

press release

24 February 2011

INVESTORS SHOULD STAY AWAY AS RBS UNDERPERFORMS

- RBS report losses attributable to shareholders of £1.13bn
 - RBS report losses worse than forecast
- The Share Centre recommend investors 'sell' RBS and prefers Barclays in the banking sector

As RBS report worse than expected results for 2010 Nick Raynor, investment adviser at The Share Centre, explains what this means for investors.

"As RBS is 84% owned by the state, making British taxpayers its main shareholder, the figures that are of most importance to us are the losses attributable to shareholders. After costs related to the Government's toxic loan scheme, this stood at £1.13bn.

"There are no signs of RBS leaving the costly government insurance scheme until at least 2012 - without the associated charges to this scheme net loss would only have been £9m.

"There was some light at the end of the tunnel for investors as the tax-payer backed bank reported that net loss had fallen to £1.1bn for 2010 compared with £3.6bn the previous year. This was driven by reduction in losses on bad loans over the year, a robust performance by its retail banking arm and a quicker than expected reduction in non core assets.

"RBS has been our least favourite of the banks for some time now and we continue to list them as a 'sell'. Others in the sector, namely Barclays, are better equipped to reward its investors and can offer far better returns."

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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, individual shares and funds 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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