

NEWS RELEASE**30 September 2019****Prudential Regulation Authority publishes Policy Statement 19/19
Solvency II: Equity release mortgages – Part 2**

Just Group plc (“Just”) welcomes the publication of Policy Statement 19/19 – Solvency II: Equity release mortgages – Part 2 (the “Policy Statement”) released by the Prudential Regulation Authority on 27th September, which sets out its conclusions on the treatment of equity release mortgages¹ being held to back annuity liabilities. The Policy Statement follows the consultation process after the release of Consultation Paper 17/19 - Solvency II: equity release mortgages – Part 2.

Just’s initial assessment of the Policy Statement is that its expected impact appears to be in line with our planning assumptions, as described within our interim results announcement on 4th September. We particularly welcome the increased clarity that it provides and its efforts to reduce interest rate volatility arising from the Effective Value Test. Our previously completed pilot No Negative Equity Guarantee hedge will now be assessed against the final Policy Statement.

Note 1: equity release mortgages are also sometimes known as Lifetime mortgages or LTMs

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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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