

Changes to your Terms and Conditions

Important Information

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November 2010

Changes to Terms and Conditions for Personal and Private Banking

We have made some changes to the following:

- Our *'Personal and Private Banking – Terms and Conditions'* (our '**Terms and Conditions**'); and
- Our leaflets, *'Personal Banking – Charges and Rates of Interest'* and *'Private Banking – Charges and Rates of Interest'* (our '**Fees Leaflets**'); and
- Our leaflet *'Savings Interest Rates'* (our '**Savings Interest Rates Leaflet**').

These changes alter the terms of the contract between you and us.

Our unarranged overdraft fees are changing.

We are introducing a new daily fee of £6 which will apply if there is an unarranged overdraft on your account. This fee will be known as the Unarranged Overdraft Fee and it will replace our Maintenance Charge, Guaranteed Card Payment Fee, Paid Referral Fee and debit interest on unarranged overdrafts.

The Unpaid Item Fee will be renamed the 'Returned Item Fee'. We are also increasing this fee. A Returned Item Fee of £6 will apply for each returned item (subject to a maximum of £60 in any charging period).

We will also no longer offer our Monthly Management Fee Option. If you have opted for the Monthly Management Fee Option, the separate schedule which currently applies to your account (the *Schedule of Charges applicable to the Monthly Management Fee Option*) will cease to have effect and you should instead refer to our fees leaflet *'Personal Banking – Charges and Rates of Interest'* for details of the charges that apply to your account.

These changes to our Terms and Conditions and Fees Leaflets are summarised in Section 1. For full details of the Unarranged Overdraft Fee and Returned Item Fee, please see General Condition 6.3 (which is set out in full in Section 2 **on page 7**) and the text headed 'Arranged Overdrafts, Unarranged Overdrafts, Returned Items and Enforcement Charges' in section 7 of our updated Fees Leaflets (**see pages 14 and 20**).

Please note that it is possible for you to incur both an Unarranged Overdraft Fee and a Returned Item Fee on the same day or as a result of a single transaction (for example, where we take a Returned Item Fee from your account and this creates an unarranged overdraft on your account).

You will always receive at least 14 days' notice before we take an Unarranged Overdraft Fee and/or a Returned Item Fee from your account.

The changes to our unarranged overdraft fees come into effect on the first day of your charging period following **1 February 2011**. The first day of your charging period is normally the day after we issue your statement to you.

The removal of debit interest on unarranged overdrafts will come into effect on **1 February 2011**.

We have also made some changes to our Savings Interest Rates Leaflet and General Conditions 3.1.2, 5.5.1(a), 6.6.2, 6.6.5, 9.2, 11.2.1(c)(i), 11.3, 14.3.14 and Account Specific Conditions 3.3, 3.9, 4.1, 5.1, 6.1, 9.1, 10.1, 13.8, 17, 31.6, 32.6, 33.4, 33.5, 33.6, 34, 35.3 and 37.6. These changes take effect on **1 February 2011**.

The changes apply to all our Personal and Private Banking current accounts and savings accounts unless otherwise stated.

Please read the information in this leaflet carefully and keep it for future reference.

- Section 1 of this leaflet summarises the main changes to our Terms and Conditions, Fees Leaflets and our Savings Interest Rates Leaflet. **(page 5)**
- Section 2 of this leaflet provides full details of the changes to our Terms and Conditions. **(page 7)**
- Section 3 of this leaflet contains the full text of both of our updated Fees Leaflets and detailed changes to our Savings Interest Rates Leaflet. **(page 11)**

If you have any questions, or need further information on how these changes affect you, please contact your local branch.

The updated versions of these leaflets are available on request in your local branch or on our website **www.rbs.co.uk** from **1 February 2011**.

Section 1: Summary of Changes

Main terms being changed in our Terms and Conditions	Summary of change
Throughout the Terms and Conditions	All references to 'unpaid items' and to the 'Unpaid Item Fee' have been changed to 'returned items' and the 'Returned Item Fee'.
General Condition 3.1.2 Section A: Conditions of General Application	This has been amended so that you may give us instructions to debit your account by using a contactless card.
General Condition 6.3 Section A: Conditions of General Application	General Condition 6.3 has been deleted and replaced with a new General Condition 6.3 which explains how we deal with instructions which give rise to unarranged overdrafts and/or returned items on your account, and provides for the charges we make in such cases.
General Condition 6.6.2 Section A: Conditions of General Application	This term (relating to interest and charges) now applies only to arranged overdrafts and not to unarranged overdrafts.
General Condition 6.6.4 Section A: Conditions of General Application	The reference to the 'Paid Referral Fee' has been deleted. This term now provides that we may apply an Unarranged Overdraft Fee where an unarranged overdraft arises because we have debited your account with interest, charges or costs.
General Condition 6.6.5 Section A: Conditions of General Application	This has been amended to provide that we will not charge interest on an unarranged overdraft. The references to the 'Maintenance Charge', 'Paid Referral Fee' and 'Guaranteed Card Payment Fee' have been removed from paragraph (b). Paragraph (b) now provides that we will not charge debit interest on any part of an arranged overdrawn balance which represents a Returned Item Fee or an Unarranged Overdraft Fee.
General Condition 9.2 Section A: Conditions of General Application	This has been amended to allow us to contact you by mobile phone or email.
General Condition 11.3 Section A: Conditions of General Application	This has been amended to reflect the fact that debit interest will only be charged on arranged overdrafts and not on unarranged overdrafts.
Account Specific Condition 13.8 (Private Banking Deposit Account)	This has been amended to clarify that if you cease to hold any Private Banking account with us, we may close your Private Banking Deposit Account.
Account Specific Condition 17 (First Home Saver Account), Account Specific Conditions 33.4, 33.5, 33.6 (Bonus 30 Account) and Account Specific Condition 34 (Fixed Rate Bond)	These have been amended to make them easier to read and understand.
Account Specific Conditions 31.6, 32.6, 35.3 and 37.6 (Instant Access ISA, Cash ISA Plus, Cash ISA – TESSA Funds and 60 Day ISA)	These have been amended to clarify that if the amount you pay into your ISA exceeds the subscription limit set by the Government, we will return any excess money to you.

Main terms being changed in our Fees Leaflets	Summary of change
Section 6 (Interest due on overdrawn balances)	Section 6 has been given a new heading: 'Interest due on arranged overdrafts'.
Section 6 (Interest due on arranged overdrafts)	The sub-heading 'Unarranged Overdrafts' and all the text under this sub-heading has been deleted.
Section 6 (Interest due on arranged overdrafts)	Under the sub-heading 'Sums which do not bear interest', we have deleted the references to 'Maintenance Charge', 'Paid Referral Fee' and 'Guaranteed Card Payment Fee' and have replaced them with a reference to the 'Returned Item Fee' and the 'Unarranged Overdraft Fee'.
Section 7 (Arranged Overdrafts, Unarranged Overdrafts, Unpaid Items and Enforcement Charges)	We have renamed this section 'Arranged Overdrafts, Unarranged Overdrafts, Returned Items and Enforcement Charges'.
Section 7 (Arranged Overdrafts, Unarranged Overdrafts, Returned Items and Enforcement Charges)	We have amended the paragraph directly below the sub-heading 'Unarranged overdrafts and returned items – charges' (previously 'Unarranged overdrafts and unpaid items – charges') to provide that we will give you not less than 14 days' notice if we are going to debit your account with an Unarranged Overdraft Fee and/or a Returned Item Fee. We have also deleted the text headed 'Maintenance Charge', 'Paid Referral Fee' and 'Guaranteed Card Payment Fee' and substituted new text headed 'Unarranged Overdraft Fee'. Please note we have increased the Returned Item Fee to £6.
Section 7 (Arranged Overdrafts, Unarranged Overdrafts and Returned Items and Enforcement Charges)	We have deleted the sub-section 'Monthly Management Fee Option'.

Main terms being changed in our Savings Interest Rates Leaflet	Summary of change
Sections headed 'Instant Access Savings Account' and 'Instant Access Savings Account (Offset)'	We have removed the packaged account benefit which entitled you to earn a 0.25% gross interest bonus on your Instant Access Savings Account if you have a Student Royalties, Graduate Royalties, Royalties, Royalties Gold or Royalties Premier account.

30 Day Savings Account and 60 Day Savings Account	Change
	We have removed the packaged account benefit which entitled you to earn a 0.25% gross interest bonus on your 30 Day Savings Account and 60 Day Savings Account if you have a Royalties Gold or Royalties Premier account.

Section 2: Detailed changes to our Terms and Conditions

General Conditions

Throughout the Terms and Conditions:

- All references to an “unpaid item” or “unpaid items” have been changed to “returned item” or “returned items”.
- All references to the “Unpaid Item Fee” have been changed to the “Returned Item Fee”.

General Condition 3.1.2 has been amended and now reads:

3.1.2 Your instructions can be given to us in writing (which must include your signature(s)), by cash machine, by telephone, online, by contactless card or by any other means we tell you are available.

General Condition 5.5.1(a) has been amended and now reads:

5.5.1 (a) Where you instruct us to make a payment using the Faster Payments Service, the payment will normally be credited to the payee’s account immediately (but may sometimes take up to 2 hours), providing the payment amount is within our defined limits and the receiving bank is a member of the Faster Payments Service. Further information on the Faster Payments Service can be found in our leaflet *How to make the most of your account*.

General Condition 6.3 has been deleted and replaced with a new General Condition 6.3 which reads:

6.3 Unarranged overdrafts and returned items

- 6.3.1 If you issue instructions for a withdrawal or other payment which would result in:
- (a) your account becoming overdrawn, or further overdrawn, without prior arrangement; or
 - (b) your overdraft limit being exceeded, we will treat your instructions as an informal request for an unarranged overdraft. General Conditions 6.3.2 to 6.3.4 describe how we process your request and the charges we make in such cases.
- 6.3.2 We will be obliged to accept your request if you have used a cheque guarantee card or debit card to guarantee payment. In any other case, we will decide in our discretion whether or not to accept your request. We will take account of your financial circumstances in reaching our decision.
- 6.3.3 If we reject your request, we will make a charge known as a Returned Item Fee. This charge will apply in addition to any charge which may be imposed under General Condition 6.3.4.
- 6.3.4 Where you have an unarranged overdraft, we will apply a daily charge known as an Unarranged Overdraft Fee.

- 6.3.5 The charges mentioned in this General Condition 6.3 will be calculated and charged in the manner and at the rates set out in the fees leaflet that applies to your account (either *Personal Banking – Charges and Rates of Interest* or *Private Banking – Charges and Rates of Interest*).
- 6.3.6 If we allow an overdraft to be created or your arranged overdraft limit to be exceeded, this will not mean that your arranged overdraft limit has been changed, nor that we are bound to make any other payment which would have the same effect.
- 6.3.7 We may cancel any Standing Order or Direct Debit on your account if it is unpaid on more than one occasion and we reasonably think that the cleared balance (plus any unused arranged overdraft facility) on your account is unlikely to be sufficient to meet future payments under the Standing Order or Direct Debit.

General Condition 6.6.2 has been amended and now reads:

6.6.2 Interest and charges relating to arranged overdrafts will be payable and will be calculated and charged in the manner and at the rates set out in the fees leaflet that applies to your account (either *Personal Banking – Charges and Rates of Interest* or *Private Banking – Charges and Rates of Interest*) and in any overdraft confirmation letter. Interest will be calculated on the daily cleared overdrawn balance on your account (both before and after any judgement for payment).

General Condition 6.6.4 has been amended and now reads:

6.6.4 We may debit your account with any interest, fees, charges or other costs, even if this results in or increases an unarranged overdraft. If an unarranged overdraft arises in this way we may apply an Unarranged Overdraft Fee under General Condition 6.3.4.

General Condition 6.6.5 has been amended and now reads:

6.6.5 We do not charge interest on unarranged overdrafts. Nor will we charge interest under General Condition 6.6.2 on any part of an arranged overdrawn balance which represents:

- (a) a Default Notice Fee or other sum (apart from interest) which is payable by you in connection with a breach of your obligations under your agreement with us; or
- (b) a Returned Item Fee or Unarranged Overdraft Fee.

In General Condition 9.2.3 ‘or mobile’ has been inserted between the words ‘telephone’ and ‘number’.

A new General Condition 9.2.4 has been inserted and reads:

9.2.4 If we hold an email address or mobile phone number for you, we may use this to communicate service related information to you and, in particular, we may alert you to any concerns we may have about the activity on your account.

General Condition 11.2.1(c)(i) has been amended and now reads:

- 11.2.1 (c)(i)
the interest rate that applies to your account falls by more than 0.25% in a single movement; or

General Condition 11.3 has been amended and now reads:

- 11.3 Notification of changes to arranged overdraft interest rates**
- 11.3.1 Except where General Condition 11.3.2 applies, if we are changing the interest rates we charge on arranged overdrafts, we will notify you personally not less than seven days before the change comes into effect.
- 11.3.2 For arranged overdraft interest rates that are linked to an internal reference rate (for example, set at a margin over our base rate) we may notify you of a change to the reference rate by advertising the change as soon as possible after it comes into effect in at least three national daily newspapers and on our website www.rbs.co.uk. Where the change applies to branch based accounts, we will also display a notice of the change in our branches.

Card Conditions

In General Condition 14.3.14, the number “14.3.13” has been deleted and replaced with “14.3.2”.

Account Specific Conditions

Revolve Account

Account Specific Condition 3.3 has been amended and now reads:

When you reach age 18 or apply for a full time Higher Education course through the Universities and Colleges Admissions Service, we may change your Revolve Account to a Key Account or a Current Account or a Student Royalties Account. We will notify you personally at least 60 days before we do this at which time we will provide you with up to date copies of *Personal and Private Banking – Terms and Conditions* and *Personal Banking – Charges and Rates of Interest*.

Account Specific Condition 3.9 has been deleted.

Current Account, Key Account, Cash Account, Royalties Account and Royalties Gold Account

In Account Specific Conditions 4.1, 5.1, 6.1, 9.1 and 10.1 the words ‘aged 16 years’ have been deleted and replaced with ‘aged 18 years’.

Private Banking Deposit Account

Account Specific Condition 13.8 has been amended and now reads:

If you are no longer a Private Banking customer we may close your Private Banking Deposit Account and any balance will be transferred to an Instant Access Savings Account (or equivalent).

First Home Saver Account

Account Specific Condition 17 has been amended and now reads:

- 17 FIRST HOME SAVER ACCOUNT**
- 17.1 First Home Saver Accounts are available only to individuals aged 16 years or over, and mortgages are available only to individuals aged 18 years or over.
- 17.2 Joint accounts are permitted.
- 17.3 When you open your account, you must deposit at least £100 into the account.
- 17.4 After you open your account, the balance may fall below £100 but it must not exceed £1 million.
- 17.5 Interest on balances of £500 or more will be paid at a rate which tracks the Bank of England Base Rate by a percentage rate as set out in our leaflet *Savings Interest Rates*.
- 17.6 When the Bank of England Base Rate changes, we will change the interest rate on your account within 30 days of the change to the Bank of England Base Rate. We will give you notice of any change to the interest rate on your account at the earliest opportunity after the change has come into effect. We will do so by taking the steps set out in General Condition 11.2.2.
- 17.7 Interest will be paid into your First Home Saver Account or another account held by you at your branch.
- 17.8 Your account allows instant access withdrawals. You may make 3 withdrawals for free during each 3 month period that you have your account (the first of which will commence on the date on which your account was opened). We will charge you when you make further withdrawals as set out in our leaflet *Savings Interest Rates*.
- 17.9 You may not have your wage or salary paid directly into your account.
- 17.10 Standing Order and Direct Debit payments are not permitted on your account.
- 17.11 Arranged overdrafts are not available on your account.
- 17.12 Cheque books are not available on your account.
- 17.13 You will be entitled to cashback on your account, provided that you meet all of the following requirements:
- you have not previously held a mortgage, or if your account is in joint names, neither one of you has previously held a mortgage, however only one of you is required to apply for a mortgage; and
 - your account has been open for at least 6 months prior to the mortgage funds being used; and

- (c) you maintain a balance of at least the amount required to qualify for the cashback at any given tier (as set out in our leaflet *Savings Interest Rates*) for a minimum of 6 months. If, after that 6 month period, you need to withdraw money as part of the house buying process then you will still be entitled to your cashback, so long as the mortgage funds are used within 60 days of the withdrawal being made; and
 - (d) at least one payment a month of a minimum of £50 is made into your account by Standing Order; and
 - (e) you (or, if you apply for the mortgage jointly, each of you making the mortgage application) meet our standard mortgage criteria for the mortgage you apply for; and
 - (f) you use the funds from one of our mortgages (excluding Buy to Let mortgages); and
 - (g) your account remains open either until the cashback is paid or the expiry of 4 months following the use of the mortgage funds, whichever is earlier. No further payments into the account are required following the use of the mortgage funds to be eligible for the cashback.
- 17.14 Only one cashback per mortgage application will be allowed. Only one cashback can be claimed per person. Where your account or mortgage is in joint names, only one cashback will be paid.
- 17.15 Cashback will not be paid automatically. You must claim it within 3 months of the mortgage funds being used.
- 17.16 To claim cashback you must contact your branch. We will then advise you if you qualify for cashback. If you qualify, we will pay the cashback into your account within 30 days of the date you contact us.
- 17.17 If cashback is payable:
- (a) it will only be paid into your First Home Saver Account; and
 - (b) it will be calculated using the lowest balance in your account in the 6 months prior to the mortgage funds being used, subject to a maximum balance as detailed in our leaflet *Savings Interest Rates*. When calculating the lowest balance we will not take into account any withdrawals that you make in the 60 days prior to the mortgage funds being used which are made as part of the house buying process. We may ask you to provide evidence of the purpose of each withdrawal.
- 17.18 We may withdraw the cashback offer, provided that we notify you personally 6 months beforehand.

Instant Access ISA

Account Specific Condition 31.6 has been amended and now reads:

- 31.6 The maximum amount that can be paid into your account each tax year is set by the Government and may change from time to time. If the amount paid in exceeds the subscription limit any excess money will be returned to you.

Cash ISA Plus

Account Specific Condition 32.6 has been amended and now reads:

- 32.6 The maximum amount that can be paid into your account each tax year is set by the Government and may change from time to time. If the amount paid in exceeds the subscription limit any excess money will be returned to you.

Bonus 30 Account

Account Specific Condition 33.4 has been amended and now reads:

- 33.4 You may make withdrawals or close your account without loss of interest if:
- (a) you give us 30 days' prior written notice of the amount you wish to withdraw or the closure of your account; and
 - (b) you make the withdrawal or close your account within the branch where your account is held; and
 - (c) you make the withdrawal or close your account within 14 days of the end of that 30 day period.

Account Specific Condition 33.5 has been amended and now reads:

- 33.5 If, you are unable to give us the notice set out in Account Specific Condition 33.4(a), or you do not make the withdrawal or close your account within the period mentioned in Account Specific Condition 33.4(c), you may still make the withdrawal or close your account at the branch where your account is held. If you do so, you will lose 30 days' interest on the sum withdrawn, calculated at the interest rate applicable to your account immediately before the withdrawal (excluding any bonus). If the amount of the lost interest is more than the value of the accrued interest on your account as at the date of withdrawal, we will deduct the rest from your account balance.

Account Specific Condition 33.6 has been amended and now reads:

- 33.6 For withdrawals at branches other than the branch where your account is held, you will lose 30 days' interest on the sum withdrawn. Interest lost will be calculated at the interest rate applicable to your account immediately before the withdrawal (excluding any bonus). If the amount of the lost interest is more than the interest which has accrued on your account as at the date of withdrawal, we will deduct the rest from your account balance.

Fixed Rate Bond

Account Specific Condition 34 has been amended and now reads:

34 FIXED RATE BOND

- 34.1 Fixed Rate Bonds are available only to individuals aged 18 years or over. The number of Fixed Rate Bonds permitted per customer per issue will be set out in the information sheet for that issue (the 'Information Sheet').
- 34.2 The minimum and maximum permitted deposit will vary according to the specific issue and will be set out in the Information Sheet.
- 34.3 All applications received after 3.30pm will be dealt with on the following business day and we may refuse to accept your deposit.
- 34.4 You must nominate and maintain for the duration of your bond a Royal Bank of Scotland current account or savings account with instant access (other than an ISA) at a branch in the UK. You must tell us that you will be using this account for that purpose. Your initial deposit into your bond must be made by a transfer of cleared funds from your nominated account.
- 34.5 The duration of your bond will vary according to the specific bond issue. It will be set out in the Information Sheet.
- 34.6 You may not add to your initial deposit during the term of your bond.
- 34.7 Interest is calculated and paid in the manner and at the rates set out in the Information Sheet.
- 34.8 If you ask us to pay interest monthly, we will pay it into your nominated account on the last business day of the month. On the last day within the term of your bond, your initial deposit plus any outstanding interest will be paid into your nominated account.
- 34.9 If you ask us to pay interest annually, we will pay it into your nominated account on the last business day of April. On the last day within the term of your bond, your initial deposit plus any outstanding interest will be paid into your nominated account.
- 34.10 Interest earned on balances of less than £50,000 will be paid subject to your tax status. Interest earned on balances of £50,000 or more will be paid without deduction of tax, without having to complete an HM Revenue & Customs registration or declaration form. You will be responsible for declaring the income to HM Revenue & Customs and for any tax due.
- 34.11 The account into which your balance will be paid will be the same as the account you have chosen for interest payments.
- 34.12 Partial withdrawals from your bond are not permitted.
- 34.13 Each bond issue has a specified maturity date which is set out in the Information Sheet. We will contact you personally to confirm where your bond balance will be paid on maturity and to provide details of alternative savings options.
- 34.14 You may only close your bond on or after a specified date. If you close your bond before the date specified in the Information Sheet, we will charge you an early redemption fee as detailed in the Information Sheet.

- 34.15 If your bond is a joint bond and one of you dies, then it can be closed without loss of interest for early closure or continued until maturity in the survivor's name. If it is a sole bond and you die, or a joint bond and the sole surviving bondholder dies, then the bond will be closed without loss of interest for early closure.
- 34.16 We reserve the right to withdraw any issue without notice and decline to accept any further Fixed Rate Bond applications.

Cash ISA – TESSA Funds

Account Specific Condition 35.3 has been amended and now reads:

- 35.3 The maximum amount that can be paid into your account each tax year is set by the Government and may change from time to time. If the amount paid in exceeds the subscription limit any excess money will be returned to you.

60 Day ISA

Account Specific Condition 37.6 has been amended and now reads:

- 37.6 The maximum amount that can be paid into your account each tax year is set by the Government and may change from time to time. If the amount paid in exceeds the subscription limit any excess money will be returned to you.

Section 3: Our Fees Leaflets and Savings Interest Rates Leaflet

Our leaflet *Personal Banking – Charges and Rates of Interest* will be updated on 1 February 2011 and will read:

We're committed to helping you get the most out of your account – which includes making you aware of the charges and rates of interest that apply to your account. It is important that you read and retain this leaflet which forms an integral part of the documents and brochures in the following list that apply to your account:

- the account opening form or the conversion form for your account
- *Personal and Private Banking – Terms and Conditions*
- *Current Accounts – Banking that gives you more for your money*
- *Key Account – For your everyday banking*
- *How to make the most of your account*
- *Royalties Premier*, Royalties Gold, Royalties, Student Royalties and Graduate Royalties Service Guides*
- *R21 Account** benefits guide*

*Royalties Premier is not available to new customers.

**R21 is not available to new customers.

All charges and rates shown are correct as at 1 February 2011 and may change.

To find out more about our current interest rates and charges, you can:

- phone our helpline – **0800 121 129**
- use our Minicom service – **0800 404 6160**
- look on our website – **www.rbs.co.uk**
- ask any of our branch staff

This leaflet tells you about:

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1. Plain Speaking – glossary

Below, we explain some common terms used in this leaflet, in plain English.

Annual Equivalent Rate (AER)

This is a notional rate used for interest bearing accounts which illustrates what the gross credit interest rate (excluding any bonus interest payable) would be if paid and compounded on an annual basis. It helps you to compare the effective rates of credit interest on different accounts.

Effective Annual Rate of Interest (EAR)

This is the real annual cost of an overdraft, stated as an annual rate, which takes into account how often interest is charged to the account. All other charges, such as arrangement fees, must be shown separately from the EAR.

Gross Rate

This means the interest rate you are paid before the deduction of income tax.

Net Rate

This means the interest rate you are paid after the deduction of income tax. See section 10 for more information on the deduction of income tax from interest paid to you.

Nominal Rate

The rate charged excluding compounding of interest and other charges associated with a borrowing, e.g. arrangement and security fees.

p.a.

per annum (per year).

This leaflet is also available in Braille, large print and on audio cassette. Please ask at any branch for a copy of the leaflet entitled *The Disability Discrimination Act – 'How we make our services accessible to everyone'*.

2. The price for your banking services

The charges and rates of interest set out in this leaflet include:

- the monthly membership fees we charge for Royalties, Royalties Gold and Royalties Premier* (section 4);
- the interest rates we may pay you when your account is in credit (section 5);
- the interest rates we charge you when your account is overdrawn (section 6); and
- our unarranged overdraft and returned item charges (section 7).

These charges and rates of interest work together as the main elements of the pricing structure we use for our current accounts. The way we charge puts you in control of what you pay.

As long as you stay in credit, you can enjoy the services listed in section 3 of this leaflet without any separate charge being made. This is possible because our pricing structure enables us to charge for the provision of the account through the fees, charges and interest set out in sections 4, 6 and 7, and through setting the interest rates shown in section 5 at a level which allows us to benefit from the use we make of any credit balance in the account.

*Royalties Premier is not available to new customers.

3. Services you can receive without separate charge

As long as you stay in credit, you can receive the following services without any separate charge being made:

- payments by debit card in the UK, cheque, Direct Debit or Standing Order;
- transactions using your debit card or ATM card in Royal Bank of Scotland or NatWest cash machines, or almost

all other UK cash machines. There are some cash machines in the UK and abroad where the owner of the machine may charge a fee. You will be advised on the screen about any charges before you withdraw cash. You can then stop the transaction if you do not want to be charged;

- account statements (but a charge is made for copies);
- cheque books, paying-in books and statement holders;
- telephone and online banking – apart from the cost of the phone call and any charges your Internet Service Provider may charge you for accessing the service;
- use of our counter services. There may be additional fees if we have to make special arrangements or provide specialist services.

4. Royalties membership fees

The following monthly membership fees are payable if you are a Royalties, Royalties Gold or Royalties Premier* customer. Membership includes access to all the benefits listed in the appropriate brochures and user guides. These also contain details of other fees and services.

Royalties

£6.95 per month will be payable from your Royalties Account.

Royalties Gold

£12.95 per month will be payable from your Royalties Gold Account.

Royalties Premier*

£15 per month will be payable from your Royalties Premier Account*.

Application of membership fees

The monthly membership fees will be applied 16 days after the end of the charging period (or on the next business day if this is a Saturday, Sunday or Bank Holiday) and will appear on your account statement as 'CHG'. The charging period normally ends on the date that we send your statement to you.

*Royalties Premier is not available to new customers.

5. Interest we pay you

The annual rates of interest paid on credit balances are as follows:

1. R21 Account* and Revolve Account

Type of account	Gross Rate %	AER %	Net Rate %
R21 Account	0.80%	0.80%	0.64%
Revolve Account	0.55%	0.55%	0.44%

2. Royalties Premier*, Royalties Gold, Royalties, Current Account, Student Royalties, Graduate Royalties, Key Account and Cash Account

These accounts do not pay interest on credit balances.

Calculation and application of interest

Interest is calculated on a daily basis and paid into your account once a month, usually the day after we issue your statement to you.

Changes to Interest Rates

From time to time we may alter the interest rates set out in this leaflet. When we alter our interest rates, we will either notify you personally or, in certain cases, we may notify you by press advertisements within three of the following daily national newspapers:

The Times	The Financial Times
The Independent	The Guardian
The Daily Telegraph	Daily Mail
Daily Express	The Herald
The Scotsman	The Press & Journal
Daily Record	

If we notify you by press advertisements, we will also advertise the changes on our website www.rbs.co.uk and, where the alteration applies to branch based accounts, by branch notices. For more information on when we may change interest rates in this way, please see General Condition 11 (Changes to interest rates and exchange rates) in our leaflet *Personal and Private Banking – Terms and Conditions*.

*These accounts are not available to new customers.

6. Interest due on arranged overdrafts

1. Royalties Premier*, Royalties Gold, Royalties, Current Account and R21 Account*

If you have arranged an overdraft facility with us in advance and you use this facility within the thresholds shown below, you will not pay any interest. If the amount you overdraw under an arranged overdraft facility exceeds these thresholds, you will pay interest at the rates shown in the tables below on the overdrawn balance – please note that this includes the part of the balance which is within any interest free threshold that applies to your account. However, we will not charge interest on any part of the overdrawn balance which is an unarranged overdraft or represents fees, charges or costs of the kind described below under the heading *Sums which do not bear interest*.

Type of account	Interest Free Thresholds
Royalties Premier*	£500
Royalties Gold	£250
Royalties, Current Account, R21 Account*	£100

*These accounts are not available to new customers.

Type of account	Nominal Monthly rate %	Nominal Annual rate %	EAR % variable
Royalties Premier* <i>All Amounts</i>	1.16	13.96	14.89
14.89% EAR Typical (variable)			
Royalties Gold <i>All Amounts</i>	1.48	17.73	19.24
19.24% EAR Typical (variable)			
Royalties <i>All Amounts</i>	1.49	17.94	19.49
19.49% EAR Typical (variable)			
Current Account <i>All Amounts</i>	1.52	18.28	19.89
19.89% EAR Typical (variable)			
R21 Account* <i>All Amounts</i>	1.25	14.93	16.00
16.00% EAR Typical (variable)			

2. Student Royalties

Your overdraft is available at a preferential rate. If at any time you cease to be a Student Royalties customer, for any reason, then the interest rate you pay on your overdraft will revert to the standard rate which applies to Current Account customers.

Student Royalties arranged overdrafts are interest free and available subject to status.

To help you budget, we normally recommend limits as shown below. However, you can apply for £2,000 interest free at any time but the overdraft you get will depend on your personal circumstances and the year you opened your Student Royalties account. If you request an arranged overdraft with a limit which exceeds the thresholds set out below, you will need to provide additional information to support your application.

All Student Royalties customers entering their second, third, fourth or fifth year of university will have the following thresholds applied:

Recommended Interest Free Overdraft	
Year 2	£1,400
Year 3	£1,600
Year 4	£1,800
Year 5	£2,000

From 2010 all Student Royalties customers starting their first year of university will have the following thresholds applied:

Recommended Interest Free Overdraft		
Year 1	Term 1	£500
	Term 2	£750
	Term 3	£1,000
Year 2		£1,250
Year 3		£1,500
Year 4		£1,750
Year 5		£2,000

In order to be eligible to apply for your interest free overdraft on your student account, your Student Royalties account must be your main bank account. This means that the account should be used for the purpose of ordinary banking transactions, with at least 1 credit transaction on your account every 3 months and at least 3 debit transactions per month during term time (which can include debit card transactions (point of sale), ATM transactions, direct debits and standing orders).

3. Graduate Royalties

Your overdraft is available at a preferential rate. If at any time you cease to be a Graduate Royalties customer, for any reason, then the interest rate you pay on your overdraft will revert to the standard rate which applies to your new account. Graduate Royalties arranged overdrafts are interest free if the overdraft limit does not exceed the thresholds set out below. If an overdraft is arranged with a limit which exceeds those thresholds, you will pay interest on the amount of the overdrawn balance that exceeds the relevant threshold at a rate of 0.79% per month, which is equivalent to **9.9% EAR Typical (variable)**. However, we will not charge interest on any part of the overdrawn balance which is an unarranged overdraft or represents fees, charges or costs of the kind described below under the heading *Sums which do not bear interest*.

If you graduate before 1 January 2013, the following thresholds will apply:

Interest Free Thresholds			
	Nominal Monthly rate %	Nominal Annual rate %	EAR % variable
Year 1 (£2,000)	0.00	0.00	0.00
Year 2 (£1,500)	0.00	0.00	0.00
Year 3 (£1,000)	0.00	0.00	0.00
0.00% EAR Typical			

If you graduate from 1 January 2013 onwards, the following thresholds will apply:

Interest Free Thresholds			
	Nominal Monthly rate %	Nominal Annual rate %	EAR % variable
Year 1 (£2,000)	0.00	0.00	0.00
Year 2 (£1,000)	0.00	0.00	0.00
0.00% EAR Typical			

Calculation and application of interest

Interest on arranged overdrafts is calculated on a daily basis and charged monthly. The interest we charge in each charging period will be debited from your account 16 days after the end of that charging period (or on the next business day if this is a Saturday, Sunday or Bank Holiday). The charging period normally ends on the date that we issue your statement to you. If we are going to debit interest from your account, we will give you not less than 14 days' notice of how much we are going to debit and when.

Sums which do not bear interest

We do not charge interest on unarranged overdrafts. Nor do we charge interest on any part of an arranged overdraft which represents:

- a Default Notice Fee or other sum (apart from interest) you must pay us in connection with a breach of your obligations under your agreement with us; or
- a Returned Item Fee or Unarranged Overdraft Fee (see section 7 for details of these charges).

Changes to Interest Rates

From time to time we may alter the interest rates we charge on arranged overdrafts set out in this leaflet.

When we do this we will notify you personally not less than seven days before the change comes into effect, unless your arranged overdraft interest rate is linked to an internal reference rate (for example, set at a margin over our base rate).

For arranged overdraft interest rates that are linked to an internal reference rate, we may notify you as soon as possible by press advertisements within three of the following daily national newspapers:

The Times	The Financial Times
The Independent	The Guardian
The Daily Telegraph	Daily Mail
Daily Express	The Scotsman
Daily Record	The Herald
The Press & Journal	

If we notify you by press advertisements, we will also advertise the changes on our website www.rbs.co.uk and, where the alteration applies to branch based accounts, by branch notices.

7. Arranged Overdrafts, Unarranged Overdrafts, Returned Items and Enforcement Charges

Personal Current Account*, Gold Cheque*, Royalties Premier*, Royalties Gold, Royalties, Current Account, Student Royalties, Graduate Royalties**, R21 Account*, Key Account****

The charges shown in this section do not normally apply to the other accounts we offer to Personal Banking customers. However, we sometimes allow other accounts (including savings accounts**) to be operated in a way which enables the customer to give instructions for a withdrawal or other payment which cannot be met from the funds in the account. If this happens, the charges listed below under the heading "Unarranged overdrafts and returned items – charges" will apply.

*These accounts are not available to new customers.

**Holders of these accounts will only pay the Returned Item Fee.

Arranged overdrafts – arrangement and renewal fees

Arranged overdrafts less than £15,000

– arrangement and renewal fee **Free**

Arranged overdrafts of £15,000 or more

– arrangement fee

2% of amount

– annual renewal fee

1% of amount

Unarranged overdrafts and returned items – charges

If we are going to charge you an Unarranged Overdraft Fee and/or a Returned Item Fee, we will give you not less than 14 days' notice of how much we are going to charge you and when.

Unarranged Overdraft Fee

An Unarranged Overdraft Fee will be charged for each day on which there is an unarranged overdraft of greater than £6 on your account at close of business on that day.

Please note: we will only charge an Unarranged Overdraft Fee for a non-business day (i.e. a Saturday, Sunday or Bank Holiday) if there is an unarranged overdraft of greater than £6 owing on your account at close of business on the first following business day.

When charged

16 days after the end of the charging period (or the next business day if this is a Saturday, Sunday or Bank Holiday). The charging period normally ends on the date that we issue your statement to you.

Fee Amount

£6 for each day for which an Unarranged Overdraft Fee is payable.

Returned Item Fee

A Returned Item Fee will be charged if:

- you informally request an unarranged overdraft by issuing instructions for a withdrawal or other payment; and
- the payment cannot be met from the funds in your account or any unused arranged overdraft facility; and
- we decide in our discretion not to make the payment.

When charged

16 days after the end of the charging period in which we decide not to make the payment (or the next business day if this is a Saturday, Sunday or Bank Holiday). The charging period normally ends on the date that we issue your statement to you.

Fee amount

£6 for each returned item (subject to a maximum of £60 in any charging period).

Making an informal request for an unarranged overdraft means you will normally have to pay a Returned Item Fee and/or an Unarranged Overdraft Fee. Please note that it is possible to incur both a Returned Item Fee and an Unarranged Overdraft Fee on your account on the same day or as a result of a single transaction (for example, where we take a Returned Item Fee from your account and this creates an unarranged overdraft of greater than £6 on your account).

Enforcement Charges

Enforcement

A Default Notice Fee will be payable if we need to serve a default notice on you (for example, if you fail to repay your overdraft on demand or we wish to enforce any security we hold). This is in addition to any other charges that may apply.

When charged

Within four days of the Default Notice being served.

Fee amount

£30 per notice

Changes to Charges

From time to time we may alter the charges set out in this leaflet. If we increase a charge, we will notify you personally not less than 60 days before the change comes into effect.

Repayment of your overdraft

We can withdraw your overdraft from your account, or demand repayment of your overdraft, if we have a valid reason for doing so and we give you written notice. We will normally give you at least 30 days' prior notice, but our notice may take effect immediately in certain cases.

For more information on when we can withdraw or demand repayment of your overdraft in this way, please see General Condition 6.5.2 (Repayment and termination of your overdraft) in our leaflet *Personal and Private Banking – Terms and Conditions*.

8. Foreign transaction and Debit Card charges

Exchange Rate Transaction Fee

Any transaction in a foreign currency is converted into sterling at our prevailing exchange rate and a transaction fee of 2.75% is subsequently applied for debit card transactions. This fee is known as the Exchange Rate Transaction Fee (ERTF).

Debit Card Charges (foreign currency or sterling)

Transaction type	Charges
Transactions in the UK	
Cash withdrawals in sterling:	
• at a UK mainland cash machine (ATM)	No charge*
• in any UK Royal Bank of Scotland branch	No charge
• at any Royal Bank of Scotland branch or cash machine (ATM) on the Channel Islands, Isle of Man or Gibraltar	1.5% (minimum £2, maximum £4.50)
• using your Visa Debit card in any other bank, travel agent, bureau de change or other outlet displaying the Visa logo	1.5% (minimum £2, maximum £4.50)
Purchase of foreign currency or travellers' cheques using a Visa Debit card**:	
• in any Royal Bank of Scotland branch	No charge
• in any other bank, travel agent, bureau de change or other outlet displaying the Visa logo	1.5% (minimum £2, maximum £4.50)
Foreign currency withdrawal from cash machines	2% (minimum £2, maximum £5)
Transactions abroad	
Cash withdrawals	2% (minimum £2, maximum £5)
Purchase of currency or travellers' cheques using a Visa Debit card	2% (minimum £2, maximum £5)
Point of sale transactions	£1.25 per transaction

Where a charge in the table above is stated as a percentage, this is a percentage of the sterling transaction amount.

*We will not charge you for using your card at an ATM in the UK but other companies may charge a fee. You will be advised on screen about any charges before you withdraw cash.

**Standard commission rates apply.

Transaction withdrawal limit

In most cases, you can withdraw funds up to your ATM daily withdrawal limit, provided there are sufficient funds in your account. Within Europe some cash dispenser networks have imposed a maximum value per transaction of €150 (equivalent to around £135). To withdraw more than this you will have to carry out more than one transaction. There is a daily limit for cash withdrawals using a Visa Debit card in any other bank, travel agent, bureau de change or other outlet displaying the Visa logo. Details of the limit are available on request from your branch.

9. Additional Services and Travel Money

We don't believe in hidden charges. That's why we've put together this helpful guide to some of the most common additional services we provide.

Additional Services

Providing a balance or interest certificate	No charge
Cashing a cheque issued on us	No charge
Cashing a cheque issued on other banks <i>Applies to non-Royal Bank of Scotland customers only.</i>	£5 (some exceptions apply)
Issuing a UK bank draft (sterling) <i>A special form of cheque that we can issue you which guarantees payment.</i>	£10
Stopping a cheque <i>When you wish to cancel a cheque that you have issued (but we will not charge you for cancelling lost or stolen cheques).</i>	£10
Special presentation of a cheque <i>A cheque made payable to you can be specially presented by post to confirm quickly (generally the following day) that it will be paid.</i>	£15
Charge for court orders/legal processes served on the Bank brought on by a 3rd party against a customer (Scotland only) <i>For example, when a court order brought about by a third party against you, forces us to freeze your account.</i>	£25 (minimum)
Same day electronic transfer <i>We can arrange same day electronic transfer of funds (CHAPS) between bank accounts in the UK.</i>	£20
Providing copies of paid cheques <i>This charge also applies to providing details of paid cheques.</i>	£5 for each cheque (maximum of £150)

Providing copies of statements <i>When you require a copy of a previously issued statement.</i>	£5 for each request
Replacing lost or damaged cards	£5
Return of dividend counterfoils <i>When we are required to forward dividend counterfoils to you.</i>	£2 for each mailing
Details of Visa Debit or Maestro payments <i>On your request, we can provide documentation of Visa Debit or Maestro payments.</i>	£5 for each item
Banker's reference <i>When a third party requests our opinion on your financial status.</i>	£10 for each request

Emergency Cash Service	Any fees payable will be advised at the time.
<i>When we allow you to withdraw cash from an ATM after reporting your card lost or stolen</i>	
Personalised Card for Revolve Account	£5

Safe Custody

Annual Holding Charges (payable annually in arrears)	
Sealed envelopes	£25
Small boxes/parcels	£45
Large boxes/parcels	£65
Initial and subsequent re-deposit(s)	£10

Annual Holding Charges are applied in arrears so any withdrawal made prior to the anniversary of the deposit will incur a pro-rated amount of the annual charge. In addition, a £10 fee will be charged for initial deposits and any re-deposits following item inspection or temporary release. The charges detailed above are inclusive of VAT. Please note that we do not accept new items into Safe Custody. Items already held by us in Safe Custody will continue to be held.

Travel money

Buying travellers' cheques in sterling	1% of value (minimum £3, maximum £50)
Buying travellers' cheques in foreign currency	No charge
Cashing travellers' cheques in sterling	No charge
Cashing travellers' cheques in foreign currency	No charge
Buying foreign currency	No charge
Cashing foreign currency	No charge

Payment of charges

All charges are payable from the time the service is provided, and are subject to review.

Other services

We also provide a number of other useful services, including stock exchange transactions and international services. For more details of these and any related charges, please ask at your local branch.

10. Interest on credit balances – taxation

In most instances, interest is paid after the deduction of 20% income tax. If you are a non-taxpayer or overseas resident you can have interest paid without deduction of income tax provided you complete HM Revenue & Customs form R85 available at any of our branches. This also applies on a 50/50 basis where one party to a two party account is a non-taxpayer. Where the tax deducted exceeds an investor's tax liability (if any), a claim may be made to HM Revenue & Customs for repayment of tax. Individuals who pay only basic rate tax will have no more tax to pay on the interest from which tax has been deducted. Individuals who are liable at the higher rate of income tax of 40% will have to pay additional tax on the interest to cover the difference between the tax deducted and the higher rate tax due. Ask at your local branch for further information.

Our leaflet Private Banking – Charges and Rates of Interest

will be updated on 1 February 2011 and will read:

Private Banking Deposit Account
Royalties Private Saver
Royalties Private
Private Bank Account

We're committed to helping you get the most out of your account – which includes making you aware of the charges and rates of interest that apply to your account. It is important that you read and retain this leaflet which forms an integral part of the documents and brochures in the following list that apply to your account:

- *The account opening form or the conversion form for your account*
- *The Private Banking Guide to Current Accounts*
- *Personal and Private Banking – Terms and Conditions*
- *How to make the most of your account*
- *Royalties Private service guide*

All charges and rates shown are correct as at 1 February 2011 unless otherwise specified and are subject to variation. To find out more about our current interest rates and charges, you can:

- phone our helpline – **0800 121 129**
- look on our website – **www.rbs.co.uk/privatebanking**
- Customers with hearing and speech impairments can contact us by Minicom number **0800 404 6160**
- ask your Relationship Manager

This leaflet tells you about:

1. Plain speaking – glossary **page 17**
 2. The price for your banking services **page 17**
 3. Services you can receive without separate charge **page 17**
 4. Royalties Private membership fees **page 18**
 5. Interest we pay you **page 18**
 6. Interest due on arranged overdrafts **page 19**
 7. Arranged Overdrafts, Unarranged Overdrafts, Returned Items and Enforcement Charges **page 20**
 8. Foreign transaction and Debit Card charges **page 21**
 9. Additional Services and Travel Money **page 21**
 10. Interest on credit balances – taxation **page 22**
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1. Plain Speaking – glossary

Below, we explain some common terms used in this leaflet, in plain English.

Annual Equivalent Rate (AER)

This is a notional rate used for interest bearing accounts which illustrates what the gross credit interest rate (excluding any bonus interest payable) would be if paid and compounded on an annual basis. It helps you to compare the effective rates of credit interest on different accounts.

Effective Annual Rate of Interest (EAR)

This is the real annual cost of an overdraft, stated as an annual rate, which takes into account how often interest

is charged to the account. All other charges, such as arrangement fees, must be shown separately from the EAR.

Gross Rate

This means the interest rate you are paid before the deduction of income tax.

Net Rate

This means the interest rate you are paid after the deduction of income tax. See section 10 for more information on the deduction of income tax from interest paid to you.

Nominal Rate

The rate charged excluding compounding of interest and other charges associated with a borrowing, e.g. arrangement and security fees.

p.a.

per annum (per year).

This leaflet is also available in Braille, large print and on audio cassette. Please ask at any branch for a copy of the leaflet entitled *The Disability Discrimination Act – 'How we make our services accessible to everyone'*.

2. The price for your banking services

The charges and rates of interest set out in this leaflet include:

- the monthly membership fees we charge for Royalties Private (section 4);
- the interest rates we may pay you when your account is in credit (section 5);
- the interest rates we charge you when your account is overdrawn (section 6); and
- our unarranged overdraft and returned item charges (section 7).

These charges and rates of interest work together as the main elements of the pricing structure we use for our current accounts. The way we charge puts you in control of what you pay.

As long as you stay in credit, you can enjoy the services listed in section 3 of this leaflet without any separate charge being made. This is possible because our pricing structure enables us to charge for the provision of the account through the fees, charges and interest set out in sections 4, 6 and 7, and through setting the interest rates shown in section 5 at a level which allows us to benefit from the use we make of any credit balance in the account.

3. Services you can receive without separate charge

As long as you stay in credit, you can receive the following services without any separate charge being made:

- payments by debit card in the UK, cheque, Direct Debit or Standing Order;
- transactions using your debit card or ATM card in Royal Bank of Scotland or NatWest cash machines, or almost all other UK cash machines. There are some cash machines in the UK and abroad where the owner of the machine may charge a fee. You will be advised on the screen about any charges before you withdraw cash. You can then stop the transaction if you do not want to be charged;
- account statements (but a charge is made for copies);
- cheque books, paying-in books and statement holders;

- telephone and online banking – apart from the cost of the phone call and any charges your Internet Service Provider may charge you for accessing the service;
- use of our counter services. There may be additional fees if we have to make special arrangements or provide specialist services.

4. Royalties Private membership fees

The following monthly membership fee payable if you are a Royalties Private customer is £18 per month, payable from your Royalties Private Account. Membership includes access to all the benefits listed in the appropriate brochures and user guides. These also contain details of other fees and services.

Application of membership fees

The monthly membership fee will be applied 16 days after the end of the charging period (or on the next business day if this is a Saturday, Sunday or Bank Holiday) and will appear on your account statement as 'CHG'. The charging period normally ends on the date that we send your statement to you.

5. Interest we pay you

The annual rates of interest paid on credit balances are as follows:

1. Private Banking Deposit Account Rates effective from 1 April 2009

Rates effective from 1 April 2009			
Amount held in account	Gross Rate %	AER %	Net Rate %
£1,000,000 +	1.00	1.00	0.80
£100,000 – £999,999	0.55	0.55	0.44
£50,000 – £99,999	0.30	0.30	0.24
£1 – £49,999	0.20	0.20	0.16

2. Royalties Private Saver

Rates effective from 24 July 2009			
Amount held in account	Gross Rate %	AER %	Net Rate %
Excluding conditional bonus			
£250,000 +	1.39	1.40	1.11
£100,000 – £249,999	1.19	1.20	0.95
£50,000 – £99,999	0.99	0.99	0.79
£25,000 – £49,999	0.75	0.75	0.60
£10,000 – £24,999	0.50	0.50	0.40
£1 – £9,999	0.10	0.10	0.08

Including 0.25% conditional bonus (on accounts opened before 12 July 2010 and after 22 October 2010)*

£250,000 +	1.64	1.65	1.31
£100,000 – £249,999	1.44	1.45	1.15
£50,000 – £99,999	1.24	1.25	0.99
£25,000 – £49,999	1.00	1.00	0.80
£10,000 – £24,999	0.75	0.75	0.60
£1 – £9,999	0.10	0.10	0.08

We calculate interest on a daily basis. We add this interest to your account (or to another account at the same branch) every month.

*A conditional bonus equivalent to 0.25% gross p.a. (0.20% net p.a.) is payable with your monthly interest, if you do not make any withdrawals and maintain a minimum balance of £10,000 in your account during that month.

Rates effective from 12 July 2010

Amount held in account	Gross Rate %	AER %	Net Rate %
Including 1% introductory conditional bonus +0.25% conditional bonus (on accounts opened between 12 July 2010 and 22 October 2010)			
£250,000 +	2.64	2.42	2.11
£100,000 – £249,999	2.44	2.21	1.95
£50,000 – £99,999	2.24	2.01	1.79
£25,000 – £49,999	2.00	1.76	1.60
£10,000 – £24,999	1.75	1.51	1.40
£1 – £9,999	0.10	0.10	0.08

The rates in the table above include an introductory conditional bonus equivalent to 1.00% gross p.a. (0.8% net p.a.) and a conditional bonus equivalent to 0.25% gross p.a. (0.20% net p.a.). These bonuses are available on accounts opened between 12 July 2010 and 22 October 2010. These bonuses are payable for the first nine months from account opening where a minimum balance of £10,000 is maintained during this time.

Your bonus interest will be paid monthly for nine consecutive months (along with the standard interest payment) starting on the 16th day of the month after the month in which you open your account.

Following the nine month period, a conditional bonus equivalent to 0.25% gross p.a. (0.20% net p.a.) will be payable with your monthly interest provided you meet the conditions detailed under the table *Including 0.25% conditional bonus*. In any month where these conditions are not met, the rates shown in the table *Excluding conditional bonus* will apply.

3. Royalties Private

Amount held in account	Gross Rate %	AER %	Net Rate %
£10,000 +	0.60	0.60	0.48
£5,000 – £9,999	0.40	0.40	0.32
£2,500 – £4,999	0.25	0.25	0.20
£1 – £2,499	0.25	0.25	0.20

4. Private Bank Account

The Private Bank Account does not pay interest on credit balances.

Calculation and application of interest

Interest is calculated on a daily basis and paid into your account once a month, usually the day after we send your statement to you.

Changes to Interest Rates

From time to time we may alter the interest rates set out in this leaflet. When we alter our interest rates, we will either notify you personally or, in certain cases, we may notify you as soon as possible by press advertisements within three of the following daily national newspapers:

The Times	The Financial Times
The Independent	The Guardian
The Daily Telegraph	Daily Mail
Daily Express	The Herald
The Scotsman	The Press & Journal
Daily Record	

If we notify you by press advertisements, we will also advertise the changes on our website www.rbs.co.uk and, where the alteration applies to branch based accounts, by branch notices. For more information on when we may change interest rates in this way, please see General Condition 11 (Changes to interest rates and exchange rates) in our leaflet *Personal and Private Banking – Terms and Conditions*.

Summary Box – Key Information for our Savings Accounts

Amount Name	Royalties Private Saver	Private Banking Deposit Account
Interest Rate (AERs)	Enclosed	
Tax Status	Interest is paid after the deduction of 20% tax	Interest is paid after the deduction of 20% tax
Conditions for bonus payment	A 0.25% bonus is paid monthly if no withdrawals are made in that month and a minimum balance of £10,000 is maintained. For limited edition bonus rates see page 18.	N/A

Withdrawal arrangements	Instant Access	
Access	Branch, Telephone or Internet	

6. Interest due on arranged overdrafts

1. Royalties Private and Private Bank Account

If you have arranged an overdraft facility with us in advance and you use this facility within the thresholds shown below, you will not pay any interest. If the amount you overdraw under an arranged overdraft facility exceeds these thresholds, you will pay interest at the rates shown in the tables below on the overdrawn balance – please note that this includes the part of the balance which is within any interest free threshold that applies to your account. However, we will not charge interest on any part of the overdrawn balance which is an unarranged overdraft or represents fees, charges or costs of the kind described below under the heading *Sums which do not bear interest*.

Type of account	Interest free thresholds
Royalties Private	£500
Private Bank Account	£500

Type of Account	Nominal monthly rate %	Nominal annual rate %	EAR % variable
Royalties Private			
<i>All Amounts</i>	1.16	13.96	14.89
14.89% EAR Typical (variable)			
Private Bank Account			
<i>All Amounts</i>	1.49	17.94	19.49
19.49% EAR Typical (variable)			

Calculation and application of interest

Interest on arranged overdrafts is calculated on a daily basis and charged monthly. The interest we charge in each charging period will be debited from your account 16 days after the end of that charging period (or on the next business day if this is a Saturday, Sunday or Bank Holiday). The charging period normally ends on the date that we issue your statement to you. If we are going to debit interest from your account, we will give you not less than 14 days' notice of how much we are going to debit and when.

Sums which do not bear interest

We do not charge interest on unarranged overdrafts. Nor do we charge interest on any part of an arranged overdraft which represents:

- a Default Notice Fee or other sum (apart from interest) you must pay us in connection with a breach of your obligations under your agreement with us; or
- a Returned Item Fee or Unarranged Overdraft Fee (see section 7 for details of these charges).

Changes to Interest Rates

From time to time we may alter the interest rates we charge on arranged overdrafts set out in this leaflet.

When we do this we will notify you personally not less than seven days before the change comes into effect, unless your arranged overdraft interest rate is linked to an internal reference rate (for example, set at a margin over our base rate).

For arranged overdraft interest rates that are linked to an internal reference rate, we may notify you as soon as possible by press advertisements within three of the following daily national newspapers:

The Times	The Financial Times
The Independent	The Guardian
The Daily Telegraph	Daily Mail
Daily Express	The Scotsman
Daily Record	The Herald
The Press & Journal	

If we notify you by press advertisements, we will also advertise the changes on our website www.rbs.co.uk and, where the alteration applies to branch based accounts, by branch notices.

7. Arranged Overdrafts, Unarranged Overdrafts, Returned Items and Enforcement Charges

Royalties Private and Private Bank Account

The charges shown in this section do not normally apply to the other accounts we offer to Private Banking customers. However, we sometimes allow our savings accounts* to be operated in a way which enables the customer to give instructions for a withdrawal or other payment which cannot be met from the funds in the account. If this happens, the charges listed below under the heading 'Unarranged overdrafts and returned items – charges' will apply.

*Holders of these accounts will only pay the Returned Item Fee.

Arranged overdrafts – arrangement and renewal fees

Arranged overdrafts less than £15,000	Free
– arrangement and renewal fee	
Arranged overdrafts of £15,000 or more	2% of amount
– arrangement fee	
– annual renewal fee	1% of amount

Unarranged overdrafts and returned items – charges

If we are going to charge you an Unarranged Overdraft Fee and/or a Returned Item Fee, we will give you not less than 14 days' notice of how much we are going to charge you and when.

Unarranged Overdraft Fee

An Unarranged Overdraft Fee will be charged for each day on which there is an unarranged overdraft of greater than £6 on your account at close of business on that day.

Please note: we will only charge an Unarranged Overdraft Fee for a non-business day (i.e. a Saturday, Sunday or Bank Holiday) if there is an unarranged overdraft of greater than £6 owing on your account at close of business on the first following business day.

When charged

16 days after the end of the charging period (or the next business day if this is a Saturday, Sunday or Bank Holiday). The charging period normally ends on the date that we issue your statement to you.

Fee Amount

£6 for each day for which an Unarranged Overdraft Fee is payable.

Returned Item Fee

A Returned Item Fee will be charged if:

- you informally request an unarranged overdraft by issuing instructions for a withdrawal or other payment; and
- the payment cannot be met from the funds in your account or any unused arranged overdraft facility; and
- we decide in our discretion not to make the payment.

When charged

16 days after the end of the charging period in which we decide not to make the payment (or the next business day if this is a Saturday, Sunday or Bank Holiday). The charging period normally ends on the date that we issue your statement to you.

Fee amount

£6 for each returned item (subject to a maximum of £60 in any charging period).

Making an informal request for an unarranged overdraft means you will normally have to pay a Returned Item Fee and/or an Unarranged Overdraft Fee. Please note that it is possible to incur both a Returned Item Fee and an Unarranged Overdraft Fee on your account on the same day or as a result of a single transaction (for example, where we take a Returned Item Fee from your account and this creates an unarranged overdraft of greater than £6 on your account).

Enforcement Charges

Enforcement

A Default Notice Fee will be payable if we need to serve a default notice on you (for example, if you fail to repay your overdraft on demand or we wish to enforce any security we hold). This is in addition to any other charges that may apply.

When charged

Within four days of the Default Notice being served.

Fee amount

£30 per notice

Changes to Charges

From time to time we may alter the charges set out in this leaflet. If we increase a charge, we will notify you personally not less than 60 days before the change comes into effect.

Repayment of your overdraft

We can withdraw your overdraft from your account, or demand repayment of your overdraft, if we have a valid reason for doing so and we give you written notice. We will

normally give you at least 30 days' prior notice, but our notice may take effect immediately in certain cases.

For more information on when we can withdraw or demand repayment of your overdraft in this way, please see General Condition 6.5.2 (Repayment and termination of your overdraft) in our leaflet *Personal and Private Banking – Terms and Conditions*.

8. Foreign transaction and Debit Card charges

Exchange Rate Transaction Fee	
Any transaction in a foreign currency is converted into sterling at our prevailing exchange rate and a transaction fee of 2.75% is subsequently applied for debit card transactions. This fee is known as the Exchange Rate Transaction Fee (ERTF).	
Debit Card Charges (foreign currency or sterling)	
Transaction type	Charges
Transactions in the UK	
Cash withdrawals in sterling:	
• at a UK mainland cash machine (ATM)	No charge*
• in any UK Royal Bank of Scotland branch	No charge
• at any Royal Bank of Scotland branch or cash machine (ATM) on the Channel Islands, Isle of Man or Gibraltar	1.5% (minimum £2, maximum £4.50)
• using your Visa Debit card in any other bank, travel agent, bureau de change or other outlet displaying the Visa logo	1.5% (minimum £2, maximum £4.50)
Purchase of foreign currency or travellers' cheques using a Visa Debit card**:	
• in any Royal Bank of Scotland branch	No charge
• in any other bank, travel agent, bureau de change or other outlet displaying the Visa logo	1.5% (minimum £2, maximum £4.50)
Foreign currency withdrawal from cash machines	2% (minimum £2, maximum £5)
Transactions abroad	
Cash withdrawals	2% (minimum £2, maximum £5)
Purchase of currency or travellers' cheques using a Visa Debit card	2% (minimum £2, maximum £5)
Point of sale transactions	£1.25 per transaction

Where a charge in the table above is stated as a percentage, this is a percentage of the sterling transaction amount.

*We will not charge you for using your card at an ATM in the UK but other companies may charge a fee. You will be advised on screen about any charges before you withdraw cash.

**Standard commission rates apply.

Transaction withdrawal limit

In most cases, you can withdraw funds up to your ATM daily withdrawal limit, provided there are sufficient funds in your account. Within Europe some cash dispenser networks have imposed a maximum value per transaction of €150 (equivalent to around £135). To withdraw more than this you will have to carry out more than one transaction. There is a daily limit for cash withdrawals using a Visa Debit card in any other bank, travel agent, bureau de change or other outlet displaying the Visa logo. Details of the limit are available on request from your branch.

9. Additional Services and Travel Money

We don't believe in hidden charges. That's why we've put together this helpful guide to some of the most common additional services we provide.

Additional Services

Providing a balance or interest certificate	No charge
Cashing a cheque issued on us	No charge
Cashing a cheque issued on other banks	£5 (some exceptions apply)
<i>Applies to non-Royal Bank of Scotland customers only.</i>	
Issuing a UK bank draft (sterling)	£10
<i>A special form of cheque that we can issue you which guarantees payment.</i>	
Stopping a cheque	£10
<i>When you wish to cancel a cheque that you have issued (but we will not charge you for cancelling lost or stolen cheques).</i>	
Special presentation of a cheque	£15
<i>A cheque made payable to you can be specially presented by post to confirm quickly (generally the following day) that it will be paid.</i>	
Charge for court orders/ legal processes served on the Bank brought on by a 3rd party against a customer (Scotland only)	£25 (minimum)
<i>For example, when a court order brought about by a third party against you, forces us to freeze your account.</i>	
Same day electronic transfer	£20
<i>We can arrange same day electronic transfer of funds (CHAPS) between bank accounts in the UK.</i>	
Providing copies of paid cheques	£5 for each cheque (maximum of £150)
<i>This charge also applies to providing details of paid cheques.</i>	

Providing copies of statements <i>When you require a copy of a previously issued statement.</i>	£5 for each request
Replacing lost or damaged cards	£5
Return of dividend counterfoils <i>When we are required to forward dividend counterfoils to you.</i>	£2 for each mailing
Details of Visa Debit or Maestro payments <i>On your request, we can provide documentation of Visa Debit or Maestro payments.</i>	£5 for each item
Banker's reference <i>When a third party requests our opinion on your financial status.</i>	£10 for each request
Emergency Cash Service <i>When we allow you to withdraw cash from an ATM after reporting your card lost or stolen</i>	Any fees payable will be advised at the time.

Other services

We also provide a number of other useful services, including stock exchange transactions and international services. For more details of these and any related charges, please ask your Relationship Manager.

10. Interest on credit balances – taxation

In most instances, interest is paid after the deduction of 20% income tax. If you are a non-taxpayer or overseas resident you can have interest paid without deduction of income tax provided you complete HM Revenue & Customs form R85 available at any of our branches. This also applies on a 50/50 basis where one party to a two party account is a non-taxpayer. Where the tax deducted exceeds an investor's tax liability (if any), a claim may be made to HM Revenue & Customs for repayment of tax. Individuals who pay only basic rate tax will have no more tax to pay on the interest from which tax has been deducted. Individuals who are liable at the higher rate of income tax of 40% will have to pay additional tax on the interest to cover the difference between the tax deducted and the higher rate tax due. Ask your Relationship Manager for further information.

Safe Custody

Annual Holding Charges (payable annually in arrears)	
Sealed envelopes	£25
Small boxes/parcels	£45
Large boxes/parcels	£65
Initial and subsequent re-deposit(s)	£10

Annual Holding Charges are applied in arrears so any withdrawal made prior to the anniversary of the deposit will incur a pro-rated amount of the annual charge. In addition, a £10 fee will be charged for initial deposits and any re-deposits following item inspection or temporary release. The charges detailed above are inclusive of VAT.

Travel money

Buying travellers' cheques in sterling	1% of value (minimum £3, maximum £50)
Buying travellers' cheques in foreign currency	No charge
Cashing travellers' cheques in sterling	No charge
Cashing travellers' cheques in foreign currency	No charge
Buying foreign currency	No charge
Cashing foreign currency	No charge

Payment of charges

All charges are payable from the time the service is provided, and are subject to review.

Detailed changes to our leaflet Savings Interest

Rates Leaflet:

In the section headed 'Instant Access Savings Account', the following wording has been deleted:

'If you have a Student Royalties, Graduate Royalties, Royalties, Royalties Gold or Royalties Premier account, you can earn a 0.25% gross interest bonus.'

In the section headed 'Instant Access Savings Account (Offset)', the following wording has been deleted:

'If you have a Student Royalties, Graduate Royalties, Royalties, Royalties Gold or Royalties Premier account, you can earn a 0.25% gross interest bonus. If you are offsetting (see last page for more details), your bonus is applied on any amount in your Instant Access Savings Account over and above your outstanding Offset Flexible Mortgage balance.'

The Royal Bank of Scotland plc.
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Authorised and regulated by the Financial Services Authority. No.121882.

Website www.rbs.co.uk

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