Aldermore Announces £333 Million RMBS Deal

Tuesday 25 March, 2014

Aldermore Bank has today announced a £333 million AAA UK RMBS (Residential Mortgage Backed Securities) transaction, the first such deal Aldermore has entered into.

The offer is backed by a portfolio of prime UK mortgage loans originated by Aldermore. The pool consists of first-ranking owner-occupied UK residential mortgages. No right-to-buy, buy-to-let, self-certification or offset loans are included in the pool. The pool is made-up of 2,686 loans with an average current balance of £134,878 and an average remaining term of 20.9 years.

Aldermore has access to diversified sources to support its growth. The Bank has developed sustainable, low-cost multi-channel deposit raising capabilities, leveraging its online presence and optimised digital promotion to support its significant balance sheet expansion. Aldermore's banking licence allows for retail and SME deposit gathering in addition to low cost funding opportunities such as RMBS. The Bank operates a robust credit underwriting process underpinning its loans book, utilising data-driven risk management systems and a highly experienced underwriting team.

The proceeds of this deal will further enable Aldermore to continue to meet the strong demand for its products and services from both retail customers and small to medium sized enterprises (SMEs). The Bank also firmly established its profitability in 2013 recording a profit of £9.2 million in the first half of the year and is due to release its 2013 Annual Report and Accounts on the 2nd April.

A spokesperson for the Bank said: "Aldermore is pleased to announce its debut prime UK Residential Mortgage Backed Securities (RMBS) transaction - Oak No.1 PLC ("Oak 1"). As a growing bank, securitisation marks a strategic milestone in the evolution of Aldermore. The diversification of our wholesale funding sources will enable us to continue to support our customers with award- winning mortgages and specialist finance for small and medium size businesses."

An investor roadshow is expected to be held this week on Wednesday 26th and Thursday 27th March, with pricing to be completed thereafter. JP Morgan is acting as sole arranger and bookrunner on the deal, with JP Morgan and Lloyds Bank acting as joint lead managers.

- Ends -

For further information, please contact:

Imran Khan
Corporate Communications Manager
T: 0203 553 4262
E: Imran.Khan@aldermore.co.uk ?

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