

RBS Holdings N.V.
Form 6-K
August 31, 2011

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For August 31, 2011

Commission File Number: 001-14624

RBS HOLDINGS N.V.

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.
Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

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This report on Form 6-K shall be deemed to be incorporated by reference into the registration statements on Form S-8 with registration numbers 333-74703, 333-81400, 333-84044, 333-127660, 333-128619, 333-128621, 333-140798, 333-145751 and 333-149577, the registration statements on Form F-3 with registration numbers 333-162193, 333-162193-01, 333-104778-01 and 333-137691, and the registration statement on Form F-4 with registration number 333-108304 of RBS Holdings N.V. and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.

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RBS Holdings N.V.
Interim results for the half year ended 30 June 2011

RBS Holdings N.V. is the parent company of The Royal Bank of Scotland N.V. ('RBS N.V.') consolidated group of companies and associated companies ('RBSH Group'). The Royal Bank of Scotland Group plc ('RBSG'), is the ultimate holding company of RBSH Group. RBSG Group refers to RBSG and its consolidated subsidiaries and associated companies.

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Highlights

RBS Holdings N.V. recorded a loss of €1,456 million from continuing operations for the first half of 2011, compared with a loss of €541 million in the first half of 2010.

Key points

- In April 2011, RBSH Group announced its intention to transfer a substantial part of the business activities of RBS N.V. to The Royal Bank of Scotland plc ('RBS'). Part of the transfers is expected to have taken place by the end of 2011. These assets and liabilities largely relate to activities of RBS N.V. carried out in the United Kingdom and have been classified as assets and liabilities of disposal groups as at 30 June 2011. Thereby, increasing both asset and liabilities of disposal groups significantly with a corresponding reduction in other captions in the balance sheet.
- Income decreased in the first half of 2011 principally reflecting the changes in the structure of the balance sheet following transfers of businesses to RBS during 2010 and lower interest income and trading income in Non-Core as a result of disposal of operations in Asia and the Americas. Additionally, the tightening of credit spreads in the first half of 2011 led to a fair value loss on own debt of €348 million compared to a gain of €203 million in the first half of 2010.
- Operating expenses decreased to €1,371 million from €1,849 million, largely due to a reduction in staff costs resulting from employees transferring to RBS and as a result of disposals of operations in Asia and the Americas.
- Total impairment losses were €1,097 million compared with a loss of €224 million in the first half of 2010. The increase reflected the impairment of Greek sovereign available-for-sale bonds and related interest rate hedge adjustments, as a result of Greece's continuing fiscal difficulties.

Cautionary statement on forward-looking statements

Certain sections in this document contain 'forward-looking statements', such as statements that include the words 'expect', 'estimate', 'project', 'anticipate', 'believes', 'should', 'intend', 'plan', 'could', 'probability', 'risk', 'Value-at-Risk (VaR)', 'target', 'goal', 'objective', 'will', 'endeavour', 'outlook', 'optimistic', 'prospects' and similar expressions or variations on such expressions.

In particular, this document includes forward-looking statements relating, but not limited to: RBSH Group's restructuring plans, capitalisation, portfolios, net interest margin, capital ratios, liquidity, risk weighted assets, return on equity, cost:income ratios, leverage and loan:deposit ratios, funding and risk profile, RBSH Group's future financial performance, the level and extent of future impairments and write-downs, the protection provided by the asset protection scheme back-to-back contracts with the RBS, and RBSH Group's potential exposures to various types of market risks, such as interest rate risk, foreign exchange rate risk and commodity and equity price risk. These statements are based on current plans, estimates and projections, and are subject to inherent risks, uncertainties and other factors which could cause actual results to differ materially from the future results expressed or implied by such forward-looking statements. For example, certain of the market risk disclosures are dependent on choices about key model characteristics and assumptions and are subject to various limitations. By their nature, certain of the market risk disclosures are only estimates and, as a result, actual future gains and losses could differ materially from those that have been estimated.

Other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this document include, but are not limited to: the financial condition of the RBSG Group; the global economic and financial market conditions and other geopolitical risks, and their impact on the financial industry in general and on RBSH Group in particular; the financial stability of other financial institutions, and RBSH Group's counterparties and borrowers; the ability to complete restructurings on a timely basis, or at all, including the disposal of certain non-core assets and assets and businesses required as part of the EC State Aid restructuring plan of the RBSG Group; organisational restructuring, including any adverse consequences of a failure to transfer or delay in transferring certain business assets and liabilities from RBS N.V. to RBS; the ability to access sufficient funding to meet liquidity needs; the extent of future write-downs and impairment charges caused by depressed asset valuations; the inability to hedge certain risks economically; unanticipated turbulence in interest rates, yield curves, foreign currency exchange rates, credit spreads, bond prices, commodity prices, equity prices and basis, volatility and correlation risks; changes in the credit ratings of RBSH Group; ineffective management of capital or changes to capital adequacy or liquidity requirements; changes to the valuation of financial instruments recorded at fair value; competition and consolidation in the banking sector; the ability of RBSH Group to attract or retain senior management or other key employees; regulatory or legal changes (including those requiring any restructuring of RBSH Group's operations) in the Netherlands, the United States, United Kingdom, the rest of Europe and other countries in which RBSH Group operates or a change in policy of the government of the Netherlands; changes to regulatory requirements relating to capital and liquidity; changes to the monetary and interest rate policies of the central banks and other governmental and regulatory bodies; pension fund shortfalls; litigation and regulatory investigations; general operational risks; insurance claims; reputational risk; changes in Dutch and foreign laws, regulations, accounting standards and taxes, including changes in regulatory capital regulations and liquidity requirements; the protection provided to RBSH Group pursuant to the asset protection scheme back-to-back contracts and their effect on RBSH Group's financial and capital position; limitations on, or additional requirements imposed on, RBSH Group's activities as a result of HM Treasury's investment in RBSG Group; and the success of RBSH Group in managing the risks involved in the foregoing.

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Cautionary statement on forward-looking statements (continued)

The forward-looking statements contained in this document speak only as of the date of this announcement, and RBSH Group does not undertake to update any forward-looking statement to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

For a further discussion on certain risks faced by RBSH Group, see 'Principle risks and uncertainties' on pages 50 to 67.

The information, statements and opinions contained in this document do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.

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Operating and financial review

General information

RBSH Group is an international banking group offering a wide range of banking products and financial services on a global basis.

In 2007, RFS Holdings B.V. ('RFS Holdings'), which was jointly owned by RBSG Group, the Dutch State (successor to Fortis N.V. and Fortis SA/N.V.) and Banco Santander S.A. (together the 'Consortium Members') completed the acquisition of RBS Holdings N.V. RFS Holdings is the sole shareholder of RBS Holdings N.V.

RBSG Group's shareholding in RFS Holdings was increased to 97.72%. RFS Holdings is controlled by RBSG Group, which is incorporated in the UK and registered at 36 St. Andrew Square, Edinburgh, Scotland. RBSG is the ultimate parent company of RBSH Group. The consolidated financial statements of RBSH Group are included in the consolidated financial statements of RBSG.

The interim financial statements contained in the interim results has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

Organisational structure

RBSH Group comprises four reportable segments: Global Banking and Markets ('GBM'), Global Transaction Services ('GTS') and Central Items, together the 'Core' segments, and the 'Non-Core' segment.

Global Banking and Markets (GBM) provides an extensive range of debt and equity financing, risk management and investment services as a leading banking partner to major corporations and financial institutions around the world. The GBM business is organised along four principal business lines: Global Lending, Equities, Short Term Markets & Funding and Local Markets.

Global Transaction Services (GTS) provides global transaction services, offering global trade finance, transaction banking and international cash management.

Central Items includes group and corporate functions, such as treasury, capital management and finance, risk management, legal, communications and human resources.

Non-Core contains a range of separately managed businesses and asset portfolios that RBSH Group intends to run-off or dispose, in line with RBSG Group strategy for Non-Core assets. It also includes the remaining assets and liabilities in RBS N.V. that have not yet been sold, wound down or alternatively transferred to the Consortium Members, referred to as 'Shared Assets', in which each of the consortium shareholders has a joint and indirect interest.

Operating and financial review (continued)

Proposed transfers of a substantial part of the business activities of RBS N.V. to RBS

On 19 April 2011, RBSH Group announced its intention to transfer a substantial part of the business activities of RBS N.V. to RBS (the 'Proposed Transfers'), subject, amongst other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures.

The Proposed Transfers will streamline the manner in which the GBM and GTS businesses of RBSH Group interact with clients with simplified access to the GBM and GTS product suites. It is expected that the Proposed Transfers will be implemented on a phased basis over a period ending 31 December 2013.

Part of the Proposed Transfers is expected to have taken place by the end of 2011. These assets and liabilities largely relate to activities of RBS N.V. carried out in the United Kingdom (the 'UK Transfers') and have been classified as assets and liabilities of disposal groups as at 30 June 2011. The UK Transfers are currently scheduled to take place during Q4 2011 as part of a Part VII Scheme, which is a court and UK Financial Services Authority approved transfer scheme or by way of novation. The UK Transfers represent a large part of the UK GBM equities business, trading and lending portfolio as well as UK GTS business and a part of the UK Non-Core portfolio. As this disposal group does not represent a whole reportable segment or geographical region, the results for the period are not presented as results from discontinued operations. The UK Transfers are subject, amongst other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures, any of which may affect their classification as a disposal group as at 30 June 2011.

For details of the assets and liabilities relating to the UK Transfers held for disposal see Note 9 on page 31.

See the Risk and capital management section of this report on pages 41 to 49, which includes further details on the impact of the UK Transfers on the risk and capital management of RBSH Group as at 30 June 2011.

Operating and financial review (continued)

EC remedy

On 26 November 2009, RBSG entered into a State Aid Commitment Deed with HM Treasury of the United Kingdom Government, containing commitments and undertakings given by RBSG to HM Treasury that are designed to ensure that HM Treasury is able to comply with the commitments given by it to the European Commission for the purpose of obtaining approval for the State aid provided to RBSG. As part of these commitments, RBSG agreed that RBS Holdings N.V. will not pay investors any coupons on, or exercise any call rights in relation to, the hybrid capital instruments issued by RBS N.V. listed below, unless in any such case there is a legal obligation to do so, for an effective period of two years. RBSH Group is also subject to restrictions on the exercise of call rights in relation to its other hybrid capital instruments.

- 5.90% Non-cumulative Guaranteed Trust Preferred Securities of RBS Capital Funding Trust V (formerly ABN AMRO Capital Funding Trust V) (US74928K2087)
- 6.25% Non-cumulative Guaranteed Trust Preferred Securities of RBS Capital Funding Trust VI (formerly ABN AMRO Capital Funding Trust VI) (US74928M2044)
- 6.08% Non-cumulative Guaranteed Trust Preferred Securities of RBS Capital Funding Trust VII (formerly ABN AMRO Capital Funding Trust VII) (US74928P2074)

The two-year distribution restriction period in relation to the hybrid capital instruments started on 1 April 2011.

Operating and financial review (continued)

Results of operations for the half year ended 30 June 2011

Set out below are summarised income statements for the half years ended 30 June 2011 and 2010.

	First half 2011 €m	First half 2010 €m
Net interest income	321	582
Non-interest income	508	1,016
Total income	829	1,598
Operating expenses	(1,371)	(1,849)
Loss before impairment losses	(542)	(251)
Impairment losses	(1,097)	(224)
Operating loss before tax	(1,639)	(475)
Tax credit/(charge)	183	(66)
Loss from continuing operations	(1,456)	(541)
Profit from discontinued operations, net of tax	22	950
(Loss)/profit for the period	(1,434)	409
Attributable to:		
Non-controlling interests	-	2
Controlling interests	(1,434)	407

Operating loss

Operating loss before tax was €1,639 million compared with a loss of €475 million in the first half of 2010.

Total income

Total income decreased by 48% to €829 million from €1,598 million in the first half of 2010.

Net interest income decreased by 45% to €321 million from €582 million in the first half of 2010. This is mainly due to changes in the structure of the balance sheet following transfers of businesses to RBS and lower net interest income in Non-Core as a result of disposal of operations in Asia and the Americas in 2010.

Non-interest income decreased by 50% to €508 million from €1,016 million in the first half of 2010. This largely relates to lower trading income in GBM due to the transfer of trading activities to RBS and lower trading income in Non-Core as a result of disposal of operations in Asia and the Americas. Additionally, the tightening of credit spreads in the first half of 2011 led to a fair value loss on own debt of €348 million compared with a gain of €203 million in the first half of 2010.

Operating expenses decreased by 26% to €1,371 million from €1,849 million in the first half of 2010. This decrease is largely due to a reduction in staff costs resulting from employees transferring to RBS and the disposal of operations in Asia and the Americas.

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Operating and financial review (continued)

Impairment losses

Impairment losses were €1,097 million compared with a loss of €224 million in the first half of 2010. The increase in impairment losses in 2011 relates to Greek sovereign available-for-sale bonds and related interest rate hedge adjustments, as a result of Greece's continuing fiscal difficulties.

Profit from discontinued operations

Profit from discontinued operations was €22 million compared with €950 million in the first half of 2010. The profit reported in 2010 related mainly to the gain on the sale by RBS Holdings N.V. of the Dutch State acquired businesses included in the new ABN AMRO Bank on 1 April 2010. The profit in 2011 relates to the remaining Dutch State acquired businesses held within RBS Holdings N.V.

Capital and capital ratios

Capital ratios at 30 June 2011 were 7.4% (Core Tier 1), 9.6% (Tier 1) and 14.4% (Total).

Operating and financial review (continued)

Results of operations for the half year ended 30 June 2011 by segment

The following table sets out the operating (loss)/profit before tax, relating to the core segments (GBM, GTS, Central items) and the Non-Core segment for the half years ended 30 June 2011 and 2010.

	First half 2011 €m	First half 2010 €m
Operating (loss)/profit before tax		
Global Banking and Markets	(322)	206
Global Transaction Services	(74)	(3)
Central Items	(1,092)	(284)
Total Core	(1,488)	(81)
Non-Core	(151)	(394)
Total	(1,639)	(475)

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Operating and financial review (continued)

Results of operations for the half year ended 30 June 2011 by segment (continued)

	First half 2011 €m	First half 2010 €m
Global Banking and Markets		
Net interest income	108	217
Non-interest income	389	1,001
Total income	497	1,218
Operating expenses	(747)	(918)
Impairment losses	(72)	(94)
Operating (loss)/profit before tax	(322)	206

Key points

- Operating loss before tax was €322 million compared with a profit of €206 million in the first half of 2010.