

# Autopilot International

– Issue 2

A diversified and dynamic account with capital protection at maturity that reacts to market trends...

**Innovation as standard**



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# Autopilot International

Different market sectors can react differently to global events and can have a variety of risks associated with them. People often aim to reduce risk and improve the potential for good returns by investing their savings in a wide range of asset classes, for example, in equity markets, property or government bonds. Autopilot International (the “**Account**”) is a five year deposit, which aims to generate positive returns by providing exposure to a portfolio of diversified asset classes and market sectors. The Account provides this exposure by being linked to a strategy called “**Autopilot**”.

Autopilot is an innovative, rule-based strategy which rebalances monthly and has been designed to minimise many of the risks and costs often associated with direct investment in the different market sectors. Unlike an actively managed fund, there are no portfolio management fees incurred in respect of this rule-based strategy.

The Royal Bank of Scotland International Limited (the “**Bank**”) is offering the Account in three currencies: Sterling, US Dollar and Euro.

Your initial deposit (the “**Deposit**”) is 100% capital protected by the Bank if you hold it until maturity, but note that it may be at risk if the Bank fails or becomes insolvent, in which case you may lose some, or all, of your Deposit.

Your Account will be opened and maintained in the Isle of Man. As a result, you may be afforded the protection of the Isle of Man Depositors Compensation Scheme as set out in the Compensation of Depositors Regulations 2008.

As your Account is held in the Isle of Man, in the event of the Bank failing or becoming insolvent, you would not be afforded protection from the UK’s Financial Services Compensation Scheme.

Please consult with your financial advisor prior to opening the Account.

# Autopilot Overview

## What is Autopilot?

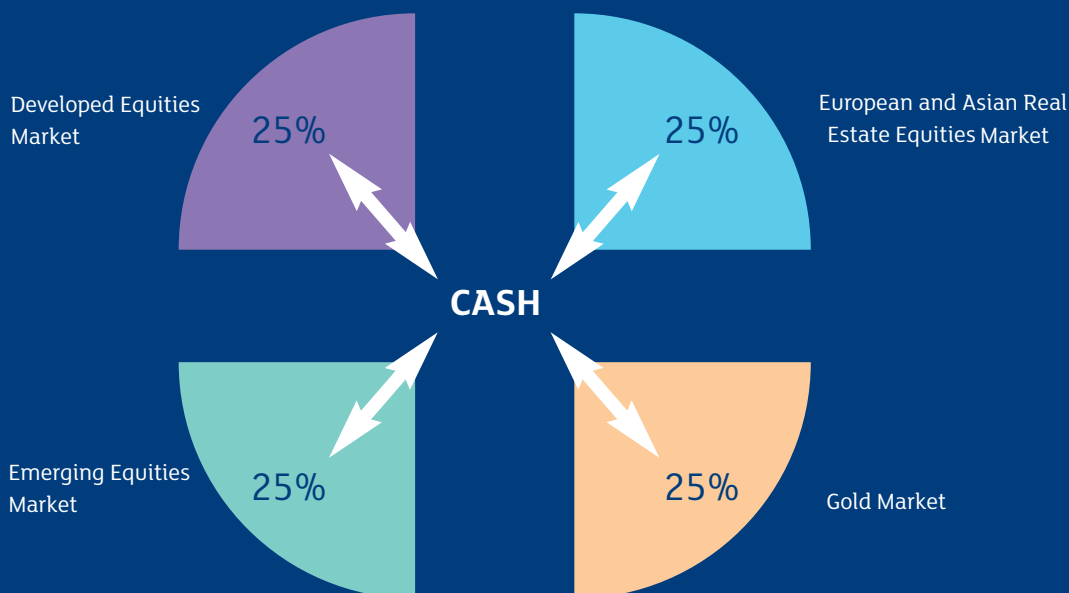
The Account aims to generate a positive return on your savings by providing exposure to a strategy called Autopilot. Autopilot is designed to benefit from exposure to a range of up to four different market sectors and to move its exposure from any of these market sectors into cash if the performance of particular market sectors is identified to

be in a falling trend. Cash will always generate a positive return and such return will be based upon an interest rate at the start of the month; hence Autopilot is designed to provide the potential for positive returns regardless of the market conditions in the four different market sectors.

**The four Market Sectors that Autopilot provides exposure to are:**

- Developed Equities Market
  - Emerging Equities Market
  - Gold Market
  - European and Asian Real Estate Equities Market
- (together, the “Market Sectors”).

See Page 3 for details of the underlying assets representing each Market Sector and details about Cash.



Autopilot's ability to adjust to changing market conditions is made possible by calculating market trends on a monthly basis in accordance with the rule-based strategy. Rather than using a fund manager to analyse the markets and market trends, Autopilot uses one simple rule to calculate the direction of a market trend. Each month, Autopilot compares the current level of each Market Sector with its Average Level over the past 12 months (a shorter period of 6 months is used for the Emerging Equities Market because that Market Sector tends to rise and fall more frequently than other market sectors). For example, if the 12 month period from the beginning of February 2011 to the beginning of January 2012 was observed, this would determine the Market Sector exposure for the month of January 2012. This is determined on a 12 month rolling basis for each month in the Term of the Deposit.

If the current level of a Market Sector is above its Average Level, then Autopilot determines that the Market Sector is in a rising trend and

will track that Market Sector performance for that month. In these circumstances, if the level of the Market Sector increases for all Market Sectors, then the Autopilot Level will also increase.

However, you should be aware that there is a limit of a 7% increase per month in relation to each Market Sector for the Sterling account, a limit of 8.5% for the USD account and a limit of 6.75% for the Euro account. There is no limit as to how much the Autopilot Level can fall in any one month if a Market Sector (that was determined to be in a rising trend at the start of the month) has fallen in value by the end of that month.

Conversely, if the current level of a Market Sector is below or equal to its Average Level, then Autopilot determines that the Market Sector is in a falling trend and will instead grow at the relevant Cash Rate for that month. In any one month, if all Market Sectors are determined to be in a falling trend then 100% of the Autopilot Level will grow at the relevant Cash Rate for that month.

For further details of how Autopilot works please see page 4.

### Risk factors

**Insolvency risk (counterparty risk)** – if the Bank fails or becomes insolvent, you may lose some, or all, of your Deposit.

**Early closure of Account risk** – if you close the Account before the Maturity Date, the return of the full amount deposited is not protected and will reflect investment conditions prevailing at the time. A fee of £250 (or the equivalent in EUR or USD using the prevailing exchange rate) will be charged to cover administration costs. The amount returned may be less than your Deposit.

**Risk of Market Sectors not performing** – the relevant Market Sectors may not perform in the same way as the trend determined at the start of the month and may lose value. This may result in the Autopilot Level itself losing value. In such event, no returns will be paid to you.

# Which Market Sectors does **Autopilot** track?

In order to maximise diversification across a range of market sectors, Autopilot may reference up to four separate baskets of assets representing the four Market Sectors, and/or may grow at the relevant Cash Rate, in some circumstances.

The aim of Autopilot is to take advantage of the potentially higher gains of investing in the Developed Equities Market, Emerging Equities Market, European and Asian Real Estate Equities Market and Gold Market, compared to a fixed rate deposit, when they are deemed to be in a rising trend. However, if at the start of the month, the trend is observed to be falling

in any one of the Market Sectors, Autopilot for that month is no longer exposed to that particular Market Sector and instead will be exposed to Cash to protect against that falling Market Sector.

The table below details the exact constituents of these Market Sectors.

Underlying Asset	Weight	Weight in Autopilot	Description
<b>Developed Equities Market</b>			
FTSE 100 Index	25%*	0% or 25%	The FTSE 100 Index is an index of the largest 100 UK companies by market capitalisation traded on the London Stock Exchange. Market capitalisation is calculated by multiplying the number of shares of a public company by its share price.
S&P 500 Index	25%*		The Standard & Poor's 500 Index is an index of the top 500 US companies. This index is designed to measure performance of the broad US domestic economy and is based upon shares representing all major industries.
Euro Stoxx 50 Index	25%*		The Euro Stoxx 50 Index is comprised of 50 European blue-chip stocks from those countries participating in the Economic and Monetary Union (EMU).
Hang Seng Index	25%*		The Hang Seng Index is an index of 33 companies that represent about 70% of the total market capitalisation of the Stock Exchange of Hong Kong. The components of this index are divided into four sub indices, Commerce and Industry, Finance, Utilities, and Properties. This index includes stocks such as HSBC, China Mobile Hong Kong, Hutchison Wampoa and Hong Kong and China Gas.
<b>Emerging Equities Market</b>			
MSCI iShares Emerging Markets Index ETF		0% or 25%	The MSCI iShares Emerging Market Index Exchange Traded Fund seeks to provide investment results that correspond generally to the performance of the MSCI Emerging Market Index. The MSCI Emerging Market Index is an equity benchmark for emerging market stock performance aiming to cover 85% or more of the available market capitalisation in emerging markets. Market capitalisation is calculated by multiplying the number of shares of a public company by its share price. Examples of the countries covered are Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt and Hungary.
<b>European and Asian Real Estate Equities Market</b>			
FTSE EPRA Index	50%*	0% or 25%	The FTSE European Public Real Estate Index consisting of the most heavily traded real estate stocks in Europe.
Tokyo Stock Exchange REIT Index	50%*		The Tokyo Stock Exchange REIT Index is an index of all Real Estate Investment Trusts listed on the Tokyo Stock Exchange.
<b>Gold Market</b>			
SPDR Gold Trust		0% or 25%	SPDR Gold Trust is an investment fund incorporated in the USA. The investment objective of the trust is for the shares to reflect the performance of the price of gold bullion less the trust's expenses in managing the fund.
<b>Cash</b>			
1 month LIBOR		0%, 25%, 50%, 75% or 100%	Cash is represented by an interest rate known as the London InterBank Offered Rate (LIBOR), which is a composite of the rates of interest at which banks borrow funds of a sizable amount from other banks in the London market. LIBOR can be quoted in respect of various currencies, including Sterling, US Dollar and Euro.  For deposits in GBP interest is calculated on an actual/365 day basis (which means that the interest amount is calculated by multiplying the GBP LIBOR by the number of days in the period and dividing by 365) and for deposits in EUR and USD interest is calculated on an actual/360 day basis (which means that the interest amount is calculated by multiplying the EUR LIBOR or the USD LIBOR by the actual number of days in the period and dividing by 360).

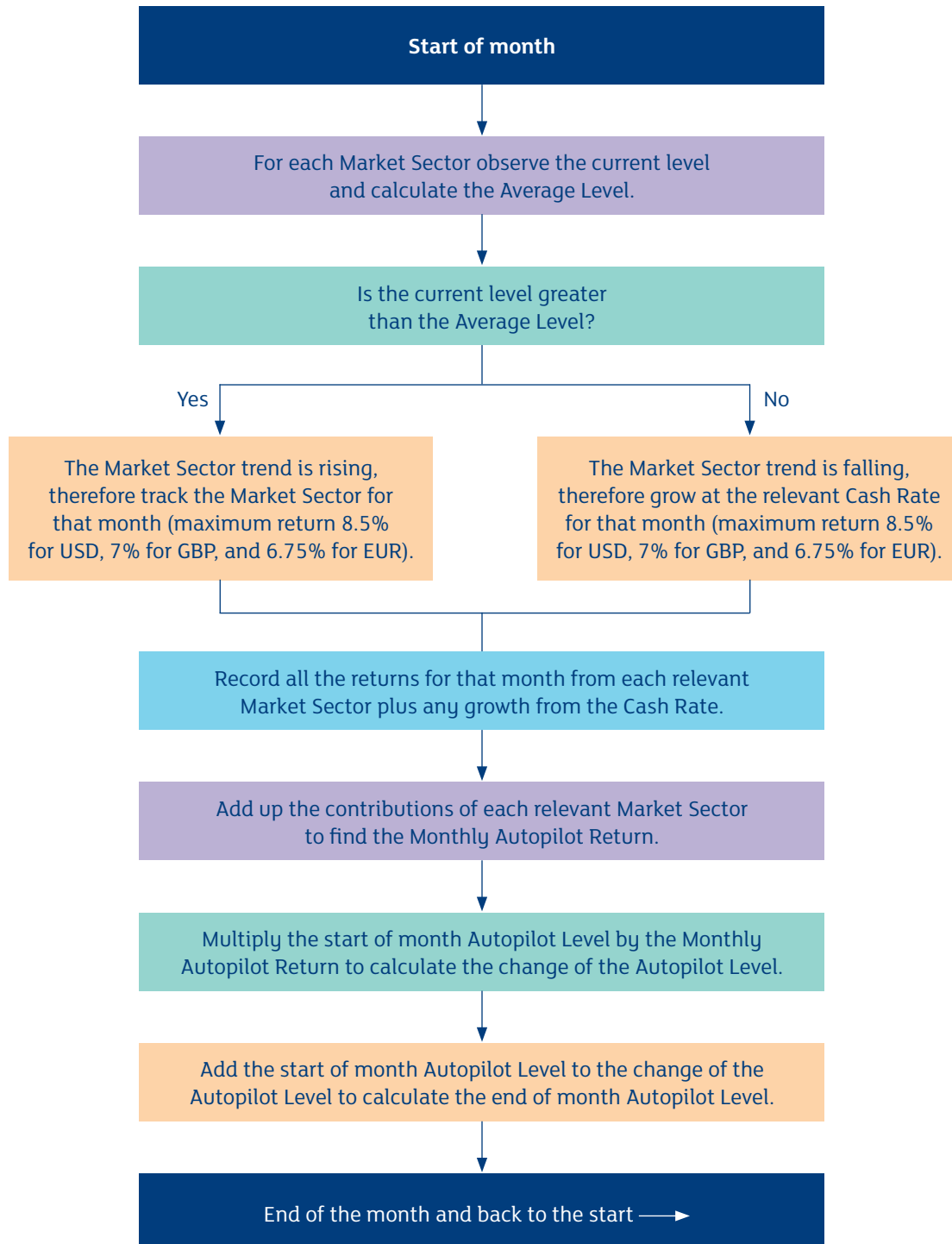
\* Weight in the Market Sector

References to particular shares indices and investment funds in this literature are included only to indicate the basis upon which returns are calculated, not to indicate any association between the Bank and the third party index provider or investment fund, or endorsement of Autopilot by the index provider or investment fund.

The Account is not in any way sponsored, sold or promoted by any relevant stock market, relevant index, related exchange or index sponsor, and they make no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the relevant stock market and/or the figure at which the relevant stock market, relevant index or related exchange stands at any particular time on any particular day or otherwise. They shall not be liable (whether in negligence or otherwise) to any person for any error in the relevant stock market, relevant index or related exchange and shall not be under any obligation to advise any person of any error therein.

# How does **Autopilot** work?

On the Start Date, Autopilot compares the current level of each of the four Market Sectors (represented by one or more Underlying Assets) against the Average Level of each Market Sector over the last 12 months (6 months for the Emerging Equities Market). This process is referred to as the “**Market Direction Assessment**”. This process is repeated at the start of each subsequent month with the current level on a specified date being compared against the Average Level calculated in respect of the last 12 months (or 6 months for the Emerging Equities Market) up to that specified date.



# The Market Direction Assessment

Near the start of each month, Autopilot calculates whether each Market Sector is likely to be rising or falling during that month. It does this by comparing the current Level of the Market Sector (represented by one or more Underlying Assets) against the Average Level of the Market Sector over the last 12 months (6 months for the Emerging Equities Market).

- If the current Level of the Market Sector is greater than the Average Level of that Market Sector, then that Market Sector is considered to be in a rising trend.
- If the current Level of the Market Sector is lower than or equal to the Average Level of that Market Sector, then that Market Sector is considered to be in a falling trend.

## Market Sectors in a rising trend

For each Market Sector that is in a rising trend, 25% of Autopilot will reflect the performance of that particular Market Sector for that month. You should be aware that the growth of any Market Sector is capped at a maximum of 7% per month for the Sterling account, 8.5% for the US Dollar account and at 6.75% for the Euro account. For example, for the US Dollar account, if the growth of the Emerging Equities Market Sector were to return in excess of 8.5% in any one month, the contribution to the calculation of Autopilot would be 8.5%.

If a Market Sector is calculated to be in a rising trend at the beginning of a month, but actually suffers a fall in value by the end of that month, then the 25% of Autopilot linked to that Market Sector will be reduced

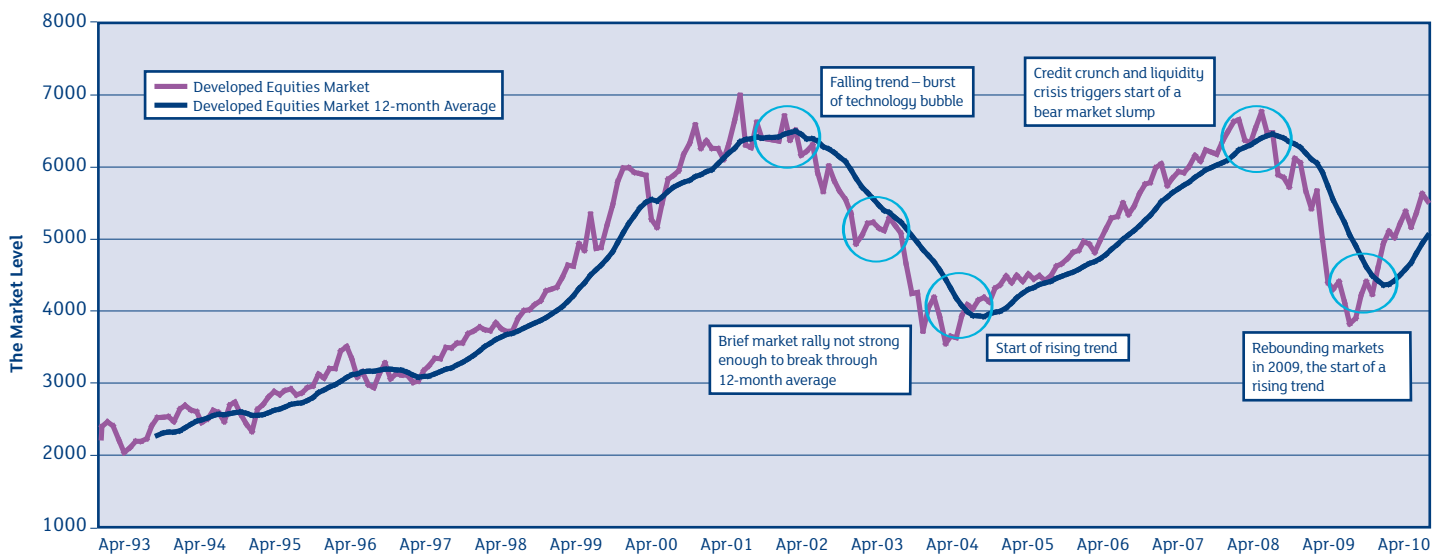
to reflect that Market Sector's fall in value. Unlike the 8.5% cap (7% cap for the GBP account and 6.75% for the Euro account) that applies to any positive performance of a Market Sector, there is no limit as to how much the Autopilot Level can fall in any one month if a Market Sector (that was predicted to be in a rising trend at the start of the month) has fallen in value by the end of that month.

## Market Sectors in a falling trend

For each Market Sector that is in a falling trend, 25% of Autopilot will not be exposed to the performance of that Market Sector but will instead grow at the relevant Cash Rate for that month.

Therefore, 100% of Autopilot could grow at the relevant Cash Rate for any given month if all Market Sectors are in a falling trend.

## Developed Equities Market



\* Source: RBS Global Banking & Markets and Bloomberg, 13th May 2010.  
Past performance is not an indication of future performance.

The chart of historical data above demonstrates how the level of the Developed Equities Market and its Average Level (calculated on a rolling 12-month basis) have behaved since April 1993. This chart shows the Market Direction Assessment in action on the level of the Developed Equities Market. You can see that when this Market Sector is in a rising trend the level of the Market Sector at that time is often above its average and hence Autopilot would track the Market Sector at this time. When the trend changes and becomes negative, the level of the Market Sector at that time is often equal to or below the average. In this case, Autopilot will not be exposed to that Market Sector and will instead grow at the relevant Cash Rate during these periods.

# How is the **Autopilot Level** calculated?

In order to measure the Autopilot Level, Autopilot will initially calculate the levels of the various Underlying Assets that comprise each relevant Market Sector. The Autopilot Level is calculated every month, and the initial Autopilot Level is set at 100 on the Start Date. The Autopilot Level will rise and fall each month depending on the performance of the Market Sectors and/or Cash that Autopilot is linked to for that month following the result of the Market Direction Assessment.

On the Start Date, the Market Direction Assessment is carried out to calculate which combination of Market Sectors and/or Cash Autopilot will be tracking in the first period.

In the example below, in Month 1, for a Sterling deposit, the Market Direction Assessment has calculated that the Developed Equities Market is in a falling trend while the other three Market Sectors are in a rising trend.

The average of the levels of those three Market Sectors and the growth in respect of the Cash Rate will then be calculated as the Monthly Autopilot Return.

## Month 1 example

Market Sector	Market Direction Assessment	Weight in Autopilot	Monthly Market Sector Performance (MMSP)	Contribution to the Monthly Autopilot Return (Weight in Autopilot x MMSP)
Developed Equities Market	Fall – link to Cash	0% of	N/A is	N/A
Emerging Equities Market	Rise – link to the Market Sector	25% of	10.00% (capped at 7%) is	1.7500%
Asian and European Real Estate Equities Market	Rise – link to the Market Sector	25% of	1.50% is	0.3750%
Gold Market	Rise – link to the Market Sector	25% of	-0.50% is	-0.1250%
Cash (Sterling)	N/A	25% of	0.565% x actual number of days in month / 365 = 0.0464% is	0.0116%
<b>Monthly Autopilot Return</b>				<b>2.0116%</b>

Note that when the Market Direction Assessment indicates a rising trend at the start of the month, this is not a guarantee that the Market Sector will perform positively by the end of the month. In Month 1, the Market Direction Assessment at the start of the month predicts a rising trend for the Gold Market, yet the Gold Market falls in value by the end of Month 1. In such circumstances, the loss in value of such Market Sector is reflected in the calculation of the Monthly Autopilot Return. In Month 1, the monthly Market Sector performance for Emerging Equities Market was 10.00%, which is greater than the monthly cap of 7%. Hence, its share of the Monthly Autopilot Return is calculated as 25% of 7% which is 1.75%.

In Month 2, the Market Direction Assessment is carried out again and calculates that all Market Sectors are showing a rising trend and therefore Autopilot will link performance in Month 2 to all Market Sectors, but not to Cash.

## Month 2 example

Market Sector	Market Direction Assessment	Weight in Autopilot	Monthly Market Sector Performance (MMSP)	Contribution to the Monthly Autopilot Return (Weight in Autopilot x MMSP)
Developed Equities Market	Rise – link to the Market Sector	25% of	-0.35% is	-0.0875%
Emerging Equities Market	Rise – link to the Market Sector	25% of	-1.00% is	-0.2500%
Asian and European Real Estate Equities Market	Rise – link to the Market Sector	25% of	-2.40% is	-0.6000%
Gold Market	Rise – link to the Market Sector	25% of	-0.30% is	-0.0750%
Cash (Sterling)	N/A	0% of	N/A is	N/A
<b>Monthly Autopilot Return</b>				<b>-1.0125%</b>

Note that when the Market Direction Assessment indicates a rising trend at the start of the month, this is not a guarantee that the Market Sector will perform positively by the end of the month. In Month 2, the Market Direction Assessment at the start of the month predicts a rising trend for all Market Sectors, yet all Market Sectors fall in value by the end of Month 2. In such circumstances, the losses in value of such Market Sectors is reflected in the calculation of the Monthly Autopilot Return.

In Month 3, the Market Direction Assessment is carried out again and calculates that all Market Sectors are showing a falling trend and therefore Autopilot will link performance in Month 3 only to Cash.

## Month 3 example

Market Sector	Market Direction Assessment	Weight in Autopilot	Monthly Market Sector Performance (MMSP)	Contribution to the Monthly Autopilot Return (Weight in Autopilot x MMSP)
Developed Equities Market	Fall – link to Cash	0% <i>of</i>	N/A <i>is</i>	N/A
Emerging Equities Market	Fall – link to Cash	0% <i>of</i>	N/A <i>is</i>	N/A
Asian and European Real Estate Equities Market	Fall – link to Cash	0% <i>of</i>	N/A <i>is</i>	N/A
Gold Market	Fall – link to Cash	0% <i>of</i>	N/A <i>is</i>	N/A
Cash (Sterling)	N/A	100% <i>of</i>	0.565% x actual number of days in month / 365 = 0.0464% <i>is</i>	0.0464%
<b>Monthly Autopilot Return</b>				<b>0.0464%</b>

Note: 0.565% is the 1 month Sterling LIBOR rate on 13th May 2010. For clarity, the numbers in these examples are rounded to four decimal places; in reality no rounding occurs. Actual number of days in month is assumed to be equal to 30 in these examples.

As you can see below, the Autopilot Level is compounded on a monthly basis.

	Monthly Autopilot Return as calculated in Month 1, 2 and 3 examples	Change of the Autopilot Level which is the start of month Autopilot Level x Monthly Autopilot Return	Autopilot Level which is the monthly starting Autopilot Level plus the change of the Autopilot Level
<b>Start of Month 1</b>			100
<b>Change of the Autopilot Level</b>	2.0116%	2.0116	
<b>End of Month 1</b>			102.0116
<b>Start of Month 2</b>			102.0116
<b>Change of the Autopilot Level</b>	-1.0125%	-1.0329	
<b>End of Month 2</b>			100.9787
<b>Start of Month 3</b>			100.9787
<b>Change of the Autopilot Level</b>	0.0464%	0.0469	
<b>End of Month 3</b>			101.0256

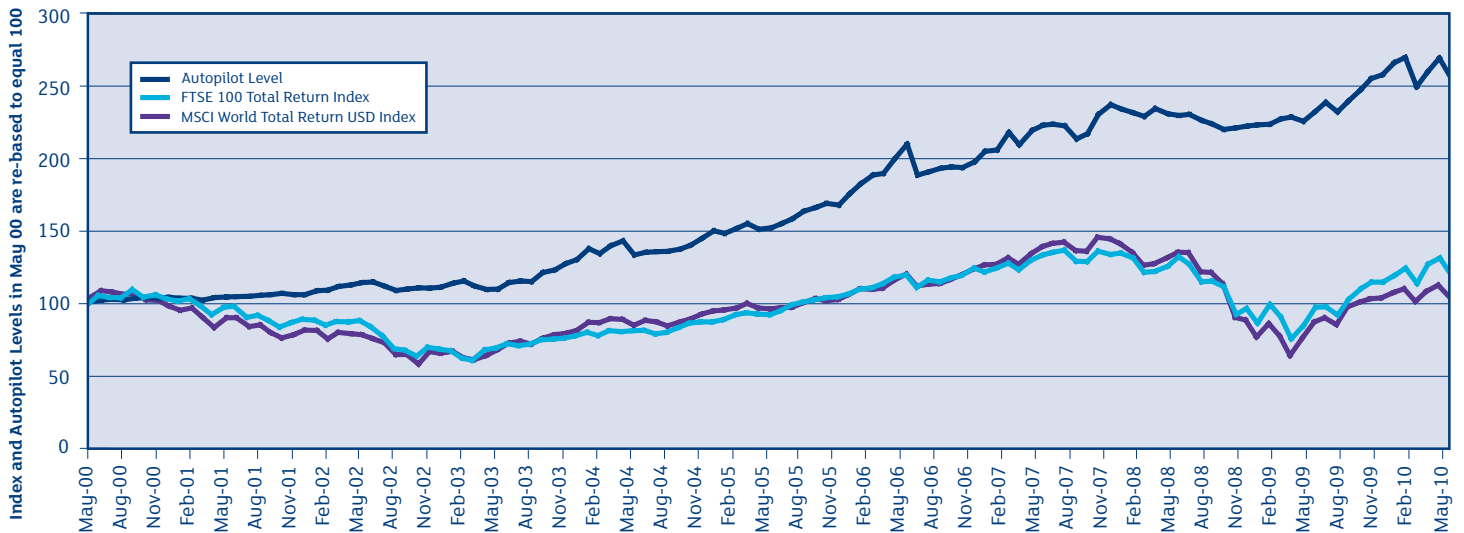
This process is repeated every month with the Monthly Autopilot Return being used to calculate the change of the Autopilot Level for that month which is then added to the start of month Autopilot Level. At the end of the Term the performance of Autopilot is used to calculate whether you receive any return on your Account. If the Autopilot Level has increased from its Initial Level, which starts at a level of 100, over the Term of your Account, you will receive 100% of the growth in addition to the return of your Deposit. If Autopilot has not performed over the Term and the Final Level is less than or equal to its Initial Level, you will only receive your Deposit back. Inflation may reduce the purchasing power of your Deposit by the time the Account matures.

The main aim of Autopilot is to capture growth when the Market Sectors are rising and avoid losses by diverting to Cash when Market Sectors are falling.

# Autopilot in action

## Autopilot 8.5% (USD) Cap vs Total Return World & UK Equities

The following diagram shows how Autopilot would have performed over the past ten years in comparison with the MSCI World Total Return USD Index (which is an index that monitors performance of a basket of global stocks including their dividends) and the FTSE 100 Total Return Index, which is the FTSE 100 Index including dividends.

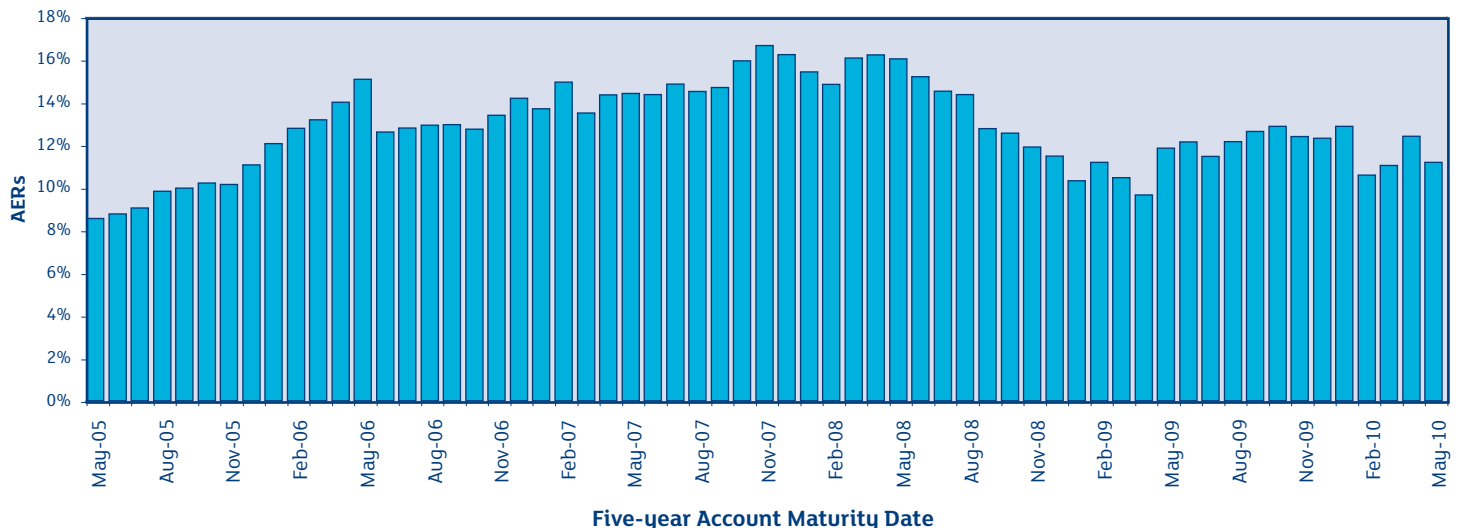


Source: RBS Global Banking and Markets and Bloomberg, 11th May 2010.

The simulated past performance has been produced using actual historical data between May 2000 and May 2010. Please note that historical economic conditions may differ from those that occur in the future. Past performance should not be considered an indication of how your Account may perform in the future.

## 8.5% (USD) Cap Autopilot AERs

Using the simulated performance from the past ten years we are also able to calculate the Autopilot AERs (Annual Equivalent Rates) that would have been generated for an account maturing between May 2005 and May 2010. Annual Equivalent Rates shows what the interest rate would be if it was paid once each year.



Source: RBS Global Banking and Markets and Bloomberg, 11th May 2010.

The simulated past performance has been produced using actual historical data between May 2000 and May 2010. Please note that historical economic conditions may differ from those that occur in the future. Past performance should not be considered an indication of how your Account may perform in the future.

# Autopilot International

## – your questions answered

### What is Autopilot International?

Autopilot International (the Account) is a five year deposit, providing the possibility of growth on your money. Whether or not you receive any growth is dependent on the performance of Autopilot over the Term of the Deposit. You'll receive 100% of your Deposit if you keep your money in the Account until the Maturity Date (subject to the risks described below). Inflation may have reduced the purchasing power of your Deposit and any return by the time the Deposit matures. For details of the performance of Autopilot please see page 8.

### Could I lose my money?

The Account is designed to return your Deposit at the end of the five year term, irrespective of the performance of Autopilot. However, you could still lose some, or all, of your Deposit if the Bank fails or becomes insolvent.

### How do I open an Account?

Simply complete the enclosed application form. Your Account will be opened once the application has been returned together with the required documentation.

### What is the minimum deposit amount?

The minimum deposit amount is GBP/EUR/USD 10,000.

### Can I add to my Account?

No. You cannot add to or amend your initial Deposit amount after the Closing Date for applications.

### Can I close the Account early?

The Account is designed to have a five year term and we can only ensure your Deposit is protected if the funds remain in the Account for the Term, though you are always subject to the counterparty risk of the Bank. There is no 'cooling off period', as the Account is reliant on financial markets over which we have no control. A request to close your Account prior to maturity will only be permitted at the Bank's discretion and may mean that you receive less than the full amount initially deposited. Should you wish to close your Account during the Term you will receive the Redemption Value of your Deposit less an administrative charge of £250 (or the equivalent in EUR or USD using the prevailing exchange rate). An estimate of the Redemption Value can be provided upon request and you will be given the opportunity to withdraw your instruction to close the Account should you wish to do so.

### What returns could I get at the end of five years?

The following table, based on a £10,000 deposit, shows what you might get back at the end of the five year term.

These figures are examples only to show what you could get back from the deposit. What you will get back depends on the performance of Autopilot.

Original Deposit	Percentage change in Autopilot	Annual Equivalent Rate (AER)	Total you get back after five years
£10,000	+25%	4.56%	£12,500
£10,000	+10%	1.92%	£11,000
£10,000	0%	0%	£10,000
£10,000	-10%	0%	£10,000
£10,000	-25%	0%	£10,000

The above table only applies if your Deposit remains in the Account for the full five years.

### Do I have to apply by a certain date?

The final date that applications can be accepted is 10th September 2010. However, the offer may close early if fully subscribed, please see the below table for key information.

Currency	GBP/EUR/USD
Minimum deposit	GBP/EUR/USD 10,000
Offer period	1st June 2010 – 10th September 2010
Closing Date for applications	10th September 2010
Last Date for Funds	29th September 2010
Start Date	6th October 2010
Maturity Date	8th October 2015

### Will I pay any charges?

All costs are already factored into the Account, so there are no additional fees or charges to pay providing you do not close your Account before the end of the Term.

### Does my financial advisor receive a commission when I open my Account?

Yes, a fixed percentage commission is payable by us to your advisor. Your financial advisor will supply you with details of this commission upon request.

### What updates will I receive to track the performance of my Account?

You will receive an initial confirmation that your Account has been opened. We will then send you annual updates on the performance of your Account. A separate communication will also be forwarded to you approximately six weeks prior to maturity of your Account.

# Autopilot International

## – your questions answered

### What risks do I need to consider before opening an account?

It is important that you consider the following before deciding whether the Account is right for you.

- The Account has a fixed Term of five years and is not suitable if you need easy access to your money or require regular income. If you need to close your Account before the Maturity Date you may not receive back your Deposit.
- The use of the word ‘protected’ in relation to this Account refers only to our obligation to repay your Deposit at maturity, however, if the Bank fails or becomes insolvent, then you may lose some, or all, of your Deposit. The Account is not guaranteed by any third party.
- Dividends are not payable on the Account.
- The Account is available in a choice of three currencies. Funds must be deposited with us in the same denomination as your chosen currency. There is an exchange rate risk if you deposit funds in a currency that is not your local currency.
- Although your Deposit is protected if the Account is held until maturity (subject to the risks described above) the return from the Account may not be as much as if you had invested in a traditional deposit account.
- Inflation may reduce the purchasing power of your Deposit by the time the Account matures.

### What about tax?

- Under current rules our understanding is that any return at maturity from an account will be paid gross, and will not be subject to either the retention tax deduction or exchange of information with EU tax authorities under the EU Savings Directive. For EU resident customers a retention tax may be deducted from any interest earned before the Start Date unless you can provide evidence that you are exempt from the measure of the EU Savings Tax Directive. Alternatively you may wish to exchange information with the tax authorities. Any previous instruction provided in respect of any existing accounts held with us will be applied automatically.
- It is your responsibility to declare all income and returns to the appropriate tax authorities. If you are in any doubt as to your own personal tax liability we strongly recommend that you take appropriate independent tax advice before applying.
- The Bank is not able to advise on any subsequent changes in legislation that may affect the Account or your return from it.
- The statements above are not intended to be, nor should they be regarded as, legal or tax advice and depositors should consult their own tax advisors to obtain advice about their particular tax treatment in relation to the Account.

### What happens to my funds between the date on which my Account is opened and the Start Date of the five year term?

Your funds will be placed on deposit until the Start Date and will earn interest at 0.50% below the Bank of England Base Rate (for GBP deposits), 0.50% below the European Central Bank Rate (for EUR deposits) and 0.50% below the Federal Funds Rate (for USD deposits), provided that interest will not be less than 0.50% for GBP and EUR deposits or 0.25% for USD deposits. Any interest earned prior to the Start Date will be added to your initial deposit and the total amount deposited into your Account. You must ensure that there are cleared funds in your Account by 29th September 2010.

### What happens if the Market Sectors underperform?

Whatever the performance of the four Market Sectors and the performance of Autopilot during the five year term of your Deposit, your Deposit is protected against any such falls in the Market Sectors and/or Autopilot by the Bank, providing you don't close the Account before the end of the five year term. However, note that you are subject to counterparty risk, and if the Bank fails or becomes insolvent, you may lose some, or all, of your Deposit. There is no certainty that you will receive an additional return on your Deposit.

### Who can I contact for further information?

If you require any further information, simply contact your financial advisor.

### Is the Account right for me?

This Account may be right for you if:

- You're happy to hold your Deposit for the full five years.
- You're looking for the potential to receive a return after five years that's dependent on the performance of Autopilot.

## Summary box

Key Product Information for our Account	
Account name	Autopilot International – Issue 2
Interest Rates (AER)	Return dependent on Market Sector and Cash performance
Tax status	The return is paid gross on the Account
Conditions of bonus payments	Not applicable
Withdrawal arrangements	Full withdrawal permitted at the Bank's discretion and customers will receive the Redemption Value of their Deposit less an administration charge of £250 (or the equivalent in EUR or USD using the prevailing rate).
Access	You may not add to the Account during the Term. Partial withdrawals or partial closures of the Account are not permitted.

# Autopilot International – Issue 2

## Terms and Conditions

### 1. Please note

Autopilot International is a form of deposit account with The Royal Bank of Scotland International Limited (RBS International). Accounts are opened and maintained in the Isle of Man. The use of the word 'protected' in relation to the Account refers only to our obligations to repay your capital in full at maturity, provided that if the Bank fails or becomes insolvent, then you may lose some, or all, or your Deposit. The Account is not guaranteed by any other party.

### 2. Our dealings with you

Please read these Terms and Conditions carefully and keep a copy of them for future reference. They provide you with important information about your Account and they are the terms of the contract between you and us. When you sign the application form, which is available on request from us you agree to these Terms and Conditions. The Account is administered by RBS International's Strategic Deposit Unit in the Isle of Man, and you will receive correspondence concerning your Deposit directly from this centre.

### 3. Definitions

**'Account'** means the Autopilot International account, a fixed term deposit account linked to Autopilot opened and maintained in the Isle of Man.

**'AER'** means the Annual Equivalent Rate. It shows what the interest rate would be if it was paid once each year. This lets you compare interest rates across different accounts and what return you can expect from your savings over time.

**'Autopilot'** means a rule-based strategy that aims to generate positive returns by providing exposure to a portfolio of diversified Market Sectors and/or Cash, and to which your Account is linked.

**'Autopilot Level'** means the level of the Autopilot on each Autopilot Return Date being the Monthly Autopilot Return determined for the previous month multiplied by the Autopilot Level of the previous month. The first Autopilot Level is the Initial Level.

**'Autopilot Return Date'** means the 5th calendar day of each month that is not a Disrupted Day.

**'Average Level'** means for each Market Sector the average of the Levels of the Market Sector on the Market Direction Assessment Date over (i) the last 12 Market Direction Assessment Dates including the current Market Direction Assessment Date for Developed Equities Market, European and Asian Real Estate Equities Market and Gold Market, and (ii) the last 6 Market Direction Assessment Dates including the current Market Direction Assessment Date for Emerging Equities Market.

**'Business Day'** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business in London.

**'Cash'/'Cash Rate'** means the prevailing 1 month fixed LIBOR rate.

**'Closing Date'** means 10th September 2010, being the last date applications can be accepted.

**'Date of Acceptance'** means the date on which we are in possession of both cleared funds and any information and documentation that may be required by us. If any of that documentation or information is not received before the offer is withdrawn or fully subscribed, we may be unable to open the Account for you and any funds received by the Bank will be returned to you in full without interest.

**'Deposit'** means the sum deposited prior to the Start Date together with any interest earned from, and including, the Date of Acceptance to, but excluding, the Start Date.

**'Developed Equities Market'** means the Market Sector where performance is calculated with reference to a basket of equally weighted indices comprising of the FTSE 100 Index, the S&P 500 Index, the Euro Stoxx 50 Index and the Hang Seng Index.

**'Disrupted Day'** means any Scheduled Trading Day on which a Relevant Stock Exchange or any Related Exchange fails to open for trading during its regular trading session, or in which a Market Distribution Event has occurred.

**'Emerging Equities Market'** means the Market Sector where performance is calculated with reference to the MSCI iShares Emerging Markets Index ETF.

**'European and Asian Real Estate Equities Market'** means the Market Sector where performance is calculated with reference to a basket of equally weighted indices comprising each of the FTSE EPRA Index and the Tokyo Stock Exchange REIT Index.

**'Expiry Date'** means 6th October 2015 unless not a Scheduled Trading Day in which case take the next Scheduled Trading Day that is not a Disrupted Day. This is the date on which any additional return will be calculated, subject to clause 16 – "alterations and amendments".

**'Final Level'** means the Autopilot Level on the Expiry Date.

**'Gold Market'** means the Market Sector where performance is calculated with reference to the SPDR Gold Trust investment fund.

**'Initial Level'** means 100, which is the Autopilot Level on the Start Date.

**'Last Date for Funds'** means 29th September 2010, the date by which funds must be received.

**'Level of the Market Sector'** means 100 for all Market Sectors on the 5th October 2010. Thereafter, the level of the market sector is the previous level of the market sector multiplied by the Market Sector Change determined on the Market Direction Assessment Date.

**'Level of the Underlying Asset'** means for each Underlying Asset the official closing level of the Underlying Asset on the Relevant Stock Exchange on the Relevant Date.

**'LIBOR'** means the GBP 1 month London Interbank Offered Rate for sterling deposits, the USD 1 month London Interbank Offered Rate for US dollar deposits and the Euro 1 month London Interbank Offered Rate for Euro deposits, as applicable. The monthly return from the quoted annual LIBOR rate shall be calculated in accordance with the following formula for GBP: LIBOR/100 x Act/365. For EUR and USD: LIBOR/100 x Act/360.

**'Market Direction Assessment'** means the process of comparing the current level of each Market Sector (represented by one or more Underlying Assets) against the Average Level of that Market Sector. Autopilot will link 25% to the performance of each Market Sector or Cash depending on the outcome of the Market Direction Assessment. The initial Market Direction Assessment is conducted on the Market Direction Assessment Date to calculate either a link to the performance of the relevant Market Sector or to grow at the relevant Cash Rate. If the level of a Market Sector on the day the Market Direction Assessment takes place is greater than its Average Level, Autopilot will link 25% to the performance of that Market Sector as the Market Direction Assessment has calculated that the Market Sector is in a 'rising trend'. If the level of the Market Sector is less than or equal to the Average Level, 25% of Autopilot will instead grow at the relevant Cash Rate for that month since the Market Direction Assessment has calculated that the Market Sector is in a 'falling trend'. If the Market Direction Assessment has calculated that all four Market Sectors are in a 'falling trend', then 100% of Autopilot will instead grow at the relevant Cash Rate for that month. If the Market Direction Assessment has calculated that some, or all, of Autopilot will grow at the relevant Cash Rate for that month, the '1 month fixed LIBOR' rate from the Autopilot Return date will be used in the calculation of the next month's Monthly Autopilot Return.

**'Market Direction Assessment Date'** means the Scheduled Trading Day that is not a Disrupted Day preceding the Autopilot Return Date of each calendar month.

**'Market Disruption Event'** means any material event in relation to limitations on trading in or the ability to obtain market values for the underlying assets that represent the Market Sectors or in the futures or options relating to it.

**'Market Sector'** means the four defined sectors that make up Autopilot being: 'Developed Equities Market', 'Emerging Equities Market', 'European and Asian Real Estate Equities Market' and 'Gold Market'. Each Market Sector may comprise 25% of Autopilot each month, depending on the trend of such Market Sector.

**'Market Sector Change'** means for each Market Sector having more than one Underlying Asset, the sum of the Underlying Asset Changes multiplied by its Weight and, for each Market Sector having only one Underlying Asset, the Underlying Asset Change multiplied by its Weight.

**'Maturity Date'** means 8th October 2015, the date on which the Deposit and any return will be repaid. If the Expiry Date is subject to clause 16 – "alterations and amendments", then the Maturity Date shall be the later of the 8th October 2015 and the tenth Business Day in London and the Isle of Man following the Expiry Date.

**'Monthly Autopilot Return'** means the sum of the Market Sector Changes multiplied by its Weight in Autopilot and/or Cash multiplied by its Weight in Autopilot. The maximum Monthly Autopilot Return is 8.5% for USD, 7% for GBP and 6.75% for EUR.

**'Related Exchange'** means each exchange on which options and futures contracts listed on the Relevant Stock Exchange are traded.

**'Redemption Value'** means the fair market value of the Deposit, which depends on various factors such as interest rates and the performance of Autopilot, less any costs relating to the unwinding of any hedging and funding arrangements.

**'Relevant Date'** means for the purpose of calculating the Autopilot Level, the Autopilot Return Date; and for the purpose of calculating the Market Direction Assessment, the Market Direction Assessment Date.

**'Relevant Stock Exchange'** means the exchange in respect of each Underlying Asset that represents the Market Sectors.

**'Scheduled Trading Day'** means any day on which each Relevant Stock Exchange and Related Exchange are scheduled to be open for trading for their respective trading sessions.

**'Security Details'** means the identifying words, codes and/or numbers agreed between you and us that are used in the security procedure and for identification purposes.

**'Start Date'** means 6th October 2010.

**'Term'** means the period from, and including, the Start Date to, and including, the Expiry date.

**'the Bank', 'we', 'us' and 'our'** each mean The Royal Bank of Scotland International Limited (RBS International).

**'Underlying Asset'** means with respect to each Market Sector, the asset(s) constituting that Market Sector and as specified in the table on page 3.

**'Underlying Asset Change'** means the Level of the Underlying Asset on the current Relevant Date divided by the Level of the Underlying Asset on the previous Relevant Date.

**'Weight'** means the weight specified in the table on page 3 for the Market Sectors having more than one Underlying Asset.

**'Weight in Autopilot'** means the weight of each Market Sector and/or Cash as determined following the Market Direction Assessment carried out on the relevant Market Direction Assessment Date.

**'you', 'your'** means you, the person(s) in whose name the account is opened.

### 4. Availability

The Account is normally only available to private individuals (aged 18 or over) and trustees of trusts for the benefit of private individuals.

Applications from other entities may be accepted at the discretion of the Bank and will be subject to different account opening requirements.

### 5. Commission

If you open an Account through a financial advisor, then a fixed percentage commission is payable by us to your advisor. Your financial advisor will supply you with details of this commission upon request.

### 6. Security procedure

You must keep your Security Details secret.

If you suspect someone knows your Security Details you must contact us immediately. If you fail to do so, you will be liable for any unauthorised transactions on your Account confirmed by use of the Security Details.

You must take all reasonable precautions to prevent the fraudulent use of your Security Details.

You should not record your Security Details in any way, which may result in them becoming known to another person.

Where a transaction on the Account is confirmed by use of the Security Details but you subsequently show it was not authorised by you, provided you have kept your Security Details secret, you will not be liable for that unauthorised transaction.

### 7. Refusal of deposits

We reserve the right to refuse a Deposit, or decline to open an Account, or require you to withdraw a Deposit without giving a reason for such a decision.

### 8. Operations on the Account

Deposits must be received in GBP, EUR, USD. Funds must be deposited with us in the same denomination as your chosen option(s).

The minimum you may deposit in the Account is GBP 10,000 / EUR 10,000 / USD 10,000.

The Account will be opened upon receipt of a valid and correctly completed application form and acceptable supporting documentation.

This is a limited offer deposit account. Due to the nature of this type of account, the offer may be withdrawn early and without notice if it is fully subscribed. In this event all funds received by the Bank will be returned to you in full without interest. The Account is available on a first come, first served basis.

Joint depositors are jointly and severally liable.

If two or more people are named as the customer, the Bank will accept instructions signed by any one, or the survivor, of the persons named as the customer.

You may not add to the Deposit during the Term, but you may have more than one Account at the same time.

The Bank will not be liable for any changes in market conditions from, and including, the Date of Acceptance to, and including, the Start Date.

If any of these conditions are invalid, the rest shall remain valid and binding to the fullest extent permitted by law.

We will write to you after the Start Date to confirm acceptance of your Account. You will then be sent further updates on an annual basis.

Once the Account has been opened it is not possible to change the name of the Account in which the Deposit is held, except in the event of the death of a sole account holder. In the event of death of a joint account holder the title of the Account would pass to the remaining named surviving party/parties to the Account. Further, except in the event of the death of a sole account holder, you may not transfer or assign any of the rights under this Account.

### 9. Interest prior to the Start Date

The initial deposit will earn interest from, and including, the Date of Acceptance to, but excluding, the Start Date.

An initial deposit will only be accepted by the Bank and begin to earn interest pending the Start Date when all requirements are met as laid out in the application form.

Any interest earned prior to the Start Date will be added to the initial deposit and the total amount deposited in the Account.

The current rates of interest applicable to deposits held prior to the Start Date are set out in this brochure.

If you are resident in the European Union a retention tax of 20% will be deducted from any interest earned prior to the Start Date unless you can provide evidence to show that you are exempt from the measures of the EU Savings Tax Directive. Alternatively you may authorise us to exchange information with the tax authorities. Any previous instruction provided in respect of existing accounts with us will be applied automatically.

- Please note our understanding is that any return at maturity from the Account is not currently subject to this retention tax and under current guidelines will be paid gross. In providing this information we are not acting as tax advisors and we strongly recommend that you seek independent professional advice for your personal circumstances as regards to all aspects of this deposit. The Bank is not able to advise on any subsequent changes in legislation that may affect the Account or your return from it. It is your responsibility to declare any income and returns to the appropriate tax authorities.

The statements above are not intended to be, nor should they be regarded as, legal or tax advice and you should consult your own tax advisor to obtain advice about your particular tax treatment in relation to the deposit.

#### 10. Early closure of the Account

- You understand that once you have submitted your signed application you cannot cancel. There is no 'cooling off period', as the Account is reliant on financial markets over which we have no control. However the Bank in its absolute discretion may permit cancellation before the Start Date or early closure of the Account after the Start Date.
- We will require written confirmation before acting on such instructions and will apply an administrative fee of £250 (or the equivalent in EUR or USD using the prevailing exchange rate) in the event of cancellation or early closure. Partial withdrawals or partial closures of any of the elements within the Account are not permitted. Please contact the Strategic Deposit Unit direct on 00 44 (0)1624 637127 to understand what information will need to be included within your written confirmation.
- If you close the Account before the Maturity Date, the return of the full amount deposited is not protected and will reflect investment conditions prevailing at the time as calculated by The Royal Bank of Scotland plc, Global Banking & Markets, London. The amount returned may be less than your Deposit.
- In the event of the death of a sole account holder, the Account may be closed at the current value at the time of closure, or may be transferred to the executor (or administrator) or beneficiary of the deceased's estate for the remainder of the Term. If the Account is a joint account and one of the account holder(s) dies, only the survivor(s) will be recognised as having any right to the money in the Account.
- In the event of death of a sole account holder, it will be necessary for the executor (or administrator) of that person's estate to attain a grant of probate in the Isle of Man before the Bank pays out any monies on the order of such executor (or administrator).

#### 11. Return at maturity

- At maturity of the Account you will receive back a sum equivalent to the greater of the following two amounts:

- 1) The Deposit or;
- 2) The Deposit x (Final Level / Initial Level) where: Final level is the Autopilot Level at the end of the five year term, and Initial Level is the Autopilot Level on the Start Date which is set at a value of 100.

#### 12. Maturity

- The Deposit together with any return will be transferred to a bank account in your name with us at maturity. If you do not have a bank account with us, a bank account will be opened in the same name as your Account. The Bank reserves the right to deduct from the Deposit amount any charges or fees incurred in complying with any alternative payment instructions.
- Please bear in mind that inflation may have reduced the purchasing power of your Deposit by the time it has matured.
- There is no certainty that you will receive over and above the original sum deposited, at maturity.

#### 13. Stock market and investment fund disclaimer

- References to particular share indices and investment funds in any literature are included only to indicate the basis upon which performance is calculated, not to indicate any association between us and the third party index or investment fund provider or endorsement of the Account by the provider.
- The Account is not in any way sponsored, sold or promoted by any Relevant Stock Exchange, relevant index, Related Exchange, index sponsor or investment fund provider and they make no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the relevant stock market and/or the figure at which the relevant stock market, relevant index, related exchange or investment fund level stands at any particular time on any particular day or otherwise. They shall not be liable (whether in negligence or otherwise) to any person for any error in the relevant stock market, relevant index, related exchange, or relevant investment fund and shall not be under any obligation to advise any person of any error therein.
- Autopilot does not invest directly in the underlying quoted companies of the relevant index, or investment fund and therefore Autopilot does not receive any dividend payments.

#### 14. Complaints

- If you are not satisfied with any of our products or services, we have a complaints procedure that you can use. A leaflet, giving details of the procedure, is available upon request.

#### 15. Right to set off

- Where at any time during the term of the Account you owe any amount to the Bank and such amount is not repaid to the Bank by you on demand, the Bank shall have an immediately exercisable and inalienable right of set off against your account(s).

#### 16. Alterations and amendments

- Where there is an event beyond the control of the Bank, such as, without limitation: any suspension or limitation on trading on any Relevant Stock Exchange, Related Exchange or investment fund; any replacement of a Relevant Stock Exchange, index sponsor or investment fund; any change in the formula or method of calculation of a relevant stock market or investment fund; any mistake in the calculation of a relevant stock market or investment fund, any failure by the index sponsor or investment fund provider to calculate and/or announce an index or investment fund level on any day; then the Bank reserves the right to make such changes to these Terms and Conditions as it deems fair and appropriate.
- We may alter any of these Terms and Conditions on giving you at least 30 days' prior written notice. This notice will contain the date on which the alteration takes effect.

#### 17. Governing law and jurisdiction

- Your Autopilot International account will be opened and maintained in the Isle of Man. As a result, you may be afforded the protection of the Isle of Man Depositors Compensation Scheme as set out in the Compensation of Depositors Regulations 2008. Further, the contract between the Bank and you, the customer(s), shall be governed by and construed in accordance with the laws of the Isle of Man.
- The Isle of Man Depositors Compensation Scheme is detailed as follows:

The Isle of Man has a depositors' compensation scheme ("DCS"). The DCS partially compensates you if a bank in which you have deposited money fails. Here are the DCS Regulations (<http://www.gov.im/lib/docs/fsc/PressReleases/compensationofdepositorsregulation1.pdf>) - you should consult these Regulations for further information.

The DCS compensates people who have money in current and deposit accounts in the Isle of Man with up to £50,000 of net deposits\* per individual depositor or £20,000 for most other categories of depositor. Cover is calculated per depositor, per deposit taker, if this bank fails.

This means that a maximum of £50,000 compensation is payable per individual and a maximum of £20,000 for companies, trusts etc. Note that maximum amounts paid under the DCS will be reduced by amounts paid by IoM Treasury under Early Payment Schemes.

(\* Net deposits: Loans may be netted off against any deposits you have with the same deposit taker).

If two or more individuals share a joint account, they would each be entitled to up to £50,000 in compensation. However, if either individual has any other accounts with the same licence holder, these balances would also need to be taken into consideration, as compensation is limited to £50,000 per individual.

#### Examples for individual depositors:

- (1) If you have a joint account with one other individual which contains £80,000, you would each be entitled to receive 1/2 of £80,000 ie £40,000.
- (2) If in the previous example you also had £25,000 in a sole account, the total balances apportioned to you under the DCS would be your share of the joint account (ie £40,000), plus the £25,000 of your own, giving a total of £65,000.
- (3) If you have total credit balances of £80,000, also a mortgage of £50,000, your mortgage would be netted off against your credit balances, to leave a net total of £30,000. You would therefore be entitled to receive £30,000 from the DCS.

The Isle of Man's DCS covers depositors irrespective of which country they live in or are incorporated in.

All licensed banks in the Isle of Man are members of the DCS, except those few which are listed in the Schedule at the end of the DCS Regulations. Building societies in the Isle of Man are not participants in the DCS. The specific banks listed in the Schedule do not take deposits on the Island from the general public. Here is the list of the banks in the DCS:

<http://www.gov.im/lib/docs/fsc/PressReleases/deposittakersinthedcs.pdf>

Your deposits with each bank that is separately licensed in the Isle of Man are covered, even if they are part of the same group. Here is the list of all the deposit takers (banks and buildings societies) which are licensed in the Isle of Man:

<http://www.gov.im/fsc/licenceholders/SearchLicenceHolders.aspx?type=Current&id=1&searchtext=&selection=Deposit+Taking&submit1=Submit>

Deposit compensation schemes in the UK, Ireland or elsewhere do not cover deposits with banks or building societies in the Isle of Man.

In order to claim compensation you will have to assign your rights to your whole deposit to the DCS manager.

The Financial Supervision Commission administers the DCS as the Scheme Manager.

You can get more information about compensation arrangements from the Isle of Man Depositors Compensation Scheme at [http://www.gov.im/fsc/investor/dep\\_comp.xml](http://www.gov.im/fsc/investor/dep_comp.xml) and such arrangements, including the maximum limits protected, may change from time to time. If the performance of your Account does not match any illustrated benefits, you will not, for that reason alone, be entitled to any compensation under the Isle of Man Compensation Scheme.

- The courts of the Isle of Man shall have exclusive jurisdiction to settle any disputes which may arise out of, or in connection with, this contract and accordingly any proceedings arising hereunder may be brought in such court. For the avoidance of doubt the Bank, for its sole benefit, reserves the right to issue proceedings in any other jurisdiction as appropriate or necessary for the protection of its rights hereunder.
- If any of these conditions are invalid, the rest shall remain valid and binding to the fullest extent permitted by law.
- We are not an Authorised Person subject to the rules and regulations made under the UK Financial Services and Markets Act 2000, and therefore deposits made with branches, all of which are outside the UK, are not protected by those rules and regulations covered by the UK Financial Services Compensation Scheme.

#### 🔗 Your information

##### Who we are

Your Account is with The Royal Bank of Scotland International Limited (RBS International). We are a member of The Royal Bank of Scotland Group (the "Group"). For information about our group of companies, please visit [www.rbs.com](http://www.rbs.com) and click on 'About Us', or for similar enquiries please telephone 00 44 131 556 8555 or Textphone 0845 900 5960.

##### How we use your information and who we share it with

Your information comprises all the details we hold about you and your transactions, and includes information obtained from third parties. We may use and share your information with other members of the Group to help us and them:

- assess financial and insurance risks;
- recover debt;
- prevent and detect crime;
- understand our customers' requirements;
- develop and test products and services

We do not disclose your information to anyone outside the Group except:

- where we have your permission; or
- where we are required or permitted to do so by law; or
- to credit reference and fraud prevention agencies and other companies who provide a service to us or you; or
- where we may transfer rights and obligations under this agreement.

We may transfer your information to other countries on the basis that anyone to whom we pass it provides an adequate level of protection. However, such information may be accessed by law enforcement agencies and other authorities to prevent and detect crime and comply with legal obligations. From time to time, we may change the way we use your information. Where we believe you may not reasonably expect such a change, we shall write to you. If you do not object to the change within 60 days, you consent to that change. If you would like a copy of the information we hold about you, please write to your branch. A fee may be payable.

##### 🔗 Credit reference agencies

We may make periodic searches at credit reference agencies and will provide information to the Group to manage and take decisions about your accounts. This may include information about how you manage your account including your account balance, credit limit and any arrears. We will also provide this information to credit reference agencies, who will make this information available to other organisations so that they can make decisions about you, your associates and members of your household. The information may also be used for tracing purposes.

##### 🔗 Fraud prevention agencies

If false or inaccurate information is provided and fraud is identified or suspected, details may be passed to fraud prevention agencies. Law enforcement agencies may access and use this information. We and other organisations may also access and use this information to prevent fraud and money laundering, for example when:

- checking applications for, and managing credit of other facilities and recovering debt;
- checking insurance proposals and claims;
- checking details of job applicants and employees.

We, and other organisations that may access and use information recorded by fraud prevention agencies, may do so from other countries.

We can provide the names and addresses of the credit reference and fraud prevention agencies we use if you would like a copy of the information held by them. Please contact your branch.

The agencies may charge a fee.



The Royal Bank of Scotland International Limited (RBS International). Registered Office: P.O. Box 64, Royal Bank House, 71 Bath Street, St. Helier, Jersey JE4 8PJ. Regulated by the Jersey Financial Services Commission.

Guernsey business address: P.O. Box 62, Royal Bank Place, 1 Glatigny Esplanade, St. Peter Port, Guernsey, GY1 4BQ. Regulated by the Guernsey Financial Services Commission and licensed under the Banking Supervision (Bailiwick of Guernsey) Law, 1994, as amended, the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, and the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended.

Isle of Man business address: Royal Bank House, 2 Victoria Street, Douglas, Isle of Man IM99 1NJ. Licensed by the Financial Supervision Commission of the Isle of Man and registered with the Insurance and Pensions Authority in respect of general business.

Our services are not offered to any person in any jurisdiction where their advertisement, offer or sale is restricted or prohibited by law or regulation or where we are not appropriately licensed.

RBS International Isle of Man branch is a member of the Depositors Compensation Scheme as set out in the Compensation of Depositors Regulations 2008. Further details of these schemes are available on request. Our Structured Deposit Accounts are domiciled in the Isle of Man and therefore you may have the protection of the Isle of Man Depositors Compensation Scheme subject to the rules of the scheme.

RBS International is a member of The Royal Bank of Scotland Group. The Royal Bank of Scotland plc - Registered in Scotland No 90312. Registered office: 36 St Andrew Square, Edinburgh EH2 2YB. The Royal Bank of Scotland plc is authorised and regulated by the Financial Services Authority. The latest report and accounts are available at [www.investors.rbs.com](http://www.investors.rbs.com). RBS International places funds with other parts of its Group and thus its financial standing is linked to the Group. Depositors may wish to form their own view on the financial standing of RBS International and the Group based on publicly available information. The latest report and accounts are available at [www.rbsinternational.com/financial-results](http://www.rbsinternational.com/financial-results).

RBS International is not an Authorised Person subject to the rules and regulations made under the UK Financial Services & Markets Act 2000, and therefore deposits made with branches, all of which are outside the UK, are not protected by those rules and regulations covered by the UK Financial Services Compensation Scheme. As at 31 December 2009, RBS International's paid-up capital and reserves exceeded £1,325 million. UK resident depositors may be subject to declaration and taxation of resulting income.

With currency accounts there is an exchange rate risk if the currency is not the depositor's reference currency.

AER stands for Annual Equivalent Rate and illustrates the interest rates as if paid each year.

The use of the word "protected" in relation to this product refers only to RBS International's obligations to repay your capital in full upon maturity. Our products are not guaranteed by any other party.

Please bear in mind that inflation may have reduced the purchasing power of your deposit by the time it has matured.

Past performance is not necessarily a guide to future performance. The value of deposits and any income from them can fall as well as rise.

Graphs and figures are used for illustrative and information purposes only and are not based on past or projected performance. They in no way represent projections of the anticipated or expected performance of relevant products.

Autopilot is not in any way sponsored, sold or promoted by any stock market, related exchange or index, and they make no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the index and/or the figure at which the index stands at any particular time on any particular day or otherwise. They shall not be liable (whether in negligence or otherwise) to any person for any error in the index and shall not be under any obligation to advise any person of any error therein.

All information in this promotional literature relating to taxation is for information purposes only and is based upon current legislation, which may change, and the availability and value of any tax relief will depend on your individual circumstances. In providing this information we are not acting as tax advisers and we strongly recommend that you seek independent professional advice if you are in any doubt over your personal circumstances. We shall not be liable for any loss resulting from reliance upon this information.

This brochure must be read in conjunction with the product terms and conditions and the application form.

If you are not satisfied with any of our products or services, we have a complaints procedure that you can use. A leaflet, giving details of the procedure, is available from your branch upon request.

Calls may be recorded.