

The majority of the 160,000 small shareholders are ordinary pensioners and savers.

After the company was nationalised by the Brown Government the shareholder owners received NIL compensation.

Northern Rock - the little but important and very trusted flagship bank in the NE of England - was solvent with £115Bn very good quality assets, but found itself in liquidity problems when the wholesale and inter-bank lending markets (on which all banks relied upon to some extent) suddenly dried up completely following lost confidence in the markets because of problems in the USA.

As a solvent bank the routine course of action was for the Bank to approach the Bank of England for support, one of the functions of the B of E was to supply support (to solvent banks only) secured by good assets. The record shows that the CEO of the Rock asked the BoE only for a 'stopgap' facility and which (he told the TSC) he did not intend to draw down upon.

Following a 'leak' of confidential information by the BBC, depositors panicked and a disastrous and very damaging 'bank-run' took place.

At the time the UK had no Bank Special Resolution Regime (as was available in every other European country), but after the 'run' the authorities started to create one, resulting in the Banking Act 2009.

This Act shows that in helping a failing (not failed) bank, the government "do not intend to make a profit" (from the assistance). However in contrast, at the very time they were preparing this new procedure, the Labour Government confiscated the complete N Rock company and publicly declared that it was their intention to take ALL the assets and to keep any proceeds in due course 'to cover the risk they were taking'.

The record will show that the massive government support for the UK banks generally will leave the taxpayer with a huge loss - something like £31,000,000,000 we believe.

However, the 'rubbished' little Rock survived the bank run, paid back the loans and penal interest and other charges, and then turned up trumps (because it was a sound bank with quality assets)

The Depositors lost nothing, Government makes a huge profit. Who were the only losers? The Rock shareholders, who were 'wiped out' and the wonderful Rock Foundation who had done so much good for the underprivileged in the region for years.

**Whilst it is only right that the Government should obtain repayment of the loans inclusive of interest and fees, it is surely equitable and fair that the former shareholders should receive compensation out of surplus funds that remain,**

From April 2008 all UK banks, progressively, received liquidity support and State Aid estimated at over £1Trillion that enabled RBS, and Lloyds/HBOS to survive. *It would be a cruel irony indeed, and great injustice, if the NR shareholders were to lose 100% of their Equity whilst the larger UK banks with huge misconduct fines and massive impairments from toxic assets were to recover (with state support) a part of their shareholder value.*

We seek a *fair share* of the "embedded value" that was taken from us. This is broadly equivalent to "residual value" compensation suggested by Lord King on 11 September 2017. In December 2007 Goldman Sachs had advised HM Treasury that Northern Rock had an enterprise value of £2.8 Billion. In June 2015 the Chancellor, George Osborne projected a net surplus of £ 9.6 Billion from Northern Rock and Bradford & Bingley (possibly £ 8.5 Billion being the imputed NR portion), after allowing for all loans & capital repayments, interest charges and fees. A substantial portion of the surplus accruing to NRAM reflects the embedded value acquired at nil cost.