

Our mission is to maximise value for the taxpayer while treating all stakeholders fairly

UK Asset Resolution (UKAR) is the holding company established on 1 October 2010 to bring together the government owned businesses of Bradford & Bingley (B&B) and NRAM.

UK Financial Investments Limited (UKFI) manages HM Treasury's 100% shareholding in UKAR.

UKAR is responsible for the administration of the Government's Help to Buy: mortgage guarantee scheme and the Help to Buy: ISA on behalf of HM Treasury.

Period highlights In the last 12 months

- Significant business transformation and continued delivery against our objective of reducing the Balance Sheet.
- Successfully completed the sale of two separate asset portfolios comprising buy to let loans for a total of £11.8bn to Prudential plc and to funds managed by Blackstone.
- Redeemed the notes outstanding under the Aire Valley securitisation programme, simplifying the Balance Sheet and facilitating further asset sales.
- Completed the outsourcing of the servicing of our customer loans ensuring continuity of service for our customers.

These developments are based on achieving value for the taxpayer, whilst serving our customers well and treating all our stakeholders fairly

Business highlights

Since formation:

- Balance sheet **reduced** by **£81.5bn**, **70%**†.
- Government **loan repayments** of **£23.7bn**; loan reduced by **49%**†.
- Mortgage accounts **three or more months in arrears**, including possessions, have reduced by **88%**.
- **£27.2bn** of mortgages and loans sold.
- **99.7%** of private sector debt repaid (**£57.5bn**).

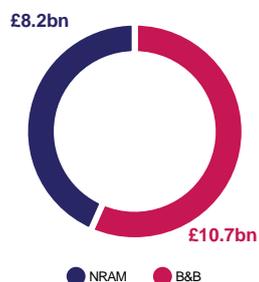
Customers and Conduct

In the last period:

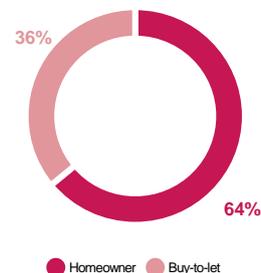
- More than **93%** of our customers are up to date with their mortgage payments.
- Made c. **11,000** "arrangements to pay" to assist customers in difficulty.
- Referred c. **1,869** customers to not-for-profit debt advice agencies, who provide free assistance to help customers reorganise their finances.
- **Proactive** contact with interest only customers to offer help and support on their plans to repay their mortgage.

Mortgage Book Data

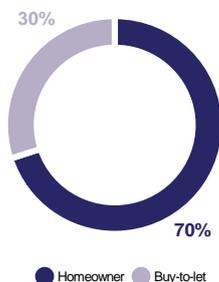
Total residential mortgages = £18.9bn



B&B = £10.7bn



NRAM = £8.2bn



Key facts

	UKAR	B&B	NRAM
Total mortgage customers	137,000	73,000	64,000*
Total mortgage accounts	158,000	91,000	67,000
Total interest only accounts	104,000	65,000	39,000
	66%	72%**	58%
Average size of homeowner mortgage	£122,000	£126,000	£118,000
Average size of BTL mortgage	£118,000	£110,000	£133,000

* This figure does not include 11,598 (Safe & Sure) customers/accounts where the deeds are held by NRAM but a nil balance is on the account.

** Of these 33,000 (93%) are buy-to-let accounts.

Key Financial Information

Key facts

	UKAR	B&B	NRAM
Govt. loan repayments	£3.3bn	£0.4bn	£2.9bn
Underlying profit before tax	£706.0m	£374.4m	£331.4m
Debt owed to other investors	£0.2bn	-	£0.2bn
Equity capital	£8.1bn	£3.4bn	£4.7bn
Balance sheet reduction	£9.0bn	£6.1bn	£2.9bn

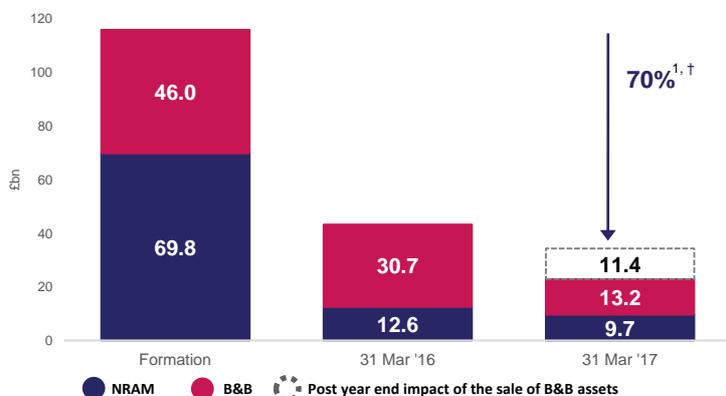
Arrears and Possessions



Number of mortgage accounts 3 months+ in arrears including properties in possession.

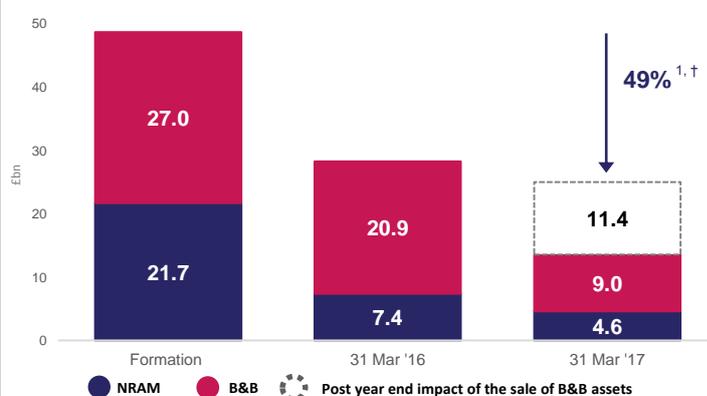
1. Percentage reduction since formation in 2010

Balance Sheet



1. Percentage reduction since formation in 2010

Government Debt



1. Percentage reduction since formation in 2010

† The Balance Sheet and Government Debt figures do not include proceeds from the sale of a portfolio of Bradford & Bingley loans to Prudential plc and to funds managed by Blackstone as financial settlement took place in April 2017, after the Balance Sheet date. All other figures reflect completion of the sale in March 2017.

Contact details

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