



SALE OF A PORTFOLIO OF LIFETIME MORTGAGES

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JUST GROUP plc SALE OF A PORTFOLIO OF LIFETIME MORTGAGES

Just Group plc ("Just", the "Group") announces the sale of a portfolio of lifetime mortgages ("LTMs") to Rothesay Life.

At the interim results on 12 August 2021 (the "Interim Results"), Just announced that it was in the process of selling a portfolio of LTMs with a loan value of over of £475m and an IFRS value as at 30 June 2021 of £493m. Today Just announces that it has completed the sale of a proportion of this portfolio to Rothesay Life. As noted in the Interim Results, Just's current expectation is that the sale of the remaining tranche of loans is likely to occur over the coming weeks.

The LTM assets being sold form part of the investments used to back the insurance liabilities of the Group. The consideration is £334m and is being satisfied in a mix of cash and gilts. The proceeds received from this first transaction will subsequently be invested in a mixture of other fixed interest assets to back the insurance liabilities of the Group.

The sale announced today will result in an IFRS net of tax loss of £76m which includes the insurance liabilities impact due to the lower investment yield on the replacement bonds. This forms part of the total expected c£125m IFRS loss for the sale of the portfolio of LTMs announced in the Interim Results. The gross IFRS value of the assets that have been sold is £254m.

This transaction enables the Group to further reduce its exposure to UK residential property risk. As announced at the Interim Results, the sale of this portfolio of LTMs, including the remaining tranche, is expected to result in an improvement in the Group's Solvency II capital coverage ratio by up to 1 percentage point and also reduce the sensitivity of that ratio to movements in UK residential property prices by over 1 percentage point.

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A copy of this announcement will be available on the Group's website www.justgroupplc.co.uk

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