

press release

8 May 2009

Shareholders urged to sell RBS despite early rise

- RBS is only for risk seekers says The Share Centre
- Shareholders advised to avoid banks following mixed week of results

The Royal Bank of Scotland's (RBS) share price rose 10 per cent this morning, after the bank announced a £44m first quarter loss in its trading statement. Despite the increase, The Share Centre is now advising shareholders to sell RBS shares.

Commenting on RBS' results, Nick Raynor, investment adviser at The Share Centre, said: "Despite registering a loss, RBS' results weren't as bad as expected, which was reflected in early morning trading as the bank's share price rose from 41.6p to 47.5p.

"However, the taxpayer maybe disappointed by chief executive, Stephen Hester's announcement that it could be years before the bank will be able to stand alone financially. For this reason we are listing RBS as a sell. Seasoned investors willing to trade high risk shares may wish to take a punt on RBS, given the current weakness of its share price."

Commenting on earlier trading statements from Lloyds Banking Group and Barclays, Raynor adds: "Lloyds' share price plummeted almost 10 per cent yesterday morning, after the bank announced that bad debts are expected to be 50 per cent higher than last year. We are wary that further problems lie ahead due to the commercial property exposures of Halifax Bank of Scotland. We are advising shareholders to consider selling Lloyds' shares, thereby capitalising on the banks recent strength.

"Barclays on the other hand, saw its share price rise 4.9 per cent yesterday morning, after announcing a pre-tax profit of £1.37bn. The recent sale of iShares to CVC Capital Partners and the raising of funds from investors in the Middle East have helped to fuel Barclays' performance. Though Barclays looks one of the strongest in the sector we are listing it as a short-term sell, advising shareholders to take profit.

thesharecentre:

“While overall it appears the UK banks are starting to take positive steps to manage their debts and create capital, we are advising investors to wait for more evidence in terms of financial results that the banks are performing well before buying back into the banking sector.”

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Risk Warnings:

Investing in general, and the products and services mentioned above, may not be suitable for all: if in doubt, individuals should seek independent financial advice. The value of investments and the income from them can go down as well as up and investors may not get back their original investment.

The bases and levels of taxation relating to ISAs, CTFs and SIPP's are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

About The Share Centre:

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPP's are also available.

The Share Centre's Advice team provides comment on market sectors and individual shares, including all of the post-privatisation/demutualization companies, on www.share.com. Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#).

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

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