



**RBOS Shareholders Action Group**  
PO Box 62  
Chislehurst  
BR7 5YB  
Phone: 020-8467-2686  
Email: [info@rbosaction.org](mailto:info@rbosaction.org)  
Web: [www.rbosaction.org](http://www.rbosaction.org)

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## Update No. 5

### Property Losses Increase

In a recent speech by Stephen Hester, current Chief Executive of RBS, to the British Property Federation he indicated that losses on property loans might be higher than already forecast. In fact he suggested that the Bank was holding back on calling in the debts or repossessing the properties because of the risk of causing an even deeper slump in property prices. As a result it may take several years for the full extent of the losses by RBS on property loans to become clear.

### Brewin Dolphin Meeting

An interesting report was recently brought to our attention which comments on a meeting with Sir Fred Goodwin back on the 12<sup>th</sup> September 2008 at which staff from stockbroker Brewin Dolphin were present. This was after the rights issue in May but only shortly before the massive bail-out by the Government. Some of the comments attributed to Sir Fred were that he *"reiterated that the Group did not expect any more material bad debt charges linked to US sub prime credit losses"* and when asked whether management expected any more capital raising if market conditions took a turn for the worse he said *"you can never say never"*, but he was of the opinion *"it was very unlikely, and that other UK banks would be way in front of them for cash calls if conditions deteriorated further"*. How wrong can one be? This and other positive comments given by the management at the meeting subsequently caused the stockbroker's analyst to rate the stock as a "buy" although it seems he is no longer with the company.

### History of RBS

A brief history of the Royal Bank of Scotland, with particular emphasis of events in the last two years, has been added to this page of our web site: [www.rbosaction.org/History.htm](http://www.rbosaction.org/History.htm)

### Registration Reminder

We are now accepting financial contributions in the form of associate membership fees to finance the first stage of a prospective legal action which is essentially the fees for expert advice from a QC on the matter. Please go to this page of our web site for details on associate membership and how to support this Group:  
[www.rbosaction.org/Membership.htm](http://www.rbosaction.org/Membership.htm) .

## **Full Membership Terms**

We have firmed up the terms of "Full Membership" of the Shareholders Action Group which gives you voting rights in the company (the Action Group is an organisation incorporated as a company limited by guarantee). In essence anyone who contributes £200 or more when registering can apply for full membership although that is subject to approval. Please call 020-8467-2686 if you are interested in becoming a full member.

Roger Lawson, RBOS Shareholders Action Group

Telephone: 020-8467-2686

Email: [roger.lawson@btclick.com](mailto:roger.lawson@btclick.com)

Note that all "Update" reports will be posted on the News section of our web site ( [www.rbosaction.org](http://www.rbosaction.org) ) as soon as they are issued.