POL00461672

Action

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UKGI RBS/Northern Rock/Bradford + Bingley

> non performing/high risk assets rather than liabilities

1. separate bad bank entity for N. Rock + Brad & Bing
   ↳ Virgin Money and Others took on the 'good' parts
   non desirable was kept...

   2013 RBS - considered the establishment of bad bank.
   150 billion of assets - Govt entity to purchase and allow RBS ~~to~~ continue on it's own
   > operational complexity outweighed the benefit.
   ↳ danger of duplicating/replicating RBS - benefits didn't weigh up

2. > created a virtual separate governance function within the bank. Set up a whole new Unit within the entity.
   This freed up the ExCo while retaining the expertise within the entity.

   RBS

   Deutche/Barclays did something very similar - different governance/reporting structures...

RBS also faced a wide range of litigation from across Europe - different govt structures to manage this.

3. outsourcing some of the claims management to BIG 4.
   ↳ then comes back with settlement - Board would agree.
   Approvals process...

Incredibly hard to distance yourself from the decisions that are made

At the heart is to restore confidence in ~~RB~~ Post Office

1. liabilities/potential exposure - beyond POL
2. Extensive use of resource + time
3. making sure POL can continue to modernise and be commercially sustainable
   Taking of resources + costs prevents POL from generating value

separate legal entity

> How do we retain the brand value? Reputational

> Existing utilisation of colleagues

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