

To Bradford & Bingley Shareholders

15 October 2008

**UK Shareholders Association**  
BM UKSA  
London  
WC1N 3XX

Phone: 0870-70-60-600  
Email: [uksa@uksa.org.uk](mailto:uksa@uksa.org.uk)  
Web: [www.uksa.org.uk](http://www.uksa.org.uk)

## **Bradford & Bingley Action Group – Update No. 2**

### **Meeting for shareholders in London**

The UK Shareholders Association regularly exhibits at the World Money Show in London. This is the premier event for stock market investors in the UK. This year we are in addition holding an open meeting for Northern Rock shareholders thanks to the generous support of the organisers, and have also decided that as we have a full two hours available we will also cover Bradford & Bingley in the last hour.

The World Money Show is at the Queen Elizabeth II Conference Centre on the 14-15 November 2008 and the meeting we are holding for shareholders runs from 10.00 am to 12.00 am on Saturday the 15th in the Thames Room on the 1st floor. Note that Admission to the Meeting for shareholders and to the event in general is free but you do need to register for the conference. To register Online, visit The World Money Show London Web site today at: [Registration](#).

If you cannot make the shareholder meeting, we will have a stand in the Exhibition hall and you are welcome to come and have a chat on any of the two days that the venue is open.

### **Bradford & Bingley PIBs**

Several people have contacted us about the position of the holders of PIBs (Perpetual Subordinated Bonds similar to preference shares in some regards) in Bradford & Bingley. In the case of Northern Rock, the PIBs were not confiscated by the Government as they were treated in the same way as debts and have remained outstanding with interest being paid on them. However, we understand that in the case of Bradford & Bingley these have been treated in the same way as the equity and preference shares and hence will be subject to the cancellation and owners must look to the compensation arrangements to gain any redress. Interest payments will likewise cease. This information is subject to confirmation by the Government as the nationalisation order is not totally clear on this point. It is unknown of course on what basis any compensation will be calculated.

### **No.10 Petition**

The Prime Ministers Office (No.10 Downing Street) has been hosting electronic petitions for some time. A new one reads: "*We the undersigned petition the Prime Minister to ensure investors in Bradford & Bingley plc receive a fair price for their shares*". Please click on the following link to sign this petition: <http://petitions.pm.gov.uk/Bradford-Bingley>

## **Fund Raising and Becoming a Member**

Note that this Action Group will need to raise funds in due course to cover administrative expenses and legal costs (we have over 500 supporters already but it may run into hundreds of thousands in due course). We will put in place a similar donation system as we have done for the Northern Rock group. In the meantime if you wish to support us financially please consider membership of the association. More details are present at: [www.uksa.org.uk/Membership.htm](http://www.uksa.org.uk/Membership.htm)

## **More Committee Members Needed**

We have quite a number of shareholders who have volunteered to join a steering committee for this group (UKSA is primarily a voluntary organization so shareholders who wish to see this matter progressed need to volunteer their services and run this group). The first meeting of this committee will take place on November 4<sup>th</sup>. However we do need more members, particularly those who are willing to make an active contribution, so if you may be willing to assist please call me on the number below for more information (if you have any difficulty getting through, which is not easy at present due to the number of inquiries I get, please leave a message with your telephone number and I'll call you back, or send an email).

## **Government Support for the Banking Sector**

On the 8<sup>th</sup> October the Government announced wider support for the banking sector including up to £200bn under the Special Liquidity Scheme and the willingness to subscribe for both preference shares and equity. UKSA issued a press release which included the following comments: *"The provision of up to £200bn under the Special Liquidity Scheme is also welcomed as a short term measure to improve liquidity in the banking system. If similar measures based on a private sector solution had been applied to helping Northern Rock instead of the nationalisation that took place, the Government would not now be facing so many disgruntled shareholders and a legal action. Similarly shareholders in Bradford & Bingley might ask why that bank could not have been helped in this way rather than being nationalised"*. The full press release can be seen at: [www.uksa.org.uk/UKSA\\_Press069\\_Bank\\_Support.pdf](http://www.uksa.org.uk/UKSA_Press069_Bank_Support.pdf) .

Note though that after the details of the Government support were announced by the companies, shareholders were astonished to discover that it seemed the Government was intent on making large profits at the expense of shareholders. Also it was "nationalisation by stealth" in the case of Royal Bank of Scotland and LloydsTSB as in both cases the Government will end up with effective control. Shareholders will also suffer because dividends will be non-existent for some time and profits in the companies eroded by high Government charges on the preferred shares being offered.

Roger Lawson  
Communications Director, UK Shareholders Association  
Email: [uksa@uksa.org.uk](mailto:uksa@uksa.org.uk)  
Web: [www.uksa.org.uk](http://www.uksa.org.uk)  
Direct telephone: 020-8467-2686

*Note that all previous information issued by UKSA in respect of Bradford & Bingley is present on the following web site page: [www.uksa.org.uk/BradfordBingley.htm](http://www.uksa.org.uk/BradfordBingley.htm)*