

To Bank Shareholders

30 November 2008

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## **Bank Investors Campaign – Update No. 3**

### **Meeting on “The State of the Banks”**

As mentioned in our previous newsletter, there is a public meeting organised by UKSA in London on Thursday the 11<sup>th</sup> December to debate the banking crisis and how it has affected shareholders. Details of this meeting are now present in this document on our web site: [www.uksa.org.uk/UKSA\\_Press074\\_Bank\\_Forum.pdf](http://www.uksa.org.uk/UKSA_Press074_Bank_Forum.pdf). Please come along if you can make it (perhaps it's a good opportunity to combine it with a shopping trip in London).

### **LloydsTSB/HBOS Merger**

Sir Peter Burt and Sir George Mathewson have dropped their campaign to keep HBOS independent so shareholders now have a simple choice. Either vote for the merger or face nationalisation of the business (at least that's the big stick that the Government is waving at shareholders to encourage them to support it). However, there is still apparently a possible legal challenge being mounted on the basis of the overriding of competition law by the Government.

### **Barclays General Meeting**

I attended and spoke at the Barclays General Meeting to approve their fund raising. There were a lot of complaints directed at the board by small shareholders about the failure to support the principle of pre-emption rights, the cancellation of the dividend despite previous board promises to the contrary, board remuneration, and other issues. However press coverage of the event was limited because it happened on the same day as the Chancellors pre-budget announcements.

My question to the board specifically raised the question of whether the board accepted the need to raise their “capital ratios” as dictated by the FSA, i.e. did they need more capital? I am not sure I got a straight answer.

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*Note that all previous information issued by UKSA in respect of our campaign on banks is present on the following web site page: [www.uksa.org.uk/Bank\\_Investors\\_Campaign.htm](http://www.uksa.org.uk/Bank_Investors_Campaign.htm)*