

Press Release

For immediate release

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THE BRADFORD & BINGLEY (B&B) NATIONALISATION A POLITICAL DECISION ?

Since the formation of the Bradford & Bingley Shareholder Action Group in November 2008 over four thousand shareholders have joined our campaign for fair compensation from the Government. This number is increasing daily. We have written to Alistair Darling twice asking why B&B was nationalised, over eight weeks later the only response has been from Lord Myners, a treasury minister who replied in fairly general terms. Four Freedom of Information Act requests asking for details have also been made. Responses to these have been: -

- Cabinet Office – no files whatsoever
- Financial Services Authority (FSA) – no response
- Treasury – responding to the request would exceed the cost limit
- Bank of England (BofE) – too costly to respond.

As a result we have written to Richard Alderman, head of the Serious Fraud Office (SFO), asking for a full investigation into the affairs of the company and the interaction between the B&B board, the Treasury, the FSA, the BofE and the Cabinet Office at No10, in the twelve months prior to the nationalisation of B&B. The SFO have acknowledged our letter.

A close study of events in the days before the announcement of B&B's nationalisation suggests political rather than regulatory factors may have been the main consideration for this decision. We have a transcript of a telephone conversation between a B&B shareholder and the FSA dated the 18th September 2008 in which the latter confirmed they had no issues with B&B at that time. To quote the FSA: *"There are no issues so far as the FSA is concerned with its capital – having sufficient capital to be authorised. So you can be assured there aren't any concerns relating to Bradford & Bingley at the moment"*.

On Thursday 25/09/08, Richard Pym chief executive of the B&B stated *"we are a strongly capitalised bank now undertaking a complex transition with regrettable job losses, we are planning to put the problems of the past behind us and have a business fit for purpose going forward"*. At 11.30 hrs on Saturday 27/09/08 the FSA had made an executive decision that the B&B could no longer meet the threshold conditions and the board had until 12.30 hrs to decide whether to appeal. The board decided that an appeal was not appropriate. This ultimatum suggests that the Government acted in a hasty manner instead of taking steps to re-establish confidence in the company.

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They clearly did not wish to see a rerun of the Northern Rock fiasco, where they were accused of vacillation, in the same week as the Conservative Party conference. But they seem to have taken premature decisions, in somewhat of a panic, with the result that a viable business has been unnecessarily destroyed.

Public Meeting for Shareholders

The Bradford & Bingley Shareholders' Action Group is holding a public meeting for shareholders on Saturday the 7th March commencing at 10.30 am. The location is the Ramada Hotel, Bradford Road, Bingley, BD16 1TU. For a map and directions see www.ramadajarvis.co.uk/hotels/bradford/travel.aspx . Speakers so far confirmed are:

- **Leon Kaye**, senior partner of Leon Kaye solicitors, who are pursuing a possible legal action against the B&B board and the company on behalf of those shareholders who took up the rights issue.
- **Philip Davies**, MP for Shipley, who has been very active in promoting the interests of B&B employees and shareholders.
- **Roger Lawson**. Communications Director of the UK Shareholders Association.
- **David Blundell**, Chairman of the B&B Shareholders Action Group.

We have also invited a Government Minister to attend and put their point of view.

The main purpose of the meeting is to enable shareholders to ask questions about what has happened to date and what the Action Group is doing or plans to do on their behalf.

All media representatives are invited to attend and this would be a good opportunity for you to meet some of the 1 million smaller shareholders in this company and get their points of view on the nationalisation. Photography is also invited.

For further information, please contact:

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Background information on the Bradford & Bingley Shareholder Action Group is present on this web page: www.uksa.org.uk/BradfordBingley.htm

Note that the Bradford & Bingley Shareholder Action Group issues regular newsletters concerning our activities. If you wish to be put on the mailing list for this (in addition to our general press circulation list), please send an email to uksa@uksa.org.uk mentioning "add to B&B newsletter list" in the subject line.