

News story: Bradford & Bingley asset sale to raise £11.8 billion for UK taxpayers

The loans will be sold to Prudential plc and to funds managed by Blackstone. There will be no changes to the terms and conditions of the loans sold. Borrowers do not need to take any action.

The price achieved reflects the strong credit quality of the portfolio and the outcome of a highly competitive sale process. It delivers value for money for the taxpayer and compares favourably with the 'fair value' of the B&B loan book disclosed in B&B's accounts last year. The fair value of the B&B loan book is less than its book value, reflecting the low interest rates payable on the loans.

UK Asset Resolution (UKAR) manages Bradford & Bingley and NRAM's closed loan books on behalf of the taxpayer. Allowing for today's transaction, UKAR's balance sheet now stands at £22 billion, down from £37 billion in September 2016 and from £116 billion in 2010.

Chancellor Philip Hammond said:

The sale of these Bradford & Bingley assets for £11.8 billion marks another major milestone in our plan to get taxpayers' money back following the financial crisis.

We are determined to return the financial assets we own to the private sector and today's sale is further proof of the confidence investors have in the UK economy.

At [Budget 2016](#), the government announced that it would explore a programme of sales designed to raise sufficient proceeds for Bradford & Bingley (B&B) to repay the £15.65 billion debt to the Financial Services Compensation Scheme (FSCS) and, in turn, the corresponding loan from the Treasury. Today's (31 March 2017) sale is the first in the programme.

The programme of sales is expected to conclude in full before the end of 2017-18. Any further sales will be subject to market conditions and ensuring value for money.