



BZX Information Circular 11-021
BYX Information Circular 11-021

Date: March 1, 2011

Re: RBS US Mid Cap Trendpilot Exchange Traded Notes

Pursuant to Rule 14.1(c)(2) of the Rules of BATS Exchange, Inc. and BATS Y-Exchange, Inc. (the “Exchange”), this Information Circular is being issued to advise you that the following securities have been approved for trading on the Exchange as UTP Derivative Securities pursuant to Chapter XIV of the Exchange’s Rules.

<u>Security (“Notes”)</u>	<u>Symbol</u>
RBS US Mid Cap Trendpilot Exchange Traded Notes	TRNM

Commencement of Trading on the Exchange: March 2, 2011

Issuer/Trust: The Royal Bank of Scotland N.C.

Issuer Website: www.rbs.com/etnUS/TRNM

Primary Listing Exchange: NYSE Arca

Primary Exchange Circular: RB-11-11 (January 27, 2011)

Registration Statement: Nos. 333-162193 and 333-162193-01

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in this new product on the Exchange, as well as to provide certain characteristics and features of the Notes.

Background Information on the Notes

Please see the prospectus for the Notes for more details regarding the calculations and details.

It is expected that the market value of the Notes will depend substantially on the value of the Index and may be affected by a number of other interrelated factors including, among other things: the general level of interest rates, the volatility of the Index, the time remaining to maturity, the dividend yield of the stocks comprising the Index, and the credit ratings of the Issuer.

Exchange Rules Applicable to Trading in the Notes

Trading in the Notes on BATS is subject to BATS equity trading rules.

The Royal Bank of Scotland N.V. (the “Issuer”) has issued Exchange Traded Notes (“ETNs” or “Notes”) linked to the RBS US Mid Cap Trendpilot Index (USD) Total Return (the “Index”). The Notes were priced at \$25. The ETNs do not pay any interest during their term and do not guarantee any return of principal at maturity or upon redemption.

The return on the ETNs will be based on the performance of the Index during the term of the ETNs. The Index was created by The Royal Bank of Scotland plc (the "Index Sponsor"), and is calculated by Standard & Poor's Financial Services LLC (the "Index calculation agent"). The level of the Index is reported on Bloomberg under the ticker symbol "TPMCUT <Index>." The Index provides exposure to either the S&P MidCap 400 Total Return Index (Bloomberg symbol "SPTRMDCP Index") (the "Benchmark Index") or the yield on a hypothetical notional investment in 3-month U.S. Treasury bills (the "Cash Rate"), depending on the relative performance of the Benchmark Index on a simple historical moving average basis. If the level of the Benchmark Index is at or above its historical 200-day simple moving average for five consecutive days (which is referred to in this pricing supplement as a "positive trend"), the Index will track the return on the Benchmark Index and will have no exposure to the Cash Rate until a negative trend occurs. Conversely, if the level of the Benchmark Index is below such average for five consecutive days (which is referred to in this pricing supplement as a "negative trend"), then the Index will track the Cash Rate and will have no exposure to the Benchmark Index until the next positive trend. As of the date of this pricing supplement, the Index tracks the Benchmark Index.

If the ETNs have not previously been repurchased or redeemed by RBS NV, at maturity investors will receive a cash payment equal to the daily redemption value of the ETNs on the final valuation date (subject to postponement if the final valuation date is not a trading day or a market disruption event exists on the final valuation date). The daily redemption value as of the inception date is equal to the stated principal amount of \$25.00 per ETN. For any valuation date thereafter, the daily redemption value per ETN is equal to (a) the daily redemption value on the immediately preceding valuation date, multiplied by (b) the index factor on such valuation date, multiplied by (c) the fee factor on such valuation date. RBS Securities Inc. (the "calculation agent") will determine the daily redemption value on each valuation date.

The index factor on any valuation date, including the final valuation date, will be equal to the Index closing level on such valuation date, divided by the Index closing level on the immediately preceding valuation date.

The fee factor on any valuation date, including the final valuation date, will be equal to one minus the investor fee, which is the product of (a) the annual investor fee and (b) the day-count fraction.

The annual investor fee will be equal to (a) 1.00% per annum when the Index is tracking the Benchmark Index and (b) 0.50% per annum when the Index is tracking the Cash Rate.

Please see the prospectus for the Notes for more details regarding the calculations and details.

Trading Hours

The Notes will trade on BATS between 8:00 a.m. and 5:00 p.m. ET.

Please note that trading in the Notes during the Exchange's Pre-Opening and After Hours Trading Sessions may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Pre-Opening and After Hours Trading Sessions, (2) lower liquidity in the Pre-Opening and After Hours Trading Sessions may impact pricing, (3) higher volatility in the Pre-Opening and After Hours Trading Sessions may impact pricing, (4) wider spreads may occur in the Pre-Opening and After Hours Trading Sessions, and (5) because the indicative value is not calculated or widely disseminated during the Pre-Opening or After Hours Trading Sessions, an investor who is unable to calculate an implied value for the Shares in those sessions may be at a disadvantage to market professionals.

Suitability

Trading in the securities on BATS will be subject to the provisions of Exchange Rule 3.7. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer. Members should adopt appropriate procedures for the

opening and maintaining of accounts, including the maintaining of records prescribed by any applicable regulatory organization and by the rules and regulations of the Commission.

Trading Halts

BATS will halt trading in the shares of a security in accordance with BATS Rule 14.1(c)(4). The grounds for a halt under BATS Rule 14.1(c)(4) include a halt by the primary market because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, or a halt for other regulatory reasons. In addition, BATS will stop trading the shares of a security if the primary market de-lists the security.

This Information Circular is not a statutory prospectus. BATS Members should consult the prospectus for a security and the security's website for relevant information.

Please contact Membership Services at 913.815.7002 with any inquiries regarding this Information Circular.