

# UK Financial Investments Ltd

2<sup>nd</sup> Floor, Oceanic House, 1A Cockspur Street, London, SW1Y 5BG

## Contacts

Liz Morley: 020 7395 0456

(Mobile: 07798 683108)

Andrea Coleman: 020 7395 0420

(Mobile: 07739 448155)

## Press Release

**28 February 2012**

### UKFI report on sale of Northern Rock

UK Financial Investments Ltd (“UKFI”) has today published a document that sets out the background to and the rationale for the decision to return Northern Rock plc (“Northern Rock”) to the private sector through its sale to Virgin Money Holdings (UK) Limited (“Virgin Money”) which completed on 1 January 2012.

Key points include:

- An assessment of the Virgin Money bid compared to the estimated values of other potential options to return Northern Rock to the private sector;
- The timing of the sale, and the background to UKFI's recommendation to the Chancellor that a sale to Virgin Money was in the best interests of taxpayers;
- The positive return to taxpayers expected from the former Northern Rock companies, Northern Rock plc and Northern Rock (Asset Management) plc. The Government provided £37 billion of funding and the return of cash from these companies to Government excluding tax proceeds is expected to total between £46 billion and £48 billion.

To view or download this report in full, please see our publications page at the following link:

<http://www.ukfi.co.uk/publications/>

**Ends**

#### About UKFI:

UKFI is responsible for managing the Government's shareholdings in The Royal Bank of Scotland Group plc and Lloyds Banking Group plc, collectively the “Market Investments”. UKFI is also responsible for managing the Government's 100% shareholding and loans in UK Asset Resolution Ltd (“UKAR”). UKAR was formed during 2010 to integrate the activities of Northern Rock (Asset Management) plc and Bradford & Bingley plc, collectively the “Wholly-Owned companies”. UKFI managed the Government's 100% shareholding in Northern Rock plc from Northern Rock plc's formation on 1 January 2010 up to its sale to Virgin Money on 1 January 2012.

UKFI's overarching objective is to manage these shareholdings commercially to create and protect value for the taxpayer as shareholder and to devise and execute a strategy for realising value for the Government's investments in an orderly and active way over time within the context of protecting and creating value for the taxpayer as shareholder and where applicable, as provider of financial support, paying due regard to the maintenance of financial stability and acting in a way that promotes competition.