

Factsheet – RBS Green Index

February 2009

RBS Green Index

Description

The RBS Green Index (RBOSGRS or the Index) has been designed to provide a performance benchmark for investors interested in obtaining exposure to both (i) the long term trends as the alternative energy and environmentally sustainable industry sectors (the “Green Sector Industries”) continue to grow rapidly and (ii) the current favourable environment generated by high energy prices, political will (via e.g. tax benefits or direct subsidies) and public awareness which mean companies in the Green Sector Industries are becoming profitable faster.

The securities chosen for the index derive a significant share of their revenues or profits from alternative energy or economically sustainable activities (for example, securities with exposure to the alternative energy sector, energy efficiency, recycling and organic foods).

RBOSGRS equally-weights and tracks the performance of thirty (30) securities of the largest listed companies within this green sector. The listed companies come from the major developed markets as well as from emerging markets.

The Index is calculated independently of The Royal Bank of Scotland plc (“RBS”) by Standard & Poor’s Custom Indices.

Index Construction

- The universe of securities considered for inclusion on the RBOSGRS are all securities of companies which, RBS believe are active in the green energy industry and:
 - have primary listing or an American Depository Receipt listings in Australia, Belgium, Denmark, Finland, France, Germany, Italy, Netherlands, Norway, Spain, Sweden, Switzerland, UK, Canada, US, Hong Kong, Japan, South Korea or Singapore;
 - which have at least the equivalent of £150m market capitalisation;
 - have publicly floated at least 30% of its ordinary shares; and
 - which have rolling a six-month average daily value traded of at least the equivalent of £4m (or its foreign exchange rate equivalent in a currency other than GBP).
- The 30 largest securities by free-float adjusted market capitalisation from the universe are then selected for inclusion on the RBOSGRS.
- RBOSGRS is subjected to a dynamic de-leveraging factor, linked to volatility.

RBS Green Index

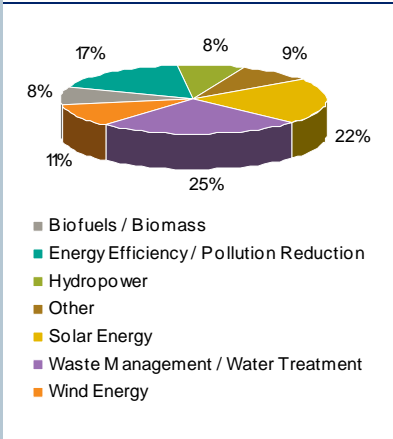
**Bloomberg
Ticker**

RBOSGRS
<INDEX>

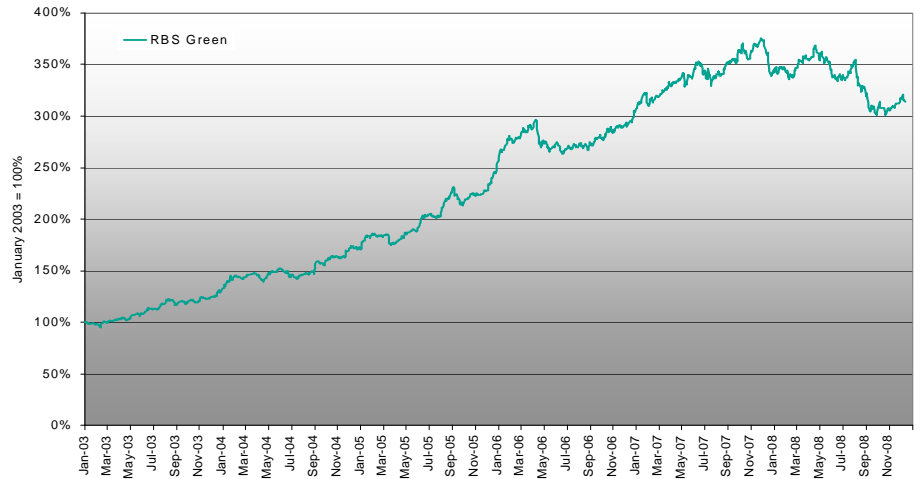
- Rebalancing/reassessment of the RBOSGRS constituents occurs once a year in May.
- RBOSGRS uses an equal-weighted methodology. This means that the performance of each constituent security contributes equally to the performance of the Index.
- The Index is calculated in GBP.

Sector Breakdown

Source: RBS Global Banking and Markets, as of last rebalance date 30 May 2008

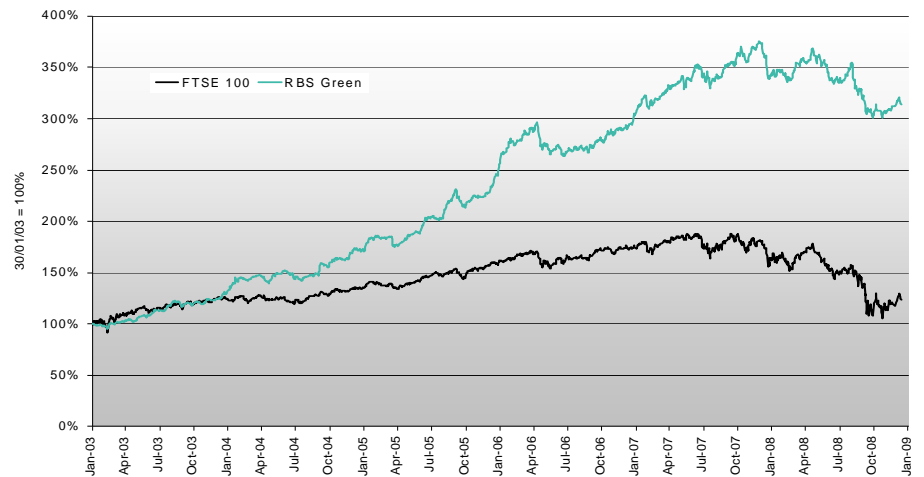


Historical Performance since January 2003



Source: RBS Global Banking and Markets, 03 February 2009

Historical Performance versus the FTSE 100 Index since January 2003



Source: RBS Global Banking and Markets, 03 February 2009

Past and simulated past performance for each chart and data should not be regarded as a reliable indicator of future performance.

Index Performance		
Returns	1 Month	-3.6%
	3 Months	-0.1%
	YTD	-2.7%
Returns (% p.a.)	1 Year	-11.1%
	3 Years	4.9%
	5 Years	18.2%
Risk (% p.a.)	1 Year Standard Deviation	10.5%
	3 Year Standard Deviation	10.5%
	5 Year Standard Deviation	10.3%
Return / Risk	1 Year	-1.1
	3 Years	0.5
	5 years	1.7

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The performance data and charts are based on backtesting analysis. This means that the data given above are based on assumptions and are purely hypothetical. The backtest uses the initial index constituents to re-create the past performance.

Portfolio Characteristics		
Number of Companies		30
Number of Countries		13
Adjusted Market Cap (£ bn)		95.3
Company Total Size (Adjusted £ bn)	Average	3.2
	Largest	12.1
	Smallest	0.3
	Median	2.1
% Target Equal Weight *		3.33%

* Weights as of last index re-balance date: 30 May 2008

Source: RBS Global Banking and Markets, 03 February 2009

Country Weights & Number of Companies		
	Country Weights	Number of Companies
Australia	2.43%	1
Belgium	2.76%	1
Brazil	4.63%	1
Britain	5.66%	2
China	4.90%	3
Denmark	8.91%	2
France	2.56%	1
Germany	9.41%	4
Italy	3.46%	1
Japan	5.02%	1
Norway	2.74%	1
Spain	12.21%	3
United States	35.31%	9

Source: RBS Global Banking and Markets, 03 February 2009

Top Ten Members by Free-Float Market Capitalisation				
Company Name	Country	Sector	Free-Float Market Cap (£m)	Weight*
Archer-Daniels-Midland Co	United States	Biofuels / Biomass	11,812	5.55%
Waste Management Inc	United States	Waste Management /	9,792	6.62%
Veolia Environnement	France	Waste Management / Water Treatment	6,874	2.56%
Vestas Wind Systems A/S	Denmark	Wind Energy	6,268	2.86%
First Solar Inc	United States	Solar Energy	4,430	4.30%
Bunge Ltd	United States	Biofuels / Biomass	3,567	2.90%
Cia Energetica De Minas Gerais	Brazil	Hydropower	2,627	4.63%
Acciona Sa	Spain	Wind Energy	2,626	3.21%
Memc Electronic Materials Inc	United States	Solar Energy	2,109	1.59%
Johnson Matthey Plc	Britain	Energy Efficiency / Pollution Reduction	2,087	2.84%

Source: RBS Global Banking and Markets, 03 February 2009

Index Dynamic De-leveraging Factor

The Index has an automatic feature that aims to protect against some of the inherent volatility exhibited by the green energy sector. Historical trends have shown that generally, volatility and performance have an inverse relationship: market increases tend to be steady (low volatility) while market falls tend to be 'short and sharp' (high volatility). The Index will be fully exposed to the constituent securities during periods of low volatility but will proportionally reduce exposure as the Index volatility increases. In periods of higher market volatility this feature will cushion the effect of market falls and constrain the benefit of market rises. The historic relationship between performance and volatility may not continue and this may have an impact on the performance of the Index.

Treatment of Dividends within RBOSGRS

RBOSGRS shall reinvest dividends distributed in respect of the constituent securities as and when they occur and these shall be reflected in the level of the Index in proportion to the prevailing level of constituent security exposure. A synthetic dividend yield shall be extracted on a daily basis at a rate of 3% per annum, again in proportion with the prevailing rate of exposure to the constituent securities.

For comparison, as at January 30 2009 the estimated dividend yield for the FTSE100 Index was 5.6% and for the EuroStoxx50 Index was 6.4%.

Source: Bloomberg

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