



ARBUTHNOT BANKING GROUP PLC

26 February 2021

**Arbuthnot Banking Group PLC**

**Sale of Residential Mortgage Portfolio**

Arbuthnot Banking Group PLC ('Arbuthnot' or 'the Group') today announces that it has exchanged and completed on an agreement with 5D Finance Limited, a member of the OneSavings Bank plc ("OSB") group, to sell a residential mortgage portfolio known as the Tay mortgage portfolio ("the Portfolio").

The portfolio sold consists of the remaining balances from the acquisition made in December 2014, when the Group purchased the loans from the administrators of the Dunfermline Building Society.

As at 31 January 2021, the customer loan balances totalled £54.9m and had a blended yield of approximately 2.95%.

The consideration of approximately £53.8m received by the Group will be in cash and will represent 97.9% of the outstanding loans. At the same time the Group expects to release as a credit to the profit and loss account the remaining original discount on acquisition which totalled £3.4m as at 31 January 2021.

As a result of the deal, the economic benefit of the portfolio will have passed to OSB on 1 February 2021. Beneficial ownership of the Portfolio passed on completion of the deal and legal title will pass approximately three months after the completion of the deal.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU No. 596/2014) which is part of UK law by virtue of the European Union (withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

The Directors of the Company accept responsibility for the contents of this announcement.

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