

Government completes final £5 billion sale of Bradford & Bingley plc and NRAM Limited

News story

A £5 billion sale of Bradford & Bingley plc and NRAM Limited (formerly Northern Rock) and their remaining loans, acquired by the taxpayer as a result of the financial crisis, has been announced today, 26 February.



This final sale constitutes a significant milestone in the work to achieve the government's objective of returning the institutions brought into public ownership as a result of the 2007-2008 financial crisis to private ownership.

The sale was approved following a competitive auction process and will see Bradford & Bingley (B&B) and NRAM, together with their remaining mortgages and loan portfolios, sold to a consortium comprising Davidson Kempner Capital Management LP (Davidson Kempner) and Citibank (Citi). The majority of the financing for the transaction is being provided by funds managed by Pacific Investment Management Company LLC (PIMCO).

The Economic Secretary to the Treasury, John Glen, said:

This sale represents a major achievement. At last March's budget we promised to finally return B&B and NRAM to private ownership and we have done just that.

We are continuing to protect consumers while recovering significant amounts of the taxpayer money used to ensure financial stability during the financial crisis.

Following the nationalisations of Northern Rock and Bradford & Bingley, UK Asset Resolution (UKAR) was formed in 2010 as a holding company for their closed mortgage books. A key element in selecting the successful bidder was the treatment of customers. As is the case in all UKAR asset sales, all

bidders were required to agree to a robust package of customer protections before their bids were considered on the basis of other factors.

Customers do not need to take any action and can be assured that there will be no changes to the terms and conditions of any loans as a result of this transaction. They will continue to receive the same protections for the lifetime of their mortgage as they do today, and their ability to remortgage will be unaffected.

Although this sale involves a change in ownership of B&B and NRAM, it will not result in customers moving to a new lender. When transfer of ownership is completed, B&B, NRAM and Mortgage Express will remain the legal title holders of the loans. Computershare will continue to service the loans.

B&B, NRAM, Mortgage Express and Computershare are all regulated by the Financial Conduct Authority (FCA). This means that customers will continue to enjoy the protection of the FCA's rules.

Further information

- Following the nationalisations of Northern Rock and Bradford & Bingley, UK Asset Resolution (UKAR) was formed in 2010 as a holding company for their closed mortgage books, with a balance sheet of nearly £116 billion. Since then, UKAR has gradually been returning these mortgage assets to the private sector.
- B&B and NRAM are directly owned by UKAR, whilst Mortgage Express is a subsidiary of B&B. Following regulatory approval Davidson Kempner will become the direct owner of B&B and NRAM and indirectly take ownership of Mortgage Express.
- UKAR Ltd will remain in government ownership, and will be responsible for meeting ongoing contractual obligations to the buyer of the companies, and managing other remaining liabilities.
- [See the press release](#) on the UK Asset Resolution website.

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