



RBOS Shareholders Action Group
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On-Line Payments

We have now implemented an on-line payment system on our web site using the Google Checkout service, so you can now register for membership and pay via a credit card (we still cannot accept credit card payments via phone or post). Please go directly to this web page to use this facility: www.rbosaction.org/Payment.htm

If you have not yet registered your interest in the proposed legal action you are reminded that you need to do so as soon as possible.

FSA Targets RBS Executive

The former head of RBS's investment banking division, Johnny Cameron, is allegedly the target of an investigation by the FSA according to recent press reports. The Financial Times for example suggested that he was in discussions with the FSA that could lead him to being banned for life from the financial services industry. Mr Cameron was closely involved in the acquisition of ABN-AMRO which had such a negative impact on the health of the company. The FSA has been investigating the affairs of the global banking and markets division, the acquisition of ABN-AMRO and its 2008 rights issue since early 2009. Any decisions to disbar former executives of RBS would provide strong support to our case in relation to the rights issue.

Interim Management Statement

RBS recently reported its results for the first quarter. The general view of commentators seemed to be that these were only as good as might be expected, and simply showed that the business plan being followed was generally being met. Although the company recorded an operating profit (after £2.7 billion of "impairment" losses), the net result was a small overall loss after £500 million of charges related to the Asset Protection Scheme.

Stephen Hester, Chief Executive, commented that "*we remain optimistic for RBS and the prospects of achieving the Plans laid out and our vision to restore RBS to an admired and high performing institution*". But the share price of all banks have fallen of late, affected by the Greek debt crisis and possible contagion from that, so after reaching a peak of 58p the price of RBS shares was back at 45p at the time of writing this note, and these results did not seem to help.

AGM Vote

Over 99% of shareholders voted in favour of the Long Term Incentive pay proposals at the Annual General Meeting. However before the poll was taken the Chairman did concede that a review of the thresholds would take place before they were finally set. The company had received a lot of criticism that the 50p threshold was less than the then current share price. Smaller shareholders who attended the meeting were very critical of the general level of pay of senior bankers though.

Address Changes

Please ensure that you advise us of any changes to postal and email addresses. Any such changes should be notified to info@rbosaction.org , by telephone to 020-7286-4161 or via post to RBOS Shareholders Action Group, PO Box 62, Chislehurst, BR7 5YB. Please ensure you mention your old email address and post code so that we can clearly identify you in our mailing list.

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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.