

*Transforming Businesses in
the European Financial
Services Sector by Way of
a Strong Analytical and
Operational Approach*

AnaCap Financial Partners set to acquire UK bank

11 May 2009

- **First acquisition of UK bank by private equity firm**
- **£80m of additional capital to be invested to boost lending to SMEs**

AnaCap Financial Partners (“AnaCap”), the London based private equity fund manager that specialises in the financial services sector, is to acquire Ruffler Bank plc (“Ruffler”) from its shareholders for an undisclosed sum.

The transaction, which has just received FSA approval, will be the first acquisition of a UK incorporated deposit-taking bank by a private equity firm.

AnaCap intends to inject a further £80m of equity into the bank over the next few years in order to fund an expansion of the bank’s lending to SMEs. Post AnaCap’s investment, the bank will initially have a Tier One capital ratio of more than 40% which is one of the highest ratios of any UK bank.

AnaCap are backing an MBI team that will expand the bank initially in the secured lending market to UK SMEs. This opportunity is all the greater due to the recent collapse in lending capacity amongst UK and foreign banks to this market.

Ruffler, which was founded in 1969, focuses on providing individual customers and SMEs with secured short and medium-term commercial finance, funded via a range of retail deposit products with a nominal reliance on wholesale funding. It is based in Surrey but with customers throughout the UK.

Phillip Monks, who has previously held senior positions at Barclays Bank, will become CEO of Ruffler post acquisition and will lead a management buy-in team of industry professionals from institutions such as Santander and Barclays. Phillip Monks has more than 26 years of banking experience including corporate, private banking and senior management.

AnaCap will support the new management team as they grow the loan book and diversify product offerings across a range of asset classes, expanding the customer base, and building the bank into a leading SME lender.

Finlay McFadyen, Partner and co-head of Mergers and Acquisitions of AnaCap says: “We are excited to be working with Phillip Monks and his team to build Ruffler into a leading bank serving the UK SME market. The bank has a very attractive deposit franchise with a well established client base that provides an ideal foundation from which to build and grow a well capitalized healthy bank in the current market environment.”

“We have been working to enter the bank market for well over a year and now have all the pieces in place for a measured but significant expansion.”

Phillip Monks, adds: “This opportunity to redefine the role of a bank at a time when so many competitors are distracted by the need to rebuild their balance sheets is compelling. As always success will come from delivering high quality, focused specialist support to specific market sectors, rather than trying to promote a wide range of unfocussed products and services. I’m delighted to have the opportunity and to have such a strong and experienced team to help bring this vision to life.”

Roy Ruffler founder of Ruffler Bank comments: “It is 40 years since my father and I first formed the company. It is the right time to hand over the reins to AnaCap. We wish Phillip Monks and his team every success in their future plans to build upon the company’s achievements to-date.”

AnaCap expects to merge its commercial mortgage lender, Base Commercial Mortgages (“Base”), with Ruffler to help build and expand its lending platform. Base currently provides back-up special servicing for Barclays Capital and Deutsche Bank.

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Asgard Partners acted as corporate finance adviser to the selling shareholders.

About AnaCap Financial Partners LLP

AnaCap is a specialist private equity fund focusing on pan-European investments in the financial services sector. It provides both operational and financing expertise to its investments, targeting those businesses with high growth, strong management teams or restructuring needs. Based in London, the group has more than €900 million under management and backed by highly regarded global institutional investors including Goldman Sachs, Honeywell, Allianz and Adams Street Partners.

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