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Press Release

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Chairman and CEO designate appointments for holding company of NR(AM) and B&B

Following the announcement made on 24 March 2010 regarding the intention to integrate Northern Rock (Asset Management) plc ("NR(AM)") and Bradford & Bingley plc ("B&B") under a single holding company, UKFI today confirms that Richard Pym, Chairman of B&B and NR(AM) has been appointed Chairman designate of this holding company, and Richard Banks, currently Managing Director of B&B, has been appointed Chief Executive designate. Richard Pym and Richard Banks will play key roles in setting up the new holding company and they will manage the integration of NR(AM) and B&B alongside Gary Hoffman, the current co-Chief Executive of NR(AM) and Northern Rock plc.

Gary Hoffman will remain co-Chief Executive of NR(AM) and Northern Rock plc until the above appointments come into effect, after which he will remain Chief Executive of Northern Rock plc.

Although no firm timescale can yet be confirmed for the integration of both companies, these appointments are a step towards bringing NR(AM) and B&B under common governance and management.

The appointments are subject to regulatory approval from the FSA.

Notes to editors:

UKFI was set up on 3 November 2008 to manage the Government's investments in financial institutions. Its overarching objective is to develop and execute a strategy for disposing of the investments in the context of protecting and creating value for the taxpayer as shareholder and as provider of financial support, paying due regard to the maintenance of financial stability and acting in a way that promotes competition.

The legal and capital restructure of the former Northern Rock was successfully completed on 1 January 2010, following approval for State aid which was granted by the European Commission on 28 October 2009. This resulted in the creation of two separate companies, Northern Rock (Asset Management) plc and Northern Rock plc.

On 27 March 2009, Bradford & Bingley submitted its Business Plan and application for State Aid to the European Commission, in accordance with state aid rules after having been taken into public ownership on 29 September 2008. This Business Plan outlined the Group's objectives to repay HM Treasury and the Financial Services Compensation Scheme (FSCS) as soon as market conditions allow, and protect taxpayers, whilst treating customers and creditors fairly. A summary of the Business Plan is available at www.bbg.co.uk. On 25 January

2010 the European Commission approved the Business Plan and application for State Aid, a decision that ratifies the strategy and approach that is outlined in the Business Plan and is an essential requirement that will help the Group achieve its business objectives.

On 24 March 2010, UKFI announced the intention to integrate Northern Rock (Asset Management) plc and Bradford & Bingley plc under a single holding company in order to maximise value for the taxpayer and create a solid platform for the orderly management of both companies' closed mortgage books. The single holding company will combine the two companies under common governance and management. Both companies will remain as separate legal entities under the new holding company, each with its own balance sheet and government support arrangements. There will be no changes to existing liability structures. The proposal will be implemented within the European Commission State aid rules and will be subject to regulatory approval from the FSA.