

## Press Release

For immediate release

20 August 2009

**UK Shareholders Association**  
PO Box 62  
Chislehurst  
BR7 5YB

Phone: 020-8467-2686  
Email: [uksa@uksa.org.uk](mailto:uksa@uksa.org.uk)  
Web: [www.uksa.org.uk](http://www.uksa.org.uk)

## West Bromwich Building Society PIBS – Public Meeting

The UK Shareholders Association (UKSA) is organising a public meeting on Saturday the 5<sup>th</sup> September for the holders of the PIBS issued by the West Bromwich Building Society. All holders of the PIBS and members of the press are invited to attend.

The holders of these PIBS are very concerned about the Society's proposed changes to the 6.15% Permanent Interest Bearing Shares ("PIBS") associated with the financial restructuring of the Society, and the process employed to implement these. On the 12th June 2009, the Society announced that the future coupon will be reduced, on a permanent basis, to the lower of the current coupon and the yield on the new Profit Participating Deferred Shares ("PPDS"). The latter were issued to debt holders under the Capital Exchange announced simultaneously with the PIBS proposals. PIBS holders will suffer a massive erosion of their income, with no certainty on the future level, when many purchasers were under the impression that these were fixed interest investments.

The Board of Directors claim they have the right to vary the interest payment terms at their whim, much to consternation of the holders, i.e. the directors claim absolute discretion in this matter. Whether the prospectus terms give them the right to do so appears to be questionable. There was no consultation with PIBS holders or opportunity for them to take legal advice on this matter before the restructuring was announced.

### Meeting Details

The meeting will commence at 2.0 pm on Saturday the 5<sup>th</sup> September at the Fairlawn Hotel, Aldridge, Walsall, WS9 0NU – see their web site at [www.fairlawns.co.uk](http://www.fairlawns.co.uk) for a map and directions.

An outline agenda for the meeting is:

1. Peter Morgan (one of the PIBS holders) will give a summary of the current position, and the basis for the complaints of the PIBS holders.
2. Roger Lawson from the UK Shareholders Association will cover the events at the general meeting on the previous day held by the Society and how UKSA can assist going forward. He will explain how a "shareholders action group" can be formed to promote the interests of the PIBS holders.

3. The specific problem of communicating with the PIBS holders and their disenfranchisement by the use of nominee accounts will be covered (the society has effectively thwarted any communication with the PIBS holders to date).

4. The meeting will then agree future actions.

Please send an email to [uksa@uksa.org.uk](mailto:uksa@uksa.org.uk) if you plan to attend the meeting so we get an idea of the possible numbers.

**For further information, please contact:**

Roger Lawson, Communications Director  
UK Shareholders Association  
Telephone: 020-8467-2686  
Email: [roger.lawson@btclick.com](mailto:roger.lawson@btclick.com)

More background information is present on this page of the UKSA web site: [www.uksa.org.uk/WestBromwichBS.htm](http://www.uksa.org.uk/WestBromwichBS.htm) . Note that UKSA is recommending that PIBS holders vote against all the resolutions at the meeting called by the Society for the 4<sup>th</sup> September. Although these resolutions are of a technical nature and do not impact directly on the matters in dispute they effectively condone the boards actions.

**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.

File: UKSA\_Press087\_West\_Brom\_PIBS\_Public\_Meeting.doc