

## Press Release

For immediate release

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## **UKSA RAISES CONCERNS OVER THE TREATMENT OF THE BRADFORD & BINGLEY SUBORDINATED BONDS**

The current position regarding the Perpetual Subordinated Bondholders of Bradford and Bingley Bank is of major concern to the holders of those bonds and to the UK Shareholders Association (UKSA).

The Government is not treating the bondholders of the subordinated debt of Bradford and Bingley bank equally to the bondholders of the subordinated debt of other banks caught up in the British banking crisis.

Whereas the capital of all other bondholders in these banks is being protected, the capital of the bondholders invested in the subordinated debt of Bradford and Bingley bank may be wiped out under the present wording of the Treasury order relating to the nationalisation of Bradford and Bingley bank.

### **The Issues:**

The bondholders of subordinated debt of Bradford and Bingley are not being treated equally to the bondholders of subordinated debt in Northern Rock or HBOS. They are being treated extremely harshly and are the only group among all of the bondholders caught up in the whole of the British banking crisis who are being treated in this manner.

In 200 years of British banking history no previous Government has seized the capital of the bondholders of the subordinated debt of a British bank.

This raises some very important questions:

1. Why is the Government placing itself above the Bradford and Bingley bondholders in the rankings for settlement but below the bondholders in Northern Rock?
2. Why is the Government not treating all bondholders involved in these banks equally?
3. Why is the Government not acting consistently in the application of the rules dealing with the nationalisation of these banks?

4. Why is the Government proposing to seize the capital of the bondholders invested in the subordinated debt of Bradford and Bingley? This does not form part of the bank's capital, but was loaned to the bank by the bondholders in return for interest.
5. Is the Government aware that in seizing the bondholders' funds contained in this subordinated debt, it is taking the life savings of many pensioners and small savers who rely upon this money for income and will in many cases never be able to replace it?

More explanation of these issues is given on the following page of the UKSA web site:  
[www.uksa.org.uk/B&B\\_Subordinated\\_Bonds.htm](http://www.uksa.org.uk/B&B_Subordinated_Bonds.htm)

Note that owners of these subordinated bonds should contact UKSA to register their interest in this matter ([uksa@uksa.org.uk](mailto:uksa@uksa.org.uk)) .

**For further information, please contact:**

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**About the UK Shareholders Association (UKSA)**

UKSA is the leading independent organisation which represents the interests of private shareholders in the United Kingdom. We campaign to protect the rights of shareholders in public companies, and to promote improved standards of corporate governance. Our educational activities, regular regional meetings, company "analyst" meetings and the resources of our web site, help to inform the public on investment management. UKSA is a "not for profit" organisation which is financially supported primarily by its individual members.

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