

UK Financial Investments Ltd

2nd Floor, Oceanic House, 1A Cockspur Street, London, SW1Y 5BG

Contacts

Maitland +44 (0)20 7379 5151

Philip Gawith

Anthony Silverman

Andrea Coleman

Press Release

25 February 2010

UKFI gives consent to RBS bonus pool for 2009

London, 25 February, 2010. Following a detailed independent assessment of the proposals made to it by the RBS Board, UKFI has given its consent to the RBS bonus pool for 2009. UKFI's consent was required for 2009 as a condition of the Accession Agreement in relation to the UK Asset Protection Scheme.

The RBS Board has confirmed that the proposals represent the minimum necessary to retain and motivate staff and therefore to protect the value of the taxpayer's substantial investment in the bank. The revenue pay-out ratio in the investment bank is the lowest of any such reported ratio for other major investment banks in 2009, and the RBS board has reduced bonuses to take account of support from the taxpayer, the recent financial performance of the Group and the Chancellor's bonus tax. The structure of the awards includes high levels of deferral, ensuring that all staff receiving a bonus and earning a salary of over £39,000 will have a significant exposure to the RBS share price alongside the taxpayer.

Notes to editors:

UKFI was set up on 3 November 2008 to manage the Government's investments in financial institutions. Its overarching objective is to develop and execute a strategy for disposing of the investments in the context of protecting and creating value for the taxpayer as shareholder and as provider of financial support, paying due regard to the maintenance of financial stability and acting in a way that promotes competition.