



RBOS Shareholders Action Group

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Meeting for Shareholders

All RBS Shareholders who have an interest in the prospective legal action are invited to attend a meeting on Saturday the 10th October in London – commencing at 2.0 pm (at St. Columba's Church, Pont Street). Everyone is welcome, whether you have yet registered with us or not. More details are present in this note on our web site:

www.rbosaction.org/RBOS_Meeting_Notice.pdf . If you plan to attend this meeting please send an email to info@rbosaction.org indicating that you intend to do so. This will enable us to get some idea of the numbers likely to attend.

RBS News

A brief summary of RBS news since our last newsletter is as follows.

The FSA has barred RBS from redeeming some of its debt on the basis that it might damage the talks with the European Commission on the restructuring of the company. It was anticipated that it would "call" some of the hybrid issues that were outstanding, and this unexpected move caused a precipitous drop in the quoted prices of the affected issues.

Trade union Unite is supporting possible legal action by RBS staff for bigger bonuses. The bank reached agreement last year to scrap a previous staff profit-share scheme in return for a possible 10 per cent additional salary when RBS returned to financial strength. But it seems RBS subsequently tore up the deal under pressure from UKFI.

RBS has announced plans to scale back pension benefits for its workers. Pension benefits will be based only on salary rises that are capped at 2 per cent per year, or the rate of inflation, whichever is lower. Lump sum payments on retirement will also be restricted. The objective is to slow the rise in the cost of such pensions according to RBS.

The last two items give some idea of the financial pressures RBS is currently experiencing.

Registration Acknowledgement

We occasionally get queries about payments allegedly made to us for registration but which have not been acknowledged. Our group always acknowledges registrations via post or email, and although we have in the past sometimes had some backlog of responses to process due to the volume of responses, at this point in time it is only a few days.

Cost Minimisation

As mentioned above we communicate with our supporters via post or email and will always respond using the latter medium when we have a working email address. Postal costs are now very expensive while email is only a nominal expense (although not totally free as we use an email delivery service to ensure delivery when we issue such items as newsletters, as you may have noticed). However, many people give us invalid or illegible email addresses initially or they subsequently stop working due to people changing their email address or changing job. If you receive any posted items from us, but have an email address, please let us know what it is for future communications by sending an email containing your name and post code (so we can identify you in our mailing list) to info@rbosaction.org. Please also try and remember to notify us of any changes of email address in the same way.

These email newsletters are sent to everyone who has contacted us about the RBOS Shareholders Action Group and who is on email. At least that will apply for the time being although future supply can only be guaranteed if you register. Postal versions of the newsletter are only sent to those who register. The newsletters cover news on what our Group is doing, and also try to cover general information on the Royal Bank of Scotland that may be of interest to our supporters – most supporters will still be holding RBS shares and not everyone has access to the financial press. We hope you find the information relevant, but we try to keep the newsletters brief. All past newsletters are present in the News section of our web site (www.rbosaction.org).

It is worth stating that we take every effort to control the costs associated with this campaign and the prospective legal action – the use of email is one aspect of that. Our experience of running such campaigns is that it is very easy to allow such costs, particularly on administrative and legal expenses, to grow to a level that ends up absorbing much of the funds raised or any future potential returns to shareholders. This is not something we wish to happen. This campaign is being run for your benefit, not to finance the legal, accountancy or administration professions.

Web Site Update

We mentioned the backgrounds of the directors of this Action Group in our last newsletter. This information has now been added to our web site and there is also a photograph on this page: www.rbosaction.org/Directors.htm

Registration Reminder

If you have not registered your interest in the proposed legal action you are reminded that you need to do so as soon as possible. Please use the form you can obtain from this page of our web site: www.rbosaction.org/Membership.htm .

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Note that all "Update" reports are posted on the News section of our web site (www.rbosaction.org) as soon as they are issued.