RBS Share Sales: £2.5 billion sale of government’s shareholding

I am writing today to inform you that the government has successfully completed a second sale of Royal Bank of Scotland (RBS) shares, building on the Chancellor’s intention set out at Autumn Budget 2017 to recommence the privatisation of RBS before the end of the 2018-19 financial year. This successful sale follows the recent progress made in resolving major legacy issues at RBS and is a further step forward in the government’s plan to return RBS to private ownership.

The Chancellor received advice from UK Government Investments (UKGI) that selling shares through an accelerated bookbuild represents good value for money for the UK taxpayer. The first sale of the government’s shareholding in RBS was made in August 2015 and recovered £2.1 billion for the taxpayer. I can confirm today that the government has recouped just over £2.5 billion for the taxpayer, selling approximately 7.7% of the bank which has reduced the government shareholding in RBS to 62.4%.

The sale was undertaken overnight on 4 June 2018 once markets had closed, and was concluded the following morning before markets opened.

It remains the government’s objective to return the bank fully to private ownership when it represents value for money to do so and market conditions allow. This sale re-starts the process of returning RBS to private ownership, an outcome which is in the best interests of UK taxpayers and the wider economy.

This letter has been copied to Meg Hillier MP, Chair of the Public Accounts Committee, and Sir Amyas Morse, Comptroller and Auditor General of the National Audit Office. A copy will also be placed in the Library of the House.

with very best regards

JOHN GLEN