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LINK Financial makes record purchase of distressed consumer loans portfolio

LINK Financial Group (“LINK” or the “Company”), a leading European receivables management company, today announced that it has completed the purchase of a portfolio of semi-performing and non-performing consumer receivables for £175 million. This transaction is the largest of its kind in the European consumer banking sector to date. The portfolio was purchased from one of the worlds largest lenders of consumer credits and both parties agreed not to disclose the identity of the seller.

The transaction includes the acquisition of a consumer debt servicing business in Caerphilly, Wales. This business has been established for 30 years with a highly skilled staff, experienced in managing non-performing consumer debt. 95 employees will transfer over to LINK (under TUPE) bringing the Company’s total headcount to over 300, with capacity to double this number in the foreseeable future. LINK has also received grant funding from the Welsh Assembly Government to encourage employee growth numbers which are forecasted to triple over the next three years, representing valuable support to LINK’s future expansion plans in the local Caerphilly area.

LINK’s specialist litigation team has also increased, as a result of the transaction, to over 55 individuals, the largest in the UK debt purchase sector.

Phillippe Paillart, Chairman of LINK Financial, commented: “This is an exciting transaction which represents a significant step forward for our business and our shareholders. We are extremely pleased to have concluded the largest deal of this type in Europe and look forward to completing further deals of this size and larger in future.

“We are delighted to be expanding our business to Wales and are especially grateful for the encouragement and support that we have received from the Welsh Assembly and the Welsh Development Agency. We see this as the first of many transactions where our clients are looking for us to create solutions for either greater efficiencies or value from takeovers and where they are looking to re-energise or re-organise their back office operations and procedures.”

Paillard further said: “We were chosen because the complexity and size of the transaction required a team of individuals that could not only deliver the financial benefits in the right time frame, but also offer a seamless transfer of both the business and staff in Caerphilly. In the last 8 months we have also successfully integrated the business into our other activities and it now provides an enlarged platform from which to expand not only our product offerings but our leading position within the UK and European markets.”

Notes to Editors

LINK Financial

LINK is one of Europe’s leading and largest purchasers and servicers of semi and non-performing consumer receivables. The Company has acquired rights to around €2.5 billion of credit card and personal loan accounts, representing more than 600,000 individual customers. LINK operates in over 20 countries and has servicing operations in the UK and Spain. Institutional shareholders in LINK include Morgan Stanley and Cheyne Capital Management