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Press Release

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For immediate release

Formation of Shareholder Action Group for Royal Bank of Scotland Shareholders

The RBoS Shareholder Action Group has been formed to represent the interests of shareholders in the Royal Bank of Scotland (RBS). This group will raise supporters and funds and will consider legal action on behalf of shareholders in RBS. The Group was formed at the request of a number of RBS shareholders who have lost substantial sums of money as a result of their investment in this company.

RBS shareholders believe the considerable losses they have sustained can be attributed to factors beyond the financial crisis. The rights issue the bank undertook in May 2008, which they believe was promoted on a misleading basis, is of particular concern. This was the largest ever UK rights issue at that time, raising £12bn for RBS.

The Group believes that, at the time of the rights issue, the company's assets were overstated and liabilities were understated. The rights issue was priced at 200p which even then was a discount of 35% on the market price. However, the company has recently traded at under 20p, resulting in a massive destruction of value.

The rights issue was clearly insufficient and subsequently the company has had to take substantial funds from the Government to cope with further asset write-downs and as part of the "recapitalisation" programme for banks to improve their core balance sheet ratios. This has resulted in the massive dilution of shareholders' interests and the Government now has a financial stake of 95% in the business. Effectively the business has been nationalised in all but name, with the Government firmly in control of the company and entitled to dictate its policies and strategy.

In addition, investors had their dividends struck out with devastating results for the pension incomes of thousands.

Shareholders in RBS are invited to contact us so that they can register their interest in the Group and in any subsequent legal action that may be mounted.

The Group have appointed Roger Lawson, who has experience of running similar groups for the UK Shareholders Association, to manage other aspects.

For further information, please contact:

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More information will be posted on our web site at www.rbosaction.org as soon as it is available.