



**Transfer of securities to BNP Paribas Arbitrage Issuance B.V. (“BNPP IBV”) pursuant to Part VII of the UK Financial Services and Markets Act 2000**

On 19 November 2015, The Royal Bank of Scotland plc (with its registered office at 36 St Andrew Square, Edinburgh, Scotland) (“**RBS**”) and BNP Paribas S.A. (incorporated in France and with its registered office at 16, Boulevard des Italiens, 75009 Paris, France) (“**BNPP**”), acting through its London Branch, announced that the Court of Session in Scotland had approved and sanctioned the implementation of a banking business transfer scheme, whereby certain assets and liabilities related to RBS’s structured retail investor products and equity derivatives business would be transferred to BNPP pursuant to Part VII of the UK Financial Services and Markets Act 2000 (the “**Part VII Scheme**”).

The Part VII Scheme took effect on 7 December 2015 (the “**Effective Date**”).

On the Effective Date, BNPP, acting through its London Branch, became the issuer of those securities originally issued by RBS that were transferred pursuant to the Part VII Scheme. Immediately after the transfer of those securities to BNPP, acting through its London Branch, the role of the issuer under those securities was transferred, also under the terms of the Part VII Scheme, to BNPP IBV, a wholly owned subsidiary of BNPP. As part of the Part VII Scheme, BNPP guarantees all the obligations of BNPP IBV arising in respect of the transferred securities.

Under the Part VII Scheme, amendments were made to the terms of the transferring securities and to agreements related to them from the Effective Date in order to give effect to the Part VII Scheme, including (but not limited to) references to “RBS”, in its capacity as issuer of the transferred securities, being construed as references to “BNPP IBV”.

Details of the securities that have transferred under the Part VII Scheme as well as further information on the Part VII Scheme generally can be viewed at <http://warrants.bnpparibas.com/>

[www.rbsbank.ch/markets](http://www.rbsbank.ch/markets) · [markets.ch@rbs.com](mailto:markets.ch@rbs.com) · +41 (0) 44 285 58 58 (Zurich) · +41 (0) 22 311 47 87 (Geneva)

# EURO STOXX 50® Index Mini-Future Long

Valor: 18778996; Symbol: STXHH; ISIN: CH0187789968

SSPA Product Type: Mini-Futures (2210)

This product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 et seq. of the Swiss Federal Act on Collective Investment Schemes (CISA) and thus is not subject to the supervision of the Swiss Financial Market Supervisory Authority FINMA. Therefore, investors in this product are not eligible for the specific investor protection under the CISA.

## A. Product Description

A Mini-Future requires a low level of capital investment and therefore enables investors to participate with a leverage in the price performance of the Underlying. It can be used as speculative instrument or for hedging purposes. With a Mini-Future Long the investor profits from rising prices of the Underlying. A Mini-Future does not have a fixed Expiration Date. If the Underlying reaches the Stop-Loss-Level, a Mini-Future expires immediately. The holders are reimbursed a potential Settlement Amount which depends on the market conditions after the Stop-Loss-Level has been reached.

<b>Issuer, Lead Manager, Calculation Agent</b>	The Royal Bank of Scotland plc, 250 Bishopsgate, London, EC2M 4AA, UK
<b>Issuer Rating</b>	Senior Long Term Debt Rating: S&P A, Fitch A, Moody's A3
<b>Prudential Regulation of the Issuer</b>	The Issuer is authorised by and regulated in the United Kingdom by the Financial Services Authority (FSA), in Switzerland by the Swiss Financial Market Supervisory Authority (FINMA) and in a number of other jurisdictions.
<b>Paying Agent, Exercise Agent</b>	The Royal Bank of Scotland plc, Edinburgh, Zurich Branch, Lerchenstrasse 24, P.O. Box 2921, 8022 Zürich

### Time Table

<b>Pricing Date</b>	16 August 2012
<b>Issue Date, Listing Date</b>	17 August 2012
<b>Expiration Date</b>	Open End - No fixed Expiration Date

### Product Terms

<b>Underlying</b>	EURO STOXX 50®, Reuters RIC: .STOXX50E, Bloomberg Code: SX5E Index
<b>Underlying Currency</b>	EUR
<b>Underlying Exchange</b>	Each exchange or quotation system from which the index sponsor takes the prices of the shares that comprise the Index
<b>Spot</b>	2,424.90 as of Pricing Date
<b>Dividends</b>	Applicable
<b>Issue Price</b>	EUR 2.45
<b>Initial Financing Level</b>	2,180
<b>Initial Stop-Loss-Level</b>	2,250
<b>Initial Stop-Loss-Buffer</b>	3% of Initial Financing Level
<b>Minimum Stop-Loss-Buffer</b>	2% of Current Financing Level
<b>Maximum Stop-Loss-Buffer</b>	5% of Current Financing Level
<b>Stop-Loss Rounding</b>	To the next 10 points
<b>Initial Financing Spread</b>	3% (an initial interest margin set by the Calculation Agent)
<b>Maximum Financing Spread</b>	5% (a maximum interest margin set by the Calculation Agent)
<b>Financing Level Currency</b>	EUR
<b>Number Issued</b>	400,000, with option to increase
<b>Ratio</b>	100 (100 Mini-Futures control 1 Underlying)
<b>Settlement Currency</b>	EUR
<b>Nominal Amount</b>	EUR 8,720,000.00
<b>Holder's Exercise Right</b>	Holders are entitled to exercise the Mini-Future, provided that the Issuer has not previously exercised its right of termination, by giving three Business Days notice prior to a scheduled Valuation Date.

<b>Valuation Date</b>	The last Trading Day of March each year, commencing one year after the Issue Date.												
<b>Issuer's Termination Right</b>	The Issuer has the option, commencing one day after the Issue Date, to redeem all of the Mini-Futures at the Settlement Amount by giving one year's notice specifying the Termination Date.												
<b>Termination Date</b>	The date specified in the notice notifying Mini-Future holders that the Issuer wishes to terminate the Mini-Futures.												
<b>Stop-Loss Event</b>	The Mini-Futures will terminate automatically if, at any time on any day from and including the Issue Date, the value of the Underlying is equal to or lower than the Current Stop-Loss-Level. A Stop-Loss Event will override both an Issuer's Termination Right and a Holder's Exercise Right.												
<b>Stop-Loss Termination Reference Price</b>	A fair value price for the Underlying as determined by the Calculation Agent on a best effort basis during a reasonable period following the Stop-Loss Event.												
<b>Settlement Amount</b>	Each Mini-Future upon exercise, upon termination or following a Stop-Loss Event, entitles the holder to receive an amount in the Settlement Currency equal to:  Max [ 0 ; (Final Reference Price - Current Financing Level) / Ratio ]  The Settlement Amount is payable five Business Days following the relevant date or as soon as practicable thereafter.												
<b>Final Reference Price</b>	In case of Holder's Exercise and Issuer's Termination, the level of the Underlying at the Valuation Time on the Valuation Date or Termination Date, as the case may be. In case of a Stop-Loss Event, the Stop-Loss Termination Reference Price.												
<b>Valuation Time</b>	The time with reference to which the index sponsor calculates and publishes the closing level of the Underlying.												
<b>Trading Day</b>	Any day on which the index sponsor calculates and publishes the closing level of the Underlying according to its rules.												
<b>Current Financing Spread</b>	On the Issue Date, the Initial Financing Spread, thereafter the Current Financing Spread will be an amount up to the Maximum Financing Spread determined by the Calculation Agent on each Reset Date by reference to market conditions.												
<b>Current Financing Level</b>	On the Issue Date, the Initial Financing Level, and thereafter, an amount determined by the Calculation Agent on each Trading Day in accordance with the following formula:  $CFL_t = CFL_{t-1} \times (1 + (Rate_{t-1} + c_{t-1}) \times DCF_{(t-1, t)}) - D_t$  <table border="0"> <tr> <td><math>CFL_t</math></td> <td>Current Financing Level on Trading Day t</td> </tr> <tr> <td><math>CFL_{t-1}</math></td> <td>Current Financing Level on the immediately preceding Trading Day t-1</td> </tr> <tr> <td><math>Rate_{t-1}</math></td> <td>Reference Interest Rate at the Valuation Time on the immediately preceding Trading Day t-1</td> </tr> <tr> <td><math>c_{t-1}</math></td> <td>Current Financing Spread at the Valuation Time on the immediately preceding Trading Day t-1, which may be reset on any Trading Day</td> </tr> <tr> <td><math>DCF_{(t-1, t)}</math></td> <td>Number of calendar days from (but excluding) the immediately preceding Trading Day t-1 to (and including) Trading Day t, divided by 360</td> </tr> <tr> <td><math>D_t</math></td> <td>Dividends or other payments from (but excluding) the immediately preceding Trading Day t-1 to (and including) Trading Day t net of applicable taxes and other deductions, converted into the Financing Level Currency</td> </tr> </table>	$CFL_t$	Current Financing Level on Trading Day t	$CFL_{t-1}$	Current Financing Level on the immediately preceding Trading Day t-1	$Rate_{t-1}$	Reference Interest Rate at the Valuation Time on the immediately preceding Trading Day t-1	$c_{t-1}$	Current Financing Spread at the Valuation Time on the immediately preceding Trading Day t-1, which may be reset on any Trading Day	$DCF_{(t-1, t)}$	Number of calendar days from (but excluding) the immediately preceding Trading Day t-1 to (and including) Trading Day t, divided by 360	$D_t$	Dividends or other payments from (but excluding) the immediately preceding Trading Day t-1 to (and including) Trading Day t net of applicable taxes and other deductions, converted into the Financing Level Currency
$CFL_t$	Current Financing Level on Trading Day t												
$CFL_{t-1}$	Current Financing Level on the immediately preceding Trading Day t-1												
$Rate_{t-1}$	Reference Interest Rate at the Valuation Time on the immediately preceding Trading Day t-1												
$c_{t-1}$	Current Financing Spread at the Valuation Time on the immediately preceding Trading Day t-1, which may be reset on any Trading Day												
$DCF_{(t-1, t)}$	Number of calendar days from (but excluding) the immediately preceding Trading Day t-1 to (and including) Trading Day t, divided by 360												
$D_t$	Dividends or other payments from (but excluding) the immediately preceding Trading Day t-1 to (and including) Trading Day t net of applicable taxes and other deductions, converted into the Financing Level Currency												
<b>Reference Interest Rate</b>	The prevailing interest rate for deposits in the Financing Level Currency with a maturity of either 3 months, 1 month or overnight (maturity selected by the Calculation Agent at its reasonable discretion), as determined by the Calculation Agent on each Reset Date.												
<b>Current Stop-Loss-Level</b>	On the Issue Date, the Initial Stop-Loss-Level, and on each Reset Date thereafter, an amount determined by the Calculation Agent in accordance with the following formula:  The Current Financing Level + Current Stop-Loss-Buffer  Rounded upwards in accordance with the Stop-Loss Rounding convention.												
<b>Current Stop-Loss-Buffer</b>	The Current Stop-Loss-Buffer will be an amount at/or between the Minimum Stop-Loss-Buffer and the Maximum Stop-Loss-Buffer selected by the Calculation Agent on each Reset Date by reference to market conditions (including market volatility).												
<b>Reset Date</b>	The first Reset Date is the Issue Date. Thereafter, at the determination of the Calculation Agent either (1) the 1st of each month or if that is not a Business Day the following Business Day or (2) each Business Day.												
<b>Further Information</b>													
<b>Business Day</b>	London and Clearing Agent												
<b>Governing Law</b>	English												
<b>Place of Jurisdiction</b>	The courts of England have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the product.												

<b>Fiscal Treatment in Switzerland</b>	<p><b>Swiss Federal Income Tax:</b> For private investors with tax domicile in Switzerland holding the Mini-Futures as part of their private assets, gains from the Mini-Futures are not subject to Swiss Federal Income Tax.</p> <p><b>Swiss Stamp Duty:</b> Secondary market transactions are not subject to Swiss stamp duty.</p> <p><b>Swiss Withholding Tax:</b> No Swiss withholding tax.</p> <p><b>EU Savings Tax:</b> For Swiss paying agents, this product is not subject to the EU Savings Tax.</p> <p>The above is a non-binding summary of the main tax consequences applicable to private investors resident in Switzerland and does not take special circumstances of investors into consideration. Tax laws and the tax authorities' practice may change, possibly with retroactive effect. Investors should consult their own tax advisor.</p>
<b>Listing</b>	SIX Swiss Exchange
<b>Secondary Settlement</b>	Trade Date + 3 Business Days
<b>Minimum Trading / Clearing System Size</b>	1 Mini-Future
<b>Clearing Agent</b>	SIX SIS Ltd, Euroclear Bank S.A. as operator of the Euroclear system, Clearstream Banking, société anonyme
<b>Publication of notifications and adjustments</b>	All notifications to investors concerning the products and adjustments to the product terms (e.g. due to corporate actions) are published under the tab "Downloads" of the respective product page on <a href="http://www.rbsbank.ch/markets">www.rbsbank.ch/markets</a> , and according to the provisions of SIX Swiss Exchange under <a href="http://www.six-swiss-exchange.com">www.six-swiss-exchange.com</a> .

## B. Prospects of Profit and Loss

### Market expectation

A Mini-Future Long offers the possibility to benefit from changes in the prices of the Underlying with a leverage effect. Investors in a Mini-Future Long expect the Underlying price to rise.

### Risk tolerance

Due to the leverage effect, the value of the Mini-Future Long will fluctuate more than the value of the Underlying. An investment in a Mini-Future Long therefore bears a higher risk than a direct investment in the Underlying. Investors in this product should be experienced investors being familiar with derivative products, leverage and the Underlying. Investors are willing to take a higher risk compared with a direct investment in the Underlying in order to achieve a higher profit potential.

### Profit potential

A Mini-Future Long benefits disproportionately from a positive price performance of the Underlying. The profit potential for a Mini-Future Long is unlimited.

### Loss potential

Investors may lose some or all of their invested capital but the maximum loss is limited to the initial capital invested. If the Underlying does not move, a Mini-Future Long loses value over time. A Mini-Future Long has no fixed maturity, but it terminates automatically if the Underlying price reaches or goes below the Stop-Loss-Level and is then redeemed as determined by the Calculation Agent by reference to unwinding of the hedging position on a best effort basis. The Stop-Loss-Level is adjusted periodically. The risk for an investment in a Mini-Future Long, which is significantly greater than it would be for a direct investment, is based not only on the leverage effect, but also on the occurrence of a Stop-Loss Event. Please also review the Issuer Risk factor below.

## C. Significant Risks for Investors

### Market risks

The performance of such product is dependent upon the development of capital markets in general which are influenced by the global and local economic and political conditions and frameworks. Changes to market prices such as equity prices, interest rates, commodity prices or corresponding volatilities may have a negative effect on the valuation of the Underlying or the product. The investor is exposed to market disruption events such as trading disruption, exchange disruption or early closure of the relevant exchange, adjustments and early termination or other unforeseeable occurrences which might have an impact on the Underlying and/or their stock exchanges or markets during the lifetime of the products or upon maturity. Such occurrences can have an impact on the redemption amount through delay in payment and/or change in value.

### Secondary market risks

Under normal market conditions, the market maker appointed by the Issuer intends but is not obliged to maintain a secondary market on a regular basis throughout the life of the product. Neither the Issuer nor the Lead Manager nor the market maker appointed by the Issuer is under any obligation to provide bid- or ask-prices for a specific order or volume and there is no guarantee of a specific liquidity or of a specific market making spread. Hence investors cannot rely on being able to purchase or sell the product on a specific date or at a specific price.

### Issuer risk

The value of the product may depend not only on the performance of the Underlying, but also on the creditworthiness of the Issuer, which may change during the lifetime of the product. The investor is exposed to the risk of default of the Issuer. If the Issuer fails to

make a payment or becomes insolvent investors could lose some or all of their investment. The Issuer Ratings indicated in this document reflect the situation at the time of issuance and may be subject to changes. The actual Issuer Ratings at any given time can be found on the Issuer's website ([www.rbs.com](http://www.rbs.com)) under "Investors/Credit Ratings".

#### **Further risk information**

Please also note the additional risk factors and selling restrictions set out in detail in the Base Prospectus specified below under Product Documentation.

## **Legal Notice**

#### **Product documentation**

This Term Sheet is for discussion purposes only and is only a summary of the key terms of the product. This Term Sheet is not an offer to buy the securities described herein. The final Term Sheet constitutes the Simplified Prospectus pursuant to Article 5 of the Federal Act on Collective Investment Schemes. Reference should always be made to the Base Prospectus in respect of the Issuer's LaunchPad Programme relating to Turbos dated 25 May 2012, as supplemented from time to time, which shall be read together with the Final Terms, which together contain the only legally binding terms and conditions and other information related to this product. The Base Prospectus, the Final Terms and the Simplified Prospectus can be obtained free of charge from: The Royal Bank of Scotland plc, Edinburgh Zurich Branch, Lerchenstrasse 24, P.O. Box 2921, 8022 Zurich; [markets.ch@rbs.com](mailto:markets.ch@rbs.com); +41 (0) 44 285 58 58.

#### **Selling restrictions**

UK, USA, US persons and European Economic Area. Details are set out in the Base Prospectus.

#### **Index Disclaimer**

The EURO STOXX 50® is the intellectual property (including registered trademarks) of STOXX Limited, Zurich, Switzerland and/or its licensors ("Licensors"), which is used under license. The securities based on the Index are in no way sponsored, endorsed, sold or promoted by STOXX and its Licensors and neither of the Licensors shall have any liability with respect thereto.