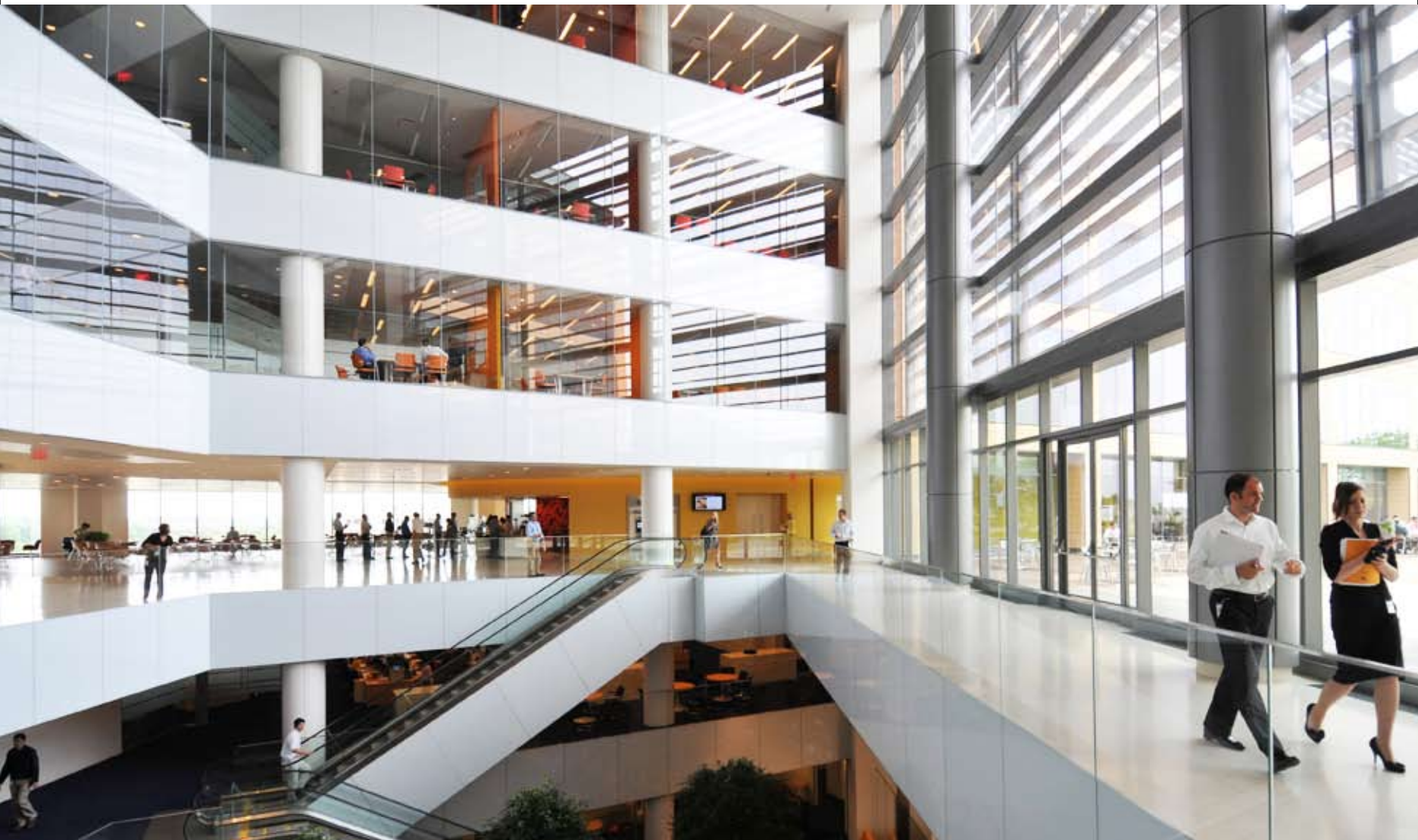




Building on Our Strengths ▶



RBS Global Banking & Markets has emerged as a stronger, more responsive, global financial institution. We have strengthened our core capabilities, sharpening our focus on our clients in order to anticipate their needs and earn their trust. We have invested in our infrastructure and human capital with the aim of providing innovative financial solutions through one of the most sophisticated corporate, institutional and capital markets networks in North America. We have taken steps to ensure consistent excellence in the delivery of our services to a global marketplace. And because our business ultimately is about managing risk, we have embedded risk-management disciplines into all of our day-to-day activities. Welcome to the new RBS Global Banking and Markets, Americas—your partner in building for the future.



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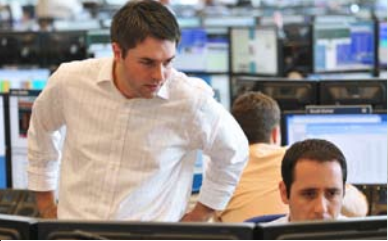


RBS Global Banking and Markets in 2009 is a revitalized organization that is eager to confront the challenges and seize the opportunities of a rapidly changing, global financial marketplace. We have redoubled our commitment to serving major corporations and financial intermediaries in the Americas. We have refocused on core fixed income capabilities that meet the multidimensional needs of our clients. Our businesses are reorganized for a more integrated approach to corporate advisory services, securities origination, fixed income trading and risk management. We have recapitalized for sustained financial stability and industry leadership globally, regionally and locally. And a renewed emphasis on risk management is integral to our efforts to build a more client-centric leader in fixed income financing and risk management.



THE NEW RBS AMERICAS HEADQUARTERS BUILDING heralds a new era for RBS Global Banking & Markets. For the first time, our organization of 2,500 people is gathered together in Stamford, Connecticut and strategically placed branch offices, enhancing our ability to serve businesses and investors

through a state-of-the-art technological infrastructure that links our businesses and puts our clients at the center of everything we do. Perhaps most significantly, the completion of our new headquarters signals RBS' long-term commitment to the North American market, which remains a key component of the global RBS franchise.



Our capital markets businesses are leaner, more responsive and at the top of their game. So far in 2009, successes include record mortgage trading results in a challenging market, as our Mortgage Sales and Trading team was ranked #1 in ABS Research by *Euromoney*, #1 in Non-Agency Resecuritization by *Bloomberg* and among the top five in MBS Trading by Orion Consultants. Orion Consultants also ranked our Rates Trading business as #1 in market depth in U.S. Treasury securities and #2 in U.S. dollar interest rates. Our Credit Trading team achieved top-10 status in the same survey for high-grade corporate sales and trading and high-yield corporate trading, and *Credit Investor News* ranked our Distressed Trading team among the top 10 in its category. On the heels of a record-breaking 2008, our Foreign Exchange desk captured the #3 FX North America ranking in the 2009 *Euromoney* poll and was ranked #1 in Global Currency Options Trading by *Risk* magazine. Finally, our joint venture with RBS Sempra Commodities helped us gain a foothold in new and growing trading markets.



RBS GLOBAL BANKING & MARKETS remains one of our industry's most respected sources of market information, trading strategies and investment ideas. Our salespeople, traders and strategists work tirelessly to provide the opportunities and insights that can help corporations and institutional investors manage risks and capture profits in a global, fast-paced marketplace. In addition, our U.S. Economics team was named *MarketWatch's* "Forecaster of the Month" for May 2009, marking the sixth time RBS has been honored with this distinction.

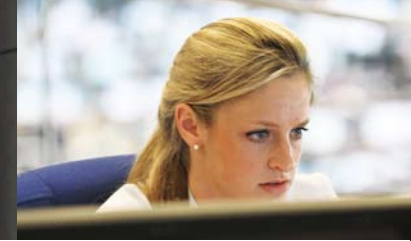


Our origination and advisory services teams are counted among the world's leading corporate and institutional strategic advisers, tailoring solutions to meet the complex funding needs of major international corporations in the TMT, power, energy, industrials, infrastructure, consumer, health care and financial sectors. Our Debt Capital Markets business has consistently maintained a top-10 league table ranking, evidence of the trust our clients continue to place in us. Our Loan Markets team has made significant advances in bookrunner mandates for high-grade transactions. Our Syndicate team won sole and joint bookrunner roles in a number of 2009's higher-profile transactions. We achieved a #1 ranking in TALF ABS underwriting over the first half of 2009 and a #2 position in overall ABS transactions. We also have served as a key adviser to buyers and sellers of public and private infrastructure assets in North America, where recent transactions have added up to more than \$6.5 billion. In an effort to provide a more comprehensive range of services to our customers, we have established a significant equity-linked trading and distribution capability in the Americas that complements RBS' global strength in equity markets.



OUR ASSET-BACKED SECURITIZATION TEAM, led by Dan McGarvey, has been a key player in efforts to thaw frozen credit markets since the 2008 downturn, including a leading role in the launch of the Term Asset-Backed Securities Loan Facility (TALF) during the first quarter of 2009. Dan and his team leveraged the full extent of the GBM Americas platform—from sales and trading, syndicate

and mortgage finance, to credit, compliance, legal, tax and IT—to achieve this resounding success. They worked extensively with the Federal Reserve Bank of New York to construct the TALF program in advance of its March launch and, since then, they have successfully establishing RBS as a leading underwriter of TALF bonds, participating in more than 73% of TALF issuance volume over the first half of the year.



Our clearing, settlement and processing capabilities will be greatly enhanced with the 2009 launch of the worldwide RBS North Star program in the United States. North Star represents an investment of roughly \$820 million in the infrastructure and front-to-back processes that power all of RBS Global Banking & Markets' businesses. New, state-of-the-art platforms and upgrades to existing systems will enable us to serve our clients with greater accuracy, efficiency and speed, particularly in our Flow Rates, Commodities, Equity Finance and Equity Derivatives businesses. North Star also will provide vastly improved risk management controls, which have become more critical than ever to serving our clients. In addition, this enormous investment in North American infrastructure is a clear and concrete demonstration of RBS' long-term commitment to supporting its North American operations with best-in-class resources.



GIVING BACK TO THE COMMUNITIES in which we live and work is among our most cherished values. So far in 2009, GBM North America employees have contributed to the community through initiatives such as the Skip Lunch program, the Fight Hunger effort and an auction benefitting the Hole in the Wall Gang. Nearly two dozen interns participating in the RBS Summer Analyst Program participated in the City of Stamford's Graffiti Removal Project. And we joined our colleagues from RBS Americas and Citizens Financial Group to clean up the Mill River, which flows adjacent to our new headquarters building, in recognition of World Environment Day.



Recent changes throughout our organization will help us focus on our clients' needs with greater clarity and confidence. At the heart of our efforts is an unwavering commitment to providing corporations and financial institutions with comprehensive origination, advisory and capital markets services of the highest quality.



Moving Forward

A Message from Our Co-Heads



RBS Global Banking & Markets, Americas is moving forward with confidence. We have strengthened our balance sheet, and we are redoubling our focus on customer-centric and flow activity. As a result, RBS GBM will be even better positioned to serve its clients across full business cycles.

As part of our effort to better serve our clients, we measure our success by our ability to find comprehensive solutions to their financing needs. To that end, we have strengthened the core origination, advisory and trading capabilities in which RBS GBM has long-established market-leading competitive positions. We seek to build on our heritage of leadership in securities origination, corporate advisory and capital markets. And we have the ability to leverage on behalf of our clients' the capabilities of our colleagues throughout the world who are part of the RBS Global Banking & Markets team.

We also have refocused our businesses in the Americas to respond more completely and flexibly to the needs of our core clients. We have exited some regions to achieve greater efficiencies in the United States and Canada, where we hope to forge deeper relationships with corporations through a focus on balance sheet advisory and strategic dialogue, and with financial institutions through upgraded coverage and distribution capabilities.

Finally, we would like to thank our clients, employees and other stakeholders for helping us to build our businesses on a foundation of renewed strength in our new Stamford headquarters building. We look forward to working with all of you in the months and years that lie ahead.

Bob McKillip & Michael Lyublinsky
Co-Heads of RBS GBM Americas

The new RBS Global Banking & Markets, Americas is built on a foundation of strength that provides a flexible and responsive Stamford headquarters, we are prepared to build a stronger future.



approach to our clients and measures success over the long term. Together, united and interconnected through our new





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