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# HM Treasury

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## Introduction

1. This Estimate covers the administration costs and other related costs of the core Treasury (including Group Shared Services), the Debt Management Office (DMO) and the Office of Government Commerce (OGC) and spending associated with the instability in the financial markets.
2. Request for Resources (RfR) 1 includes the core Treasury, DMO, OGC, cost of group shared services and cost of capital charges on the Treasury's investment in the Bank of England.
3. RfR 2 covers payments to the Royal Mint for the manufacture, storage and distribution of UK coins, which are supplied to banks on behalf of the Treasury, and cost of capital charges on the Mint's stock of coinage and on the Treasury's investment in the Royal Mint.
4. RfR 3 covers spending by the United Kingdom Financial Investments Limited (UKFI), the Infrastructure Finance Unit (TIFU), assistance to financial institutions and the cost of capital charge on financial investments and loans.
5. Further information can be found in HM Treasury's Annual Report and Accounts.
6. Symbols are explained in the Introduction to this booklet.

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# HM Treasury

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## Part I

	<b>£</b>
<b>Request for Resources 1: Maintain sound public finances and ensure high and sustainable growth, well being and prosperity for all †</b>	<b>325,797,000</b>
<b>Request for Resources 2: Cost-effective management of the supply of coins and actions to protect the integrity of coinage</b>	<b>52,500,000</b>
<b>Request for Resources 3: Promoting a stable financial system and offering protection to ordinary savers, depositors, businesses and borrowers</b>	<b>1,505,350,000</b>
<b>Total net resource requirement</b>	<b>1,883,647,000</b>
<b>Net cash requirement</b>	<b>35,248,862,000</b>

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Amounts required in the year ending 31 March 2010 for expenditure by HM Treasury on:

### **RfR 1: Maintain sound public finances and ensure high and sustainable growth, well being and prosperity for all**

Economic, financial and related administration, including group shared services; expenses in connection with honours and dignities; expenditure of the Debt Management Office, including administration of the Public Works Loan Board, the Commission for the Reduction of National Debt and operational services for HM Treasury, other government departments and the Bank of England; administration and other related expenditure of the Office of Government Commerce, including management and disposal of the surplus civil estate and cost of capital charges on the investment in Buying Solutions; expenditure on a pilot scheme in connection with the provision of generic financial advice; payments under an indemnity guarantee in respect of Paymaster; expenditure on administration of Treasury related bodies; compensation payments arising from gilt administration; cost of capital charges on the Treasury's investment in the Bank of England; payments to other government departments; costs and income related to investment in and financial assistance to financial institutions; and associated non-cash items.

### **RfR 2: Cost-effective management of the supply of coins and actions to protect the integrity of coinage**

Manufacture, storage and distribution of coinage for use in the United Kingdom, actions to protect the integrity of coinage, and associated non-cash items.

### **RfR 3: Promoting a stable financial system and offering protection to ordinary savers, depositors, businesses and borrowers**

Payments in respect of costs related to investment in and financial assistance to financial institutions; operational costs in respect of UK Financial Investments Limited and the Asset Protection Scheme; and associated non-cash items

**HM Treasury** will account for this Estimate.

	<b>Net total</b>	<b>Allocated in Vote on Account ††</b>	<b>Balance to complete</b>
<b>RfR 1</b>	<b>325,797,000</b>	<b>112,377,000</b>	<b>213,420,000</b>
<b>RfR 2</b>	<b>52,500,000</b>	<b>23,872,000</b>	<b>28,628,000</b>
<b>RfR 3</b>	<b>1,505,350,000</b>	<b>5,350,000</b>	<b>1,500,000,000</b>
<b>Total net resource requirement</b>	<b>1,883,647,000</b>	<b>141,599,000</b>	<b>1,742,048,000</b>
<b>Net cash requirement</b>	<b>35,248,862,000</b>	<b>8,100,000,000</b>	<b>27,148,862,000</b>

† In the Vote on Account RfR1 was entitled "Raising the rate of sustainable growth and achieving rising prosperity and a better quality of life, with economic and employment opportunities for all."

†† In the Vote on Account RfR1 was allocated £ 117,727,000 of which £ 5,350,000 has been reallocated to RfR3.

## Part II: Subhead detail

£'000

2009-10 Provision						2008-09 Provision	2007-08 Outturn		
Resources						Capital	Non-operating	Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A		
1	2	3	4	5	6	7	8	9	10
<b>RfR 1: Maintain sound public finances and ensure high and sustainable growth, well being and prosperity for all</b>									
174,540	9,333	161,300	345,173	19,376	325,797	4,800	-	318,807	256,967
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A	Core Treasury and group shared services								
134,652	5,175	-	139,827	9,418	130,409	3,800	-	142,960	134,716
B	Debt Management Office								
12,253	3,000	-	15,253	4,858	10,395	1,000	-	13,179	9,899
C	Office of Government Commerce								
27,635	1,158	1,300	30,093	5,100	24,993	-	-	26,493	32,629
	<i>Statistics Commission and Statistics Board</i>								
-	-	-	-	-	-	-	-	-	1,160
<b>Spending in Annually Managed Expenditure (AME)</b>									
<i>Central Government spending</i>									
D	Investment in Bank of England								
-	-	160,000	160,000	-	160,000	-	-	119,540	93,520
	<i>Impairment of fixed assets</i>								
-	-	-	-	-	-	-	-	16,635	-14,957
<b>RfR 2: Cost-effective management of the supply of coins and actions to protect the integrity of coinage</b>									
-	49,700	2,800	52,500	-	52,500	-	-	49,375	43,689
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A	UK coinage: manufacturing costs								
-	20,000	-	20,000	-	20,000	-	-	18,300	15,676
B	Cost of capital charge on coinage stock - manufacturing element								
-	125	-	125	-	125	-	-	100	45
<b>Spending in Annually Managed Expenditure (AME)</b>									
<i>Central Government spending</i>									
C	UK coinage: investment in the Royal Mint								
-	-	2,800	2,800	-	2,800	-	-	2,800	4,166

**Part II: Subhead detail**

£'000

2009-10 Provision							2008-09 Provision	2007-08 Outturn		
Resources						Capital	Non- operating	Net Total	Net Total	
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A	Resources	Resources	
1	2	3	4	5	6	7	8	9	10	
D	UK coinage: metal costs	-	29,400	-	29,400	-	-	28,000	23,704	
E	Cost of Capital charge on coinage stock - metal costs	-	175	-	175	-	-	175	98	
<b>RfR 3: Promoting a stable financial system and offering protection to ordinary savers, depositors, businesses and borrowers</b>										
	5,350	1,500,000	-	1,505,350	-	1,505,350	34,498,000	-	24,800,002	-
<b>Spending in Departmental Expenditure Limits (DEL)</b>										
<i>Central Government spending</i>										
A	United Kingdom Financial Investments Limited	5,350	-	-	5,350	-	-	-	-	
B	Infrastructure Finance Unit Limited	-	-	-	-	775,000	-	-	-	
<b>Spending in Annually Managed Expenditure (AME)</b>										
<i>Central Government spending</i>										
C	Cost of capital charge on financial investments	-	1,500,000	-	1,500,000	-	-	700,000	-	
D	Assistance to other financial institutions	-	-	-	-	18,723,000	-	4,100,001	-	
E	Refinancing of Northern Rock	-	-	-	-	15,000,000	-	1	-	
	<i>Impairment of financial investments</i>	-	-	-	-	-	-	20,000,000	-	
<b>Total for Estimate:</b>										
	179,890	1,559,033	164,100	1,903,023	19,376	1,883,647	34,502,800	-	25,168,184	300,656

## Part II: Resource to cash reconciliation

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
<b>Net Resource Requirement</b>	<b>1,883,647</b>	<b>25,168,184</b>	<b>300,656</b>
<b>Voted capital items</b>			
Capital	34,502,800	85,807,955	4,157
Less Non-operating A-in-A	-	-	-
<b>Total net voted capital</b>	<b>34,502,800</b>	<b>85,807,955</b>	<b>4,157</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-1,663,825	-824,240	-96,551
Depreciation	-7,915	-20,025,825	9,025
New provisions and adjustments to previous provisions	-860	-4,100,860	-747
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-60	-61	-150
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	-	-7,829
Use of provisions	535,075	3,210,900	3,986
<b>Total accruals to cash adjustments</b>	<b>-1,137,585</b>	<b>-21,740,086</b>	<b>-92,266</b>
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-1</b>	<b>-</b>
<b>Net Cash Requirement</b>	<b>35,248,862</b>	<b>89,236,052</b>	<b>212,547</b>

### Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	£'000					
	2009-10 Provision		2008-09 Provision		2007-08 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	414,250	<i>437,250</i>	635,556	<i>455,274</i>	139,236	<i>133,667</i>
Non-operating income not classified as A in A	-	-	6,658,158	<i>6,658,158</i>	5,061	<i>5,061</i>
Other amounts collectable on behalf of the Consolidated Fund	1,341	<i>1,341</i>	1,341	<i>1,341</i>	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
<b>Total</b>	<b>415,591</b>	<b><i>438,591</i></b>	<b>7,295,055</b>	<b><i>7,114,773</i></b>	<b>144,297</b>	<b><i>138,728</i></b>

## Forecast Operating Cost Statement

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
<b>Net Administration Costs</b>			
RfR 1	158,264	169,543	161,068
RfR 2	-	-	45
RfR 3	5,350	-	-
Non-voted	-	-	-1,243
<b>Total Net Administration costs</b>	<b>163,614</b>	<b>169,543</b>	<b>159,870</b>
<b>Net Programme Costs</b>			
RfR 1	167,533	149,264	95,899
RfR 2	52,500	49,375	43,644
RfR 3	1,500,000	24,800,002	-
Non-voted	-159,605	94,777	-121,693
<b>Total Net Programme costs</b>	<b>1,560,428</b>	<b>25,093,418</b>	<b>17,850</b>
<b>Total Net Operating Cost</b>	<b>1,724,042</b>	<b>25,262,961</b>	<b>177,720</b>
<i>of which:</i>			
Net Resource Requirement	1,883,647	25,168,184	300,656
Non-voted expenditure	254,645	730,333	16,300
Consolidated Fund Extra Receipts	-414,250	-635,556	-139,236
Reduction in planned spend unable to be included in Estimate	-	-	-
<b>Resource Budget</b>	<b>998,457</b>	<b>21,731,776</b>	<b>223,352</b>

## Notes to the Main Estimate

### Reconciliation of resource expenditure between Estimates, Accounts and Budgets

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
<b>Net Resource Requirement (Estimates)</b>	<b>1,883,647</b>	<b>25,168,184</b>	<b>300,656</b>
<i>Adjustments to remove:</i>			
Provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
Non-voted expenditure in the OCS	254,645	730,333	16,300
Consolidated Fund Extra Receipts in the OCS	-414,250	-635,556	-139,236
Reductions in planned spend unable to be included in Estimate	-	-	-
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	<b>1,724,042</b>	<b>25,262,961</b>	<b>177,720</b>
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-	-
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	-	-	-
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	25,659	91,215	37,286
Resource consumption of non departmental public bodies	-	-	-
Unallocated resource provision	3,631	-	-
Other adjustments	-754,875	-3,622,400	8,346
<b>Resource Budget (Budget)</b>	<b>998,457</b>	<b>21,731,776</b>	<b>223,352</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	215,747	221,624	200,805
Annually Managed Expenditure (AME)	782,710	21,510,152	22,547

### Reconciliation of capital expenditure between Estimates and Budgets

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
<b>Net Voted Capital (Estimates)</b>	<b>34,502,800</b>	<b>85,807,955</b>	<b>4,157</b>
<i>Adjustments to remove:</i>			
Provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-6,658,158	-5,061
Capital spending by non-departmental public bodies	-	-	-
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	-	-	-
Capital spending by levy funded bodies	-	-	-
Unallocated capital provision	2,142	1,521	-
Reductions in planned spend unable to be included in Estimate	-	-	-
Other adjustments	524,475	3,200,000	-
<b>Capital Budget (Budget)</b>	<b>35,029,417</b>	<b>82,351,318</b>	<b>-904</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	781,942	7,021	-904
Annually Managed Expenditure (AME)	34,247,475	82,344,297	-

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## Notes to the Main Estimate (*continued*)

### Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following Accounting Officer appointments have been made for the Request for Resources within this Estimate:

<b>Request for Resources 1:</b>	Nicholas Macpherson, Permanent Head of Department
<b>Request for Resources 2:</b>	Nicholas Macpherson, Permanent Head of Department
<b>Request for Resources 3:</b>	Nicholas Macpherson, Permanent Head of the Department

Nick Macpherson, has personal responsibility for the proper presentation of the resource accounts and their transmission to the Comptroller and Auditor General. Nick Macpherson is also responsible for the use of public money and stewardship of assets.

In discharging these responsibilities particular regard is given to:

- Observing any accounting and disclosure requirements (including any Accounts Direction) and applying suitable accounting policies on a consistent basis;
- making judgements and estimates on a reasonable basis;
- stating whether applicable accounting standards, as set out in the *Financial Reporting Manual* (FReM), or an organisation's version of it, have been followed, and explain any material departures in the accounts; and
- preparing the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are set out in chapter 3 of *Managing Public Money* issued by the Treasury.

## Notes to the Main Estimate (*continued*)

### Analysis of operating appropriations in aid (A in A)

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
<b>RfR 1: Maintain sound public finances and ensure high and sustainable growth, well being and prosperity for all</b>			
<b>Administration</b>	<b>16,276</b>	<b>42,116</b>	<b>35,507</b>
<i>of which:</i>			
Sale of goods and services	16,276	42,116	35,507
<b>Programme</b>	<b>3,100</b>	<b>4,500</b>	<b>2,859</b>
<i>of which:</i>			
Sale of goods and services	1,800	2,300	1,390
Interest and dividends	1,300	2,200	1,469
<b>Total RfR 1</b>	<b>19,376†</b>	<b>46,616</b>	<b>38,366</b>
<p>† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: recoveries in respect of administration of the Treasury, including recharges for work on financial stability issues, charges for courses, services provided by the Economics in Government team and other officers loaned to other organisations, including the salary of the UK Executive Director of the International Monetary Fund/International Bank for Reconstruction and Development who is a Treasury employee; charges for services provided by the Government Social Research Unit; income from recovery actions in connection with Barlow Clowes; charges for services to government departments provided under the Financial Management Change Agenda; income from fees charges to Foreign Investment recoveries in respect of Honours and Dignities; income in respect of insurance sponsorship and supervision responsibilities; income due to the Debt Management Office for advertising costs, stock exchange listings, data provision, rentals in respect of operating leases, the management and administration of certain public and private funds and provision of a lending service to local authorities, income from the administration of carbon dioxide reduction schemes and the Gilt Purchase and Sale Service; administration of Pool Re and other related bodies; European Fast Stream income from the Cabinet Office; amounts arising from the sale of shares and debt; income from products, consultancy and other customer services, letting of vacant property, and the Buying Solutions dividend.</p>			
<b>RfR 3: Promoting a stable financial system and offering protection to ordinary savers, depositors, businesses and borrowers</b>			
<b>Programme</b>	-	<b>100,999</b>	-
<i>of which:</i>			
Interest and dividends	-	100,999	-
<b>Total RfR 3</b>	-	<b>100,999</b>	-
<b>Total Operating A in A</b>	<b>19,376</b>	<b>147,615</b>	<b>38,366</b>

## Notes to the Main Estimate (*continued*)

### Analysis of Consolidated Fund extra receipts

	<b>£'000</b>					
	<b>2009-10</b>		<b>2008-09</b>		<b>2007-08</b>	
	<b>Provision</b>		<b>Provision</b>		<b>Outturn</b>	
	<b>Income</b>	<b>Receipts</b>	<b>Income</b>	<b>Receipts</b>	<b>Income</b>	<b>Receipts</b>
Fixed Investments Δ	414,250	437,250	635,556	455,274	139,236	133,667
Civil List Φ	1,341	1,341	1,341	1,341	-	-
Financial institutions loan repayments, asset sales etc. Δ	-	-	6,658,158	6,658,158	-	-
Sale of assets Δ	-	-	-	-	5,061	5,061
<b>Total</b>	<b>415,591</b>	<b>438,591</b>	<b>7,295,055</b>	<b>7,114,773</b>	<b>144,297</b>	<b>138,728</b>

## Notes to the Main Estimate (*continued*)

### Departmental Expenditure Limits and Administration budgets

	<b>£'000</b>		
	<b>Voted</b>	<b>Non-voted</b>	<b>Total</b>
Resource DEL	191,272	24,475	215,747
<i>of which: †</i>			
Administration budget	163,614	1,531	165,145
Near-cash in RDEL	181,587	35,075	216,662
Capital DEL ††	779,800	2,142	781,942
Less Depreciation †††	-7,915	-	-7,915
<b>Total DEL</b>	<b>963,157</b>	<b>26,617</b>	<b>989,774</b>

† The total of the 'Administration Budget' and 'Near-cash in Resource DEL' figures may well be greater than total resource DEL, due to the definitions overlapping.

†† Capital DEL includes items treated as resource in Estimates and accounts but which are treated as Capital DEL in budgets.

††† Depreciation, which forms part of resource DEL, is excluded from total DEL since capital DEL includes capital spending and to include depreciation of those assets would lead to double counting.

### Comparison of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2009-10 of £1,883,647,000 is 92.5 per cent lower than the final net provision for 2008-09 of £25,168,184,000 and 96.4 per cent lower than the forecast outturn for 2008-09 of £51,803,644,000.\*

### Cash which may be retained to offset expenditure

	<b>£'000</b>		
	<b>2009-10 Provision</b>	<b>2008-09 Provision</b>	<b>2007-08 Outturn</b>
Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been, or will be, appropriated in aid.	19,376	147,615	38,366

\* Budget 2009 made a provisional estimate of unrealised losses on financial sector interventions of £20-£50bn. The unaudited forecast outturn for 2008-09, shown above, includes the high-end of this provision (£50bn consistent with Budget) as well as the normal running costs for the Department, OGC and DMO, some technical elements including non-cash cost of capital charges, classification changes and minor items relating to coinage and buildings.

## Notes to the Main Estimate (*continued*)

### Contingent liabilities

Nature of Liability	£'000
<b>Contingent Liabilities limited by recourse to assets<sup>1</sup></b>	
HM Treasury has announced guarantee arrangements in respect of retail and uncollateralised wholesale deposits in, and certain other uncollateralised and unsubordinated wholesale obligations of, Northern Rock plc. These arrangements will exist for the current period of instability in the financial markets. (Treasury Minute dated 26 November 2007).	Up to 20,700,000
HM Treasury, under the terms of the loan arrangements with Northern Rock, has also guaranteed a back-up liquidity facility, secured against the assets of the company, to meet the Financial Services Authority's requirements. This facility may remain in place beyond 2010 until sufficient alternative liquidity arrangements are in place. (Written Ministerial Statement dated 31 March 2008).	Up to 3,800,000
The Treasury has put in place guarantee arrangements to safeguard certain wholesale borrowings and deposits with Bradford & Bingley (29 September 2008 letters to Chair of PAC and TSC and Treasury minute of 30 March 2009).	17,000,000
HM Treasury has indemnified a scheme (Special Liquidity Scheme) to allow banks to swap temporarily their high quality mortgage-backed and other securities for Treasury Bills. Payment under the indemnity would only arise if the capital losses exceed any surplus accruing to the Bank of England over the duration of the scheme.	Up to 185,000,000
On 19 January 2009, HM Treasury authorised the Bank of England to purchase high quality private sector assets and UK Government debt purchased on the secondary market. The Government has indemnified the Bank of England and the fund specially created to implement the facility from any losses arising out of or in connection with the facility. (Letter to Treasury Select Committee 19 January 2009 and letter of 3 March to Governor of the Bank of England)	Up to 150,000,000
On 19 January 2009, HM Treasury announced plans to establish a new facility for asset backed securities. The Government will, in consultation with issuers and investors, provide full or partial guarantees to be attached to eligible triple-A rated asset-backed securities, including mortgages and corporate and consumer debt. UK banks and building societies eligible to participate in the CGS will be able to access the new scheme subject to fulfilling the scheme's conditions. Banks and building societies accessing the scheme will follow international standards and best practice on underwriting, disclosure, reporting and valuation. The Government will set conforming criteria to ensure that only transparent structures and high quality assets are eligible. The scheme will commence in April 2009, subject to state aid approval. (Letter to TSC 19 Jan 2009)	Unquantifiable
Dunfermline's social housing portfolio has been placed into a bridge bank, wholly owned by the Bank of England. The Treasury has provided a guarantee to the Bank of England to underwrite any losses incurred from not being able to recover all the funds advanced in the form of loans and equity to the bridge bank and a guarantee in respect of losses sustained in connection with the bridge bank. (Treasury Minute dated 30 April 2009)	Up to 190,000

### Contingent Liabilities related to the Asset Protection Scheme

To provide certainty and confidence to banks in their lending, the Government announced its intention to offer capital and asset protection on those assets most affected by the current economic conditions. This will reduce banks' uncertainty about the value of past investments, so providing them with greater confidence to lend in the future to creditworthy businesses, homeowners and consumers. (Letter to Treasury Select Committee 19 January 2009)

Up to 457,000,000

As a condition of participation in the Asset Protection Scheme, the Government agreed to provide additional capital to RBS in the form of B shares of £13 billion (included in Part II, RfR 3 Section D of this Estimate) and a further £6 billion at RBS' option after the end of 2009. (Economic and Fiscal Strategy Report, *HC 407*, Box 3.2)

6,000,000

### Other Contingent Liabilities

HM Treasury has confirmed to the FSA its intention to take appropriate steps (should they prove necessary) to ensure that Northern Rock will continue to operate above the minimum regulatory capital requirements (Treasury Minute dated 19 February 2008).

Unquantifiable

HM Treasury has guaranteed indemnities provided by Northern Rock for its new directors against liabilities and losses in the course of their actions (Treasury Minute dated 19 February 2008).

Unquantifiable

HM Treasury has guaranteed indemnities provided by United Kingdom Financial Investments for its new directors against liabilities and losses incurred in the course of their actions.

Unquantifiable

HM Treasury has made available guarantees to back banks' new short and medium term debt. They will be made available for terms of up to 36 months to help refinance maturing wholesale funding obligations as they fall due. (Treasury Minute 8 October 2008).

Up to 250,000,000

HM Treasury committed to provide capital to certain banks through the Government's Bank Recapitalisation Fund. In addition to the £37 billion which has now been invested, the Government has committed to make capital available to smaller institutions, should they need it. (Treasury statements dated 8 and 13 October 2008).

Up to 13,000,000

The Bank of England has provided a short-term working capital facility to help Dunfermline with an orderly wind down of its business and avoid a fire sale of its assets that could result in poor value. The Treasury has provided a guarantee to the Bank of England to underwrite any losses the Bank will incur in managing the working capital facility. (Treasury Minute dated 30 April 2009)

Up to 10,000

HM Treasury has confirmed to the FSA its intention to take appropriate steps (should they prove necessary) to ensure that Bradford & Bingley will continue to operate above the minimum regulatory capital requirements (Treasury Minute dated 30 March 2009).

Unquantifiable

HM Treasury has guaranteed indemnities provided by Bradford & Bingley for its new directors against liabilities and losses in the course of their actions.

Unquantifiable

HM Treasury has guaranteed indemnities provided by Infrastructure Finance Unit Limited for its new directors against liabilities and losses incurred in the course of their actions.

Unquantifiable

### Statutory

In accordance with section 5 of the Banking (Special Provisions) Act 2008 a Compensation Scheme has been established by the Northern Rock plc Compensation Scheme Order 2008. Under the Scheme an independent valuer will be appointed to assess what compensation, if any, is payable to former shareholders and others in accordance with valuation assumptions set out in the Act and the Compensation Scheme Order.

Unquantifiable

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In accordance with section 5 of the Banking (Special Provisions) Act 2008 a Compensation Scheme has been established by the Bradford & Bingley plc Compensation Scheme Order 2008. Under the Scheme an independent valuer will be appointed to assess what compensation, if any, is payable to former shareholders and others in accordance with valuation assumptions set out in the Act and the Compensation Scheme Order.

Unquantifiable

A draft Order (Dunfermline Building Society Compensation Scheme, Resolution Fund and Third Party Compensation Order 2009) was laid in Parliament on 4 June 2009 and is subject to the draft affirmative procedure, and will be debated in Parliament before being made. Should the draft Order be approved by Parliament, a contingent liability will be created under which the Treasury may be required to pay compensation in the event that an independent valuer appointed in accordance with the Order determines that compensation is payable to certain parties, including third parties whose property rights were interfered with as a result of the transfers and the pre-transfer creditors of Dunfermline. The amount of the contingent liability cannot be quantified until the independent valuer has made his determinations in accordance with the Order. (Treasury Minute dated 4 June 2009)

Unquantifiable

<sup>1</sup> Contingent liabilities have been included in this category where the liability would be limited by recourse to assets if it were to crystallise. The amounts shown above are gross of any such offset. Contingent liabilities with recourse to equities have not been included