

Disposal of assets of permanent tsb Finance Limited

21 Nov 2012

permanent tsb Group Holdings plc (the "Group") has agreed to a disposal of the majority of the loan assets of permanent tsb Finance Limited ("PTSBF") to Consumer Auto Receivables Finance Limited ("CAR"), an SPV established for the purpose of the transaction. The loan assets of Blue Cube Personal Loans Limited ("Blue Cube"), a separate subsidiary of the Group which is operated by PTSBF, will also transfer as part of the agreement. In addition, a small portfolio of largely corporate loans is being sold to a third party global bank.

The transaction is expected to complete by year end 2012 and is conditional upon obtaining certain regulatory approvals and other consents. The disposal is a Substantial Transaction under the ESM Rules of the Irish Stock Exchange.

PTSBF is a wholly owned subsidiary of the Group. Its core business was the advancement of auto loans via car dealerships, with additional product offerings in other areas of asset finance. Blue Cube was engaged in the advancement of unsecured personal loans, and has been closed to new lending since 2008. The sale secures the Group's exit from these non-core businesses.

In their audited accounts for the year ended 31 December 2011, PTSBF reported a loss of c. €16.1m and Blue Cube reported a loss of c. €1.0m.

Under the terms of the deal, PTSBF and Blue Cube will dispose of assets of €351m (after write offs and provisions) as at 29 February 2012 for a gross purchase price of €287m, subject to a customary completion adjustment. The proceeds from the sale will be used to further reduce the Group's funding requirements, in line with the Group's ongoing restructuring of its balance sheet, and will have a broadly neutral impact on the Group's Core Tier 1 ratio.

The Group has separately agreed to sell, for a nominal consideration, the business platform of PTSBF to First Citizen Finance Limited ("First Citizen"), a new company established and owned by members of the management team of PTSBF. All PTSBF staff are expected to transfer to First Citizen. CAR has entered into a contract with First Citizen for the servicing of the acquired loan assets.

permanent tsb Group Holdings plc was advised on the transaction by Davy Corporate Finance.

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