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UK Asset Resolution announces £4.9bn sale of NRAM Ltd assets

United Kingdom: UK Asset Resolution (UKAR)

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UK Asset Resolution announces £4.9bn sale of NRAM Ltd assets

02 Apr 2019

Following an open and competitive process, NRAM Ltd (NRAM) part of UK Asset Resolution Limited (UKAR), today confirms that it has agreed to sell two separate portfolios of residential owner-occupied mortgages and unsecured loans to Citi for a total of £4.9bn. The majority of financing for the transaction is being provided by PIMCO.

Financial completion is expected within the next few weeks and will enable UKAR to repay all outstanding government loans to HM Treasury.

The sale is based on the portfolio position as at 30 September 2018, from which point the purchaser will acquire the risks and rewards of ownership of approximately 66,000 NRAM loans.

A key consideration in selecting the successful bidder was the continued fair treatment of customers. There will be no changes to the terms and conditions of the loans as a result of this transaction. Customers will receive the same protections for the lifetime of their mortgage as they do under UKAR's ownership without affecting their ability to re-mortgage. The mortgages will continue to be administered by the same servicing company, providing continuity of service. Customers do not need to take any action, those included in the transaction will be contacted in due course to explain the change in ownership.

Ian Hares, Chief Executive Officer, commented:

"This is a significant step in the reduction and simplification of our balance sheet. When complete, this sale will reduce UKAR's balance sheet to £8bn, a 93% reduction since formation. Looking forward, we are now focussed on releasing the Government from its remaining investment in NRAM and Bradford & Bingley plc."

Notes to Editors:

- As at end September 2018, the outstanding government loans comprise £2.1bn NRAM and

£1.9bn B&B.

UK Asset Resolution Limited (UKAR)

UKAR, the holding company for Bradford & Bingley plc (B&B) and NRAM Limited (NRAM), was established on 1 October 2010 to facilitate the orderly management of the closed mortgage books of both B&B and NRAM to maximise value for taxpayers, while ensuring that both companies continue to treat customers fairly, deliver consistently high levels of service and support those customers facing financial difficulty. Further information about UKAR is available at www.ukar.co.uk.

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