

COMPLETION OF £250m TIER 2 CAPITAL TRANSACTION

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JRP GROUP PLC SUCCESSFUL COMPLETION OF £250 MILLION TIER 2 CAPITAL TRANSACTION

JRP Group plc (JRP) today announces that, following the completion of a successful roadshow, it has raised £250 million of sterling denominated unrated 10 year Tier 2 capital. The bonds will be listed on the Euro MTF market of the Luxembourg Stock Exchange.

The capital that JRP has raised increases flexibility and provides further room for growth at attractive rates of return. It also enables us to repay the senior bank debt, which stood at £98m at the end of June 2016. This debt did not benefit the regulatory capital position of the Group. By increasing its leverage, the Group has further diversified and strengthened its regulatory capital structure. On a pro forma basis, the Group's Solvency II capital ratio at 30 June 2016 would have increased to approximately 151%.

The combination of this increased capital flexibility, the increase in targeted synergies by £5m to £45m per annum, as well as the material improvement in margin as the combined Group sees the benefits of growing markets and a strong competitive position, will ensure that JRP can continue its growth trajectory whilst delivering attractive internal rates of return.

Key terms and conditions:

- £250 million 10 year bullet structure
- Tier 2 qualifying regulatory capital instrument under Solvency II
- Bond issued by JRP, the Group's listed holding company, with a subordinated guarantee provided by Just Retirement Limited, the Group's main operating subsidiary
- Annual interest rate of 9% payable semi-annually in arrears

Rodney Cook, Group Chief Executive, said:

"The support we have received from institutional investors demonstrates confidence in JRP's business model and its prospects. Along with a focus on efficient and conservative risk management, our business has been built on the simple premise of excellent customer service supported by unrivalled medical underwriting IP. This is a clear differentiator for us with our customers, and now with debt investors. The 9% cost of subordinated debt is significantly below the attractive internal rates of return that new business should generate once our synergies are realized, and the proceeds bring our capital ratios more in line with our peer group."

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A copy of this announcement will be available on the Group's website www.jpjgroup.com

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