



Appendix 1

Update on Separation Process

Update on Separation Process

30 Sep 09

October 2007 until Legal Demerger filing

- Certain businesses have been transferred to consortium members or third party acquirers
- The Dutch State acquired businesses have been economically segregated from the RBS and Banco Santander acquired businesses within ABN AMRO Bank NV
- Financial separation, commercial separation and technical separation are nearly completed
- Capitalization measures have been taken, and further actions planned, by RBS and the Dutch State to support the separation
- ABN AMRO Group¹ has chosen a two-step approach for the legal separation of the Dutch State acquired businesses:
 - Step 1: Legal Demerger
 - Step 2: Legal Separation

Step 1 : Legal Demerger process

- The legal demerger means the legal transfer of (the majority of) Dutch State acquired businesses from ABN AMRO Bank NV to a new legal entity, ABN AMRO II NV, where the new entity will initially be a fully owned subsidiary of ABN AMRO Holding NV
- The legal demerger will happen by way of a Dutch law governed statutory split-off (*juridische afsplitsing*) and constitutes a transfer by universal title (*overgang onder algemene titel*) of such assets, liabilities and businesses²
- The legal demerger proposal has been filed with the Amsterdam Chamber of Commerce on 30 September 2009
- Following a Declaration of Non-Objection (“DNO”) by the Dutch Central Bank, the legal demerger can be executed by notarial deed
- Post execution of the legal demerger and transfer of subsidiaries, ABN AMRO Bank NV (to be renamed “The Royal Bank of Scotland NV” (“RBS NV”)) and ABN AMRO II NV (to be renamed “ABN AMRO Bank NV”) will operate under separate banking licenses which are expected to be obtained from the Dutch Central Bank in due course
- RBS NV and ABN AMRO II NV (to be renamed “ABN AMRO Bank NV”) also expect to obtain separate credit ratings, effective once the legal demerger has been executed

Step 2 : Legal Separation process

- The legal separation entails the transfer of the shares of ABN AMRO II NV (to be renamed “ABN AMRO Bank NV”) from ABN AMRO Holding NV to a new State holding and wholly-owned (directly or indirectly) by the Dutch State

The entire process of legal demerger and separation is closely supervised by the Dutch Central Bank

Notes

1. Including the entities ABN AMRO Holding N.V., ABN AMRO Bank N.V. to be renamed The Royal Bank of Scotland N.V. and ABN AMRO II NV to be renamed ABN AMRO Bank N.V. and each of their subsidiaries
2. In addition, certain subsidiaries and certain assets and liabilities that will not transfer via legal demerger will separately be transferred on or around the execution of the legal demerger using other transfer mechanisms such as a share transfer, novation and contract transfer

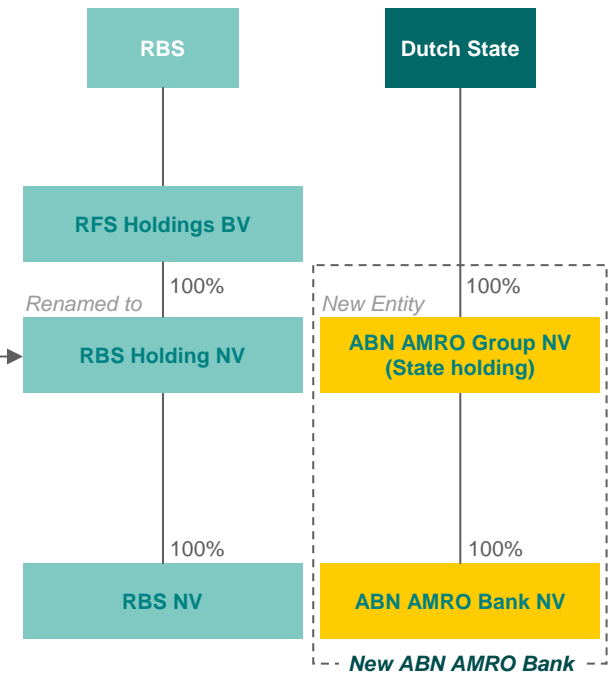
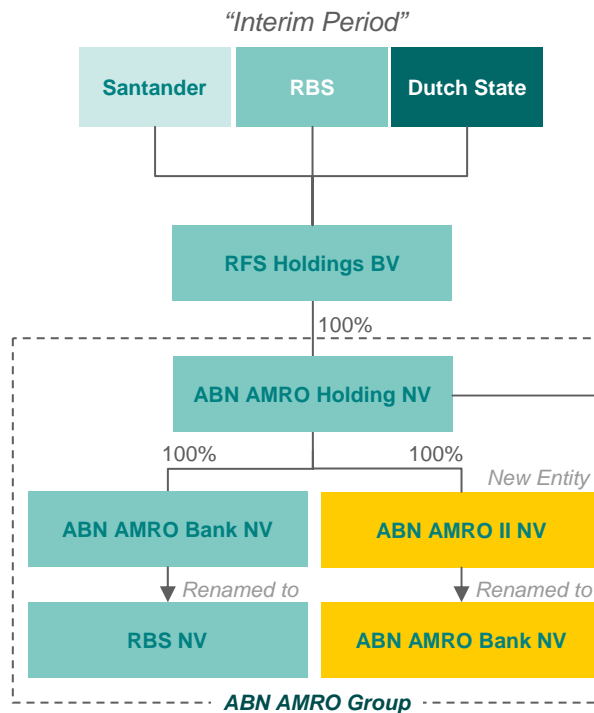
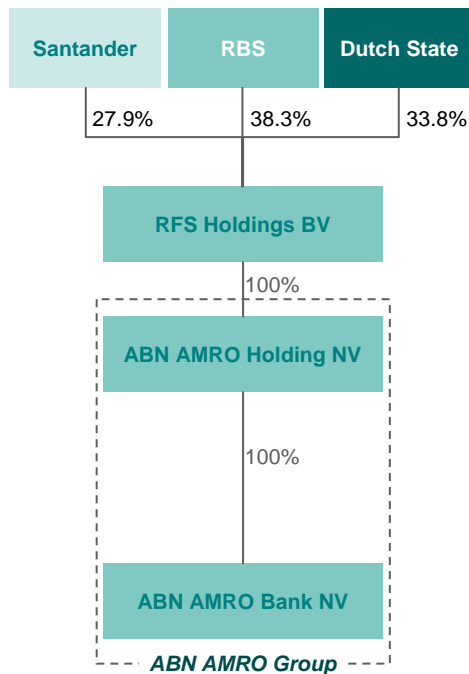
Update on Separation Process (Cont'd)

30 Sep 09

October 2007 until
Legal Demerger filing

Step 1 : Legal Demerger process¹

Step 2 : Legal Separation²



ABN AMRO Group continues to operate as a separately adequately-capitalised and regulated entity under the supervision of the Dutch Central Bank during the interim period. The future independent banks, RBS NV and the ABN AMRO Bank NV (renamed from ABN AMRO II NV) will continue to comply with Dutch Central Bank minimum liquidity and solvency requirements

Notes

1. The Dutch State's part of the assets and liabilities that are not yet allocated to any of the Consortium shareholders, the so-called *Shared Assets*, are not included in this overview
2. The structure shown represents the position after a transitional phase, during which the Dutch State and Santander will continue to hold a stake in RFS Holdings BV commensurate to their holding in remaining *Shared Assets* and any other businesses subject to later separation

Interim Period Until Legal Separation

Governance

- ABN AMRO Group¹ continues to be governed by its Managing Board and Supervisory Board, which have their own responsibilities in line with statutory law and principles of corporate governance in the Netherlands

Regulation

- ABN AMRO Group¹ continues to be regulated on a consolidated basis with capital ratios and liquidity measures and exposures of the ABN AMRO Group¹ being reported to and regulated by its supervisor, the Dutch Central Bank

Role of the Consortium members

- Each of the Consortium members remains a shareholder of RFS Holdings BV, which in turn owns 100% of ABN AMRO Holding NV, but the Consortium members are not actively involved in the day-to-day management of ABN AMRO Group¹

Note

1. Including the entities ABN AMRO Holding N.V., ABN AMRO Bank N.V. to be renamed The Royal Bank of Scotland N.V. and ABN AMRO II NV to be renamed ABN AMRO Bank N.V. and each of their subsidiaries