

Royal Bank of Scotland

07:41 18 Jan 2019

RBS seeking to buy back up to £1.4bn worth of bail-out shares from the UK government

Royal Bank of Scotland PLC (LON:RBS) has revealed that it is looking to buy up to £1.4bn worth of shares from the UK government as part of efforts to cut the publicly owned stake in the rescued lender.

In a statement released after the London markets close on Thursday, the FTSE 100-listed bank said it would seek shareholder approval to buy a stake of up to 4.99% from the Treasury at a general meeting in Edinburgh scheduled for February 6.

READ: RBS's dividend signals a return to strong dividend growth for banks but elsewhere profit warnings are a concern

The move would reduce the taxpayer's holding in RBS - which received a £45bn government bail-out during the 2008 financial crisis - to 60.3% from around 62.3% currently.

The bank said the shares bought would be cancelled, resulting in a smaller percentage cut in the government's total stake because there would be fewer shares in circulation.

The Treasury disposed of 7.7% of its holding in RBS for £2.5bn last year and has said it plans to sell its entire stake by 2023-2024.

RBS's move follows months of speculation about how the bank will use its excess cash, having already spent £240m on its first shareholder dividend in a decade last October.

Howard Davies, RBS's chairman commented: "This resolution would provide the bank with the flexibility to use some of its excess capital to buy back government shares at a time and price agreed with HM Treasury.

"The board believes that this is in the best interests of the bank and its shareholders by helping to facilitate the return of the company to full private ownership."

Price: 125.65

Market Cap: £15.24 billion

1 Year Share Price Graph



Share Information

Code: RBS

Listing: LSE

52 week High Low
265 100.336

Sector: Banks

Website: www.rbs.com

Company Synopsis:

RBS is one of the world's top 10 financial services groups and a leading provider of personal, business and institutional banking services. RBS is traded in the ISDX Exchange [HERE](#).

action@proactiveinvestors.com

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.