

## The Deal

MilleniumAssociates AG, Switzerland is pleased to announce that it advised Dexia in the recently announced sale of Dexia's UK private banking business ("Dexia PB UK") to Rathbone Brothers Plc ("Rathbone"). MilleniumAssociates acted as strategic and financial adviser to Dexia. The consideration payable for Dexia PB UK is made up of initial and deferred amounts and will be a maximum amount of £ 14 million and is ultimately dependent on the value of the funds under management transferred. The UK personal banking book is being purchased at book value.

## The Background

After having conducted a strategic review of the business and in the context of its policy to focus its private banking activities on selected onshore and off-shore markets, where the group already has a significant presence, Dexia decided to seek a buyer for its UK private banking business. MilleniumAssociates was mandated to find a suitable partner and manage the sales process from which Rathbones emerged as the preferred acquirer.

Dexia PB UK consists of the former business of Ely Fund Managers, which was originally acquired by the Dexia group in 2001 and which was integrate with the personal banking business of Dexia-BIL, London branch, which is an organic build-up.

As at the end of 2005, Dexia PB UK had total funds under management just over £ 600m. The personal banking book consists of approximately £ 50 million of loans and £ 20 million of deposits.

## Seller Description

The Dexia Group was founded in 1996 by the merger of Crédit local de France and Crédit Communal de Belgique two main European players in public financing. In 1999, these two institutions as well as Banque Internationale à Luxembourg ("BIL") were united under the Dexia brand.

BIL was founded in 1856 by several foreign bankers in Luxembourg and is the oldest bank in the Grand Duchy of Luxembourg. Since its foundation until the introduction of the Euro, BIL held the right to issue banknotes in Luxembourg and has been actively involved in the economic and financial life of the country. For example, BIL was one of the founders of the Luxembourg Stock Exchange. Since 1996, BIL, alongside its main shareholder Credit Communal de Belgique, has been part of the Dexia group and was renamed Dexia-BIL. Dexia-BIL provides a wide range of private banking services from various domestic and international outlets.

## Buyer Description

Rathbone Brothers Plc specialises in providing, through its subsidiaries, personalised investment management and wealth management services for private clients and trustees, including discretionary asset management, tax planning, trust and company management, and banking services. It manages £9.5 billion of funds, including £1.2 billion managed by Rathbone Unit Trust Management Limited (as at 31 December 2005).

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