

PLEASE SEE THE FOLLOWING ANNOUNCEMENT IN RELATION TO A TENDER OFFER OF CERTAIN NOTES OF WHICH:

AU3CB0008217

AU3FN0000790

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15 JANUARY 2014

**THE ROYAL BANK OF SCOTLAND PLC AND THE ROYAL BANK OF SCOTLAND N.V.
ANNOUNCE RESULTS OF CASH TENDER OFFERS FOR CERTAIN AUSTRALIAN DOLLAR,
EURO AND US DOLLAR NOTES**

On 6 January 2014, The Royal Bank of Scotland plc (“**RBS plc**”) and The Royal Bank of Scotland N.V. (incorporated in The Netherlands with its statutory seat in Amsterdam) (together with RBS plc, the “**Offerors**”, and each an “**Offeror**”) separately invited Holders of the notes issued by them and listed below (together the “**Notes**”, and each a “**Series**”) to tender their Notes for purchase by the relevant Offeror for cash (each an “**Offer**”, and together, the “**Offers**”) on the terms of, and subject to the conditions contained in, a tender offer memorandum dated 6 January 2014 (the “**Tender Offer Memorandum**”).

Capitalised terms not otherwise defined in this announcement have the same meaning as assigned to them in the Tender Offer Memorandum.

Following expiration of the Offers (i) in the case of Notes held in or through Euroclear or Clearstream, Luxembourg, at 10.00 a.m. (London time) on 15 January 2014, or (ii) in the case of Notes held in or through the Austraclear System, at 5.00 p.m. (Sydney time) on 15 January 2014, the Offerors hereby announce that:

- (i) each Offeror will accept for purchase all Notes of the relevant Series validly tendered under the relevant Offer with no *pro rata* scaling; and
- (ii) the aggregate principal amount of each Series of Notes accepted for purchase is as follows:

Title of Series	ISIN	Issuer and Offeror	First Call Date	Current Principal Amount Outstanding (Principal Amount Outstanding post-settlement of the Offers)	Aggregate principal amount accepted for purchase	Purchase Price	Accrued Interest*
A\$450,000,000 Subordinated 6.50 per cent. Fixed converting to Floating Rate Notes due 17 February 2017	AU3CB0008217	The Royal Bank of Scotland plc	17 February 2012	A\$49,800,000 (A\$18,300,000)	A\$31,500,000	94.50 per cent.	A\$580.24
A\$450,000,000 Subordinated Floating Rate Notes due 17 February 2017	AU3FN0000790	The Royal Bank of Scotland plc	17 February 2012	A\$89,700,000 (A\$36,000,000)	A\$53,700,000	94.50 per cent.	A\$580.24
€500,000,000 Floating Rate Subordinated Callable Step-Up Notes due 2017	XS0259579547	The Royal Bank of Scotland plc	30 January 2012	€102,450,000 (€22,700,000)	€79,750,000	98.50 per cent.	€107.42

Title of Series	ISIN	Issuer and Offeror	First Call Date	Current Principal Amount Outstanding (Principal Amount Outstanding post-settlement of the Offers)	Aggregate principal amount accepted for purchase	Purchase Price	Accrued Interest*
US\$1,500,000,000 Floating Rate Subordinated Callable Step-Up Notes due August 2017	XS0302127625	The Royal Bank of Scotland plc	29 August 2012	US\$450,000,000 (US\$238,100,000)	US\$211,900,000	98.00 per cent.	US\$127.62
A\$575,000,000 Subordinated 6.50 per cent. Notes converting to Floating Rate Notes due 2018	AU0000ABOHG2	The Royal Bank of Scotland N.V.	17 May 2013	A\$575,000,000 (A\$125,412,000)	A\$449,588,000	93.25 per cent.	A\$5.91
A\$175,000,000 Subordinated Floating Rate Notes due 2018	AU0000ABOHH0	The Royal Bank of Scotland N.V.	17 May 2013	A\$175,000,000 (A\$27,389,000)	A\$147,611,000	93.25 per cent.	A\$5.82

*Accrued Interest per A\$1,000, A\$100,000, €50,000 or US\$100,000, as applicable, in principal amount of the relevant Notes. Accrued Interest represents interest accrued and unpaid on the relevant Notes from (and including) the immediately preceding interest payment date for such Notes to (but excluding) the relevant Settlement Date.

General

Payment of the relevant Purchase Price and applicable Accrued Interest is expected to take place (i) in the case of the Offers relating to each Series of Notes denominated in a currency other than Australian dollars, on 17 January 2014 and (ii) in the case of the Offers relating to each Series of Notes denominated in Australian dollars, on 20 January 2014.

In order to be eligible to receive the relevant Purchase Price and Accrued Interest Payment pursuant to the relevant Offer, a Holder of Notes held in or through the Austraclear System must transfer the relevant Notes to the Designated Austraclear Account prior to 2.00 p.m. (Sydney time) on 20 January 2014 in accordance with the Austraclear Regulations.

Following settlement of the Offers, the Offerors intend to cancel any Notes purchased pursuant to the Offers.

Notes that have not been tendered and accepted for purchase pursuant to the relevant Offer will remain outstanding.

FURTHER INFORMATION

Lucid Issuer Services Limited has been appointed by the Offerors as the lead tender agent (the “**Lead Tender Agent**”) and BTA Institutional Services Australia Limited has been appointed by the Offerors as the Australian tender agent (the “**Australian Tender Agent**”) in each case for the purposes of the Offers.

The Royal Bank of Scotland plc has been appointed as Global Arranger and Lead Dealer Manager and Citigroup Global Markets Limited, ING Bank N.V., Belgian Branch, Merrill Lynch International, National Australia Bank Limited and UBS Limited have been appointed as Co-Dealer Managers (together, the “**Dealer Managers**”) in connection with the Offers.

Requests for information and for any documents or materials relating to the Offers should be directed to:

GLOBAL ARRANGER AND LEAD DEALER MANAGER

The Royal Bank of Scotland plc
135 Bishopsgate
London EC2M 3UR
United Kingdom

Telephone: +44 20 7085 8056
Attention: Liability Management Group
Email: liabilitymanagement@rbs.com

Requests for information and for any documents or materials relating to the Offers should be directed to (i) in respect of any Notes held in or through Euroclear or Clearstream, Luxembourg, the Lead Tender Agent and (ii) in respect of any Notes held in or through the Austraclear System, the Australian Tender Agent:

LEAD TENDER AGENT

Lucid Issuer Services Limited

Leroy House
436 Essex Road
London N1 3QP
United Kingdom

Telephone: +44 20 7704 0880
Attention: David Shilson/Paul Kamminga
Email: rbs@lucid-is.com

AUSTRALIAN TENDER AGENT

BTA Institutional Services Australia Limited

Level 2, 35 Clarence Street
Sydney NSW 2000
Australia

Telephone: +61 2 9551 5036
Attention: Mark Cochrane
Email: mark.cochrane@bnymellon.com

DISCLAIMER

Subject to applicable law, the Offerors or any of their affiliates may at any time and from time to time following completion of the Offers purchase remaining outstanding Notes by tender, in the open market, by private agreement or otherwise on such terms and at such prices as the Offerors, or if applicable, their affiliates may determine. Such terms, consideration and prices may be more or less favourable than those offered pursuant to the Offers.

This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which must be read carefully. If any holder of Notes is in any doubt as to the action it should take, it is recommended to seek its own legal, tax, accounting and financial advice, including as to any tax consequences, from its stockbroker, bank manager, solicitor, accountant or other independent financial or legal adviser. None of the Offerors, the Dealer Managers, the Tender Agents and any person who controls, or is a director, officer, employee or agent of such persons, or any affiliate of such persons, makes any recommendation in connection with the Offers.

OFFER AND DISTRIBUTION RESTRICTIONS

This announcement and the Tender Offer Memorandum do not constitute an offer or an invitation to participate in the Offers in the United States or in any other jurisdiction in which, or to any person to or from whom, it is unlawful to make such offer or invitation or for there to be such participation under applicable securities laws. The distribution of this announcement and/or the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement and/or the Tender

Offer Memorandum comes are required by each of the Offerors, the Dealer Managers and the Tender Agents to inform themselves about, and to observe, any such restrictions.