performance of that underlying asset or other security or derivative during the term of the Securities. Owning the Securities is not the same as owning the underlying asset(s) and changes in the market value of any underlying asset may not necessarily result in a comparable change in the market value of the Securities. Investors should further note that they bear the Issuer's solvency risk. For a full description of the Securities including risks, costs and product conditions, as applicable, please refer to the offering materials, Prospectus, Base Prospectus and/or final terms, as applicable.

(b) **Suitability of the Securities.** The purchase of the Securities involves certain risks including market risk, credit risk and liquidity risk. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Securities. Investors should carefully consider whether the Securities are suitable for them in light of their experience, objectives, financial position and other relevant circumstances. If in any doubt, investors should obtain relevant and specific professional advice before making any investment decision. In structuring, issuing and selling the Securities, the Issuer is not acting in any form of fiduciary or advisory capacity.

(c) **Creditworthiness of Issuer.** The Securities constitute general unsecured contractual obligations of the Issuer and of no other person. Investors in the Securities are relying upon and are exposed to the creditworthiness of the Issuer. If the Issuer fails to make a payment or becomes insolvent you could lose some or all of your investment.

(d) **Secondary market trading.** No assurance can be given that any trading market for the Securities will exist or whether any such market will be liquid or illiquid. The Issuer will use reasonable endeavours, under normal market conditions and its own discretion, to provide a bid/offer price for the Securities and will indicate at the time of providing the quotation how long such quotation will remain actionable, or, in any event, not longer than what the Issuer considers a commercially reasonable time. The Issuer will not be required to provide a bid/offer price if an event or series of events occurs outside the Issuer's control (whether or not affecting the market generally) resulting in, amongst other things, (i) the unscheduled closing (ii) any suspension or (iii) the disruption of any (a) physical or electronic trading system or market affecting the Securities or (b) computer, communications or other service system used by the Issuer to generate a quotation in respect of the Securities. The Issuer may determine a bid/offer price in a different manner than other market participants and prices can vary. Sometimes this variance may be substantial. If the Securities are not traded on any exchange, pricing information may be more difficult to obtain and the liquidity and price of the Securities may be adversely affected. The bid/offer spread will be subject to the Issuer's discretion. Any market making activity commenced may be discontinued at any time.

(e) **Conflicts of interest.** The Issuer and its affiliates, connected companies, employees, officers or clients may from time to time have an interest in financial instruments of the type described in this termsheet and/or related financial instruments and such interests may include: (i) having long or short positions in the Securities, the underlying asset(s) or other securities or derivatives that may affect the value of the Securities; and/or (ii) possessing or acquiring material information about the Securities, the underlying asset(s) or other securities or derivatives that may affect the value of the Securities; and/or (iii) otherwise dealing, trading, holding, acting as market-makers in such securities or instruments. The Issuer may at any time solicit or provide investment banking, commercial banking, credit, advisory or other financial services to the issuer of any underlying asset or to any other company or issuer of securities or financial instruments referred to herein. Such activities and information may cause consequences that are adverse to the interests of the investors in the Securities or otherwise create various potential and actual conflicts of interest. The Issuer has no obligation to disclose such activities or information or other potential and actual conflicts of interest and may engage in any such activities without regard to the interests of the investors in the Securities or the effect that such activities may directly or indirectly have on the Securities.

(f) **Hedging activities.** Notwithstanding any communication that you may have had with the Issuer in respect of the manner in which the Issuer may establish, maintain, adjust or unwind its hedge positions with respect to the Securities: (i) the Issuer may in its absolute discretion determine when, how or in what manner it may establish, maintain or adjust or unwind its hedge positions; (ii) the Issuer may, but is not obliged to, hedge the Securities

dynamically by holding a corresponding position in the underlying asset(s) or any other securities, derivatives or otherwise and may hedge the Securities individually or on a portfolio basis; and (iii) any hedge positions are the proprietary trading positions of the Issuer and are not held on your behalf or by the Issuer as your agent.

(g) **Early termination.** The Issuer may terminate the Securities if it determines that it has become unlawful for the Issuer to perform its obligations under the Securities or its ability to source a hedge or unwind an existing hedge in respect of the Securities is adversely affected in any material respect. If the Issuer terminates the Securities early, the Issuer will, if and to the extent permitted by applicable law, pay a holder of the Securities an amount determined to be its fair market value immediately before such termination notwithstanding such circumstances less the actual cost to the Issuer of unwinding any underlying related hedging arrangements.

(h) **Adjustments.** The Issuer may make adjustments to the terms of the Securities if an event (such as a market disruption event or other circumstance affecting normal activities) which affects an underlying asset requires it. This may include (among other things) any event which has or may have a concentrating or diluting effect on the theoretical value of any underlying asset, including, without limitation, any cash dividend or other cash distribution, stock dividend, bonus issue, rights issue, or extraordinary dividends, or the insolvency of the issuer of the underlying asset, nationalisation of the assets of the issuer of the underlying assets and delisting or suspension of the underlying asset. The Issuer will not be under any obligation to consult with the holder of the Securities in such circumstances.

(i) **Market disruption.** The Calculation Agent for the Securities may determine that a market disruption event has occurred or exists at a relevant time. Any such determination may affect the value of the Securities and/or delay settlement in respect of the Securities. A market disruption event is defined in the relevant terms and conditions of the Securities and includes (but is not limited to) Emerging Market Disruption Events, any suspension or limitation of trading on the Exchange or any Related Exchange, the declaration of a general moratorium in respect of banking activities in the country where the Exchange or any Related Exchange is located and the inability of the Issuer to unwind its hedge or related trading position relating to an underlying asset due to illiquidity. Upon the occurrence of Market Disruption Event, (as defined in the relevant terms and conditions of the Securities), the Calculation Agent may make adjustments to the terms and conditions of the Securities in order to account for such event if it considers it appropriate to do so. Investors should review the terms and conditions of the Securities to ascertain whether and how such provisions apply to the Securities.

(j) **FX market disruption.** Investors should note that all payments on expiry or a secondary market purchase by the Issuer are subject to the ability of the Issuer to, amongst other things, : (i) sell the underlying asset(s); (ii) convert the currency of an underlying asset into the currency of the Securities; and/or (iii) transfer the currency of the Securities from accounts in the country where an underlying asset is located to accounts outside that country. The inability of the Issuer to perform any of the above may affect the value of the Securities and and/or delay settlement in respect of the Securities or, if it results in settlement being delayed for the period specified in the terms and conditions for the Securities (if any), may result in all obligations of the Issuer in respect of the Securities being extinguished.

(k) **Emerging markets.** Investing in emerging markets involves certain risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include: (i) the risk of nationalisation or expropriation of assets or confiscatory taxation; (ii) social, economic and political uncertainty; (iii) dependence on exports and the corresponding importance of international trade and commodities prices; (iv) less liquidity of securities markets; (v) currency exchange rate fluctuations; (vi) potentially higher rates of inflation (including hyperinflation); (vii) controls on investment and limitations on repatriation of invested capital; (viii) a higher degree of governmental involvement in and control over the economies; (ix) government decisions to discontinue support for economic reform programs and imposition of centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about economics and issuers; (xi) less extensive regulatory oversight of securities markets; (xii) longer settlement periods for securities transactions; (xiii) less stringent laws regarding the fiduciary duties of officers and directors and protection of investors; and (xiv) certain consequences regarding the maintenance of portfolio securities and cash with sub-custodians and securities depositories in emerging market countries.

(l) **Emerging Market Disruption Event.** Emerging Market Disruption Event means, unless otherwise specified in the terms and conditions of the relevant Securities each of the following events: (i) **Moratorium.** A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or (ii) **Price Source Disruption.** It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or (iii) **Governmental Default.** With respect to any security or indebtedness for money borrowed or guaranteed by any governmental authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or (iv) **Inconvertibility/non-transferability.** The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or (v) **Nationalisation.** Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or (vi) **Illiquidity.** It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities; or (vii) **Change in Law.** A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or (viii) **Imposition of Tax/Levy.** The imposition of any tax and/or levy with punitive character which is imposed in the country of the principal financial centre of the Relevant Currency; or (ix) **Unavailability of Settlement Currency.** The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency; or (x) Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities. **"Relevant Currency"** means, unless otherwise specified in the terms and conditions of the Securities, the Settlement Currency, the lawful currency in which the underlying of the Security or any constituent of such underlying is denominated, from time to time, or the lawful currency of the country in which the Exchange or the primary exchange on which an underlying or any constituent of such underlying, is located provided that Relevant Currency shall not include any lawful currency that is a Standard Currency. Notwithstanding the foregoing, where the underlying of a Security is a fund, including but not limited to, an exchange traded fund, a mutual fund, a unit trust or a hedge fund, or an American Depositary Receipt ("ADR") or Global Depositary Receipt ("GDR"), the constituents of such fund, ADR or GDR as applicable, shall not be considered for the purpose of this definition; **"Relevant Currency Exchange Rate"** means each rate of exchange between the Relevant Currency and the Settlement Currency, or where the Relevant Currency is the Settlement Currency, between the Relevant Currency and any other applicable currency, as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time; **"Standard Currency"** means,

unless otherwise specified in the terms and conditions of the Securities, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time.

(m) Capital protection. The Securities are capital protected (for the avoidance of doubt, the level of capital protection of each Security may be less than 100% of the amount invested) only upon redemption at maturity. If the Securities are sold or redeemed prior to maturity, the investor will not benefit from the capital protection feature and may receive an amount which is substantially less than the capital protection amount. The capital protection amount is linked to the nominal value of the Securities or a percentage of the nominal value, as specified in the terms and conditions of the Securities, and not the issue price or the secondary market price.

Prior to making an investment decision, prospective investors should consider carefully, in light of their own financial circumstances and investment objectives: (i) all the information set forth in the Issuer's programme, as supplemented from time to time and, in particular, the considerations set forth therein under "Risk Factors"; and (ii) all the information set forth in the offering documents, base prospectus and/or final terms, as applicable, for the Securities. Prospective investors should make such enquiries as they deem necessary without relying on the Issuer of the Securities.

**General**

The Issuer will not act as your advisor or owe any fiduciary duties to you in connection with this, and/or any related transaction and no reliance may be placed on the Issuer for advice or recommendations of any sort. The Issuer makes no representations or warranties with respect to the information and disclaims all liability for any use you or your advisors make of the contents of this document. The Issuer is incorporated in The Netherlands with limited liability and is authorised by De Nederlandsche Bank and regulated by the Netherlands Authority for Financial Markets and regulated in the UK by the Financial Services Authority, in Hong Kong by the Hong Kong Monetary Authority, in Singapore by the Monetary Authority of Singapore, in Japan by the Financial Services Agency of Japan, in Australia by the Australian Securities and Investments Commission and the Australian Prudential Regulation Authority ABN 30 101 464 528 (AFS Licence No.241114) and in the US by the New York State Banking Department and the Federal Reserve Board.