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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

6 June 2017

**Statement in Response to increased and final cash offer from Marlin Bidco Limited for Shawbrook Group PLC**

Shawbrook Group PLC ("Shawbrook") notes the announcement released by Marlin Bidco Limited ("Marlin Bidco"), a company jointly owned by funds managed or advised by Pollen Street Capital Limited and funds advised by BC Partners LLP of an increased and final cash offer for the entire issued and to be issued share capital of Shawbrook of 340 pence per Share ("Final Offer"). Subject to approval by Shawbrook shareholders at Shawbrook's AGM on 6 June 2017, Shawbrook shareholders who were on the register of members as at the close of business on 2 June 2017 will also receive the recommended final dividend of 2.7 pence per Share in respect of the financial year ended 31 December 2016, which is expected to be paid on 30 June 2017.

The Independent Directors have considered the terms of the Final Offer with their advisers and have taken into account feedback received from shareholders. The Independent Directors believe that the Final Offer undervalues Shawbrook and its prospects and therefore advise that shareholders take no action with regards to the Final Offer.

Consistent with the Q1 Interim Management Statement and the circular to shareholders both released on 2 May 2017, the Independent Directors believe Shawbrook can continue to grow prudently over the medium term within its risk and return disciplines and achieve its upper quartile return on equity objectives. However market conditions in the near term remain competitive on risk and return dynamics and, as previously signalled, Shawbrook will need to maintain its disciplined approach to returns and risk over absolute quantum of originations in order to generate upper quartile returns for shareholders.

The Independent Directors note that:

- The Final Offer is open for acceptances until 1.00 p.m. (London time) on 19 June 2017. Whilst there can be no certainty that the Final Offer will be extended beyond this date, should the Final Offer be declared unconditional as to acceptances on or before 19 June 2017, it will remain open for acceptances for a minimum of 14 days from 19 June 2017;
- If the Final Offer were to be closed with acceptances of more than the minimum acceptance level of 50 per cent. but with 25 per cent. or more of Shares remaining in public hands, Marlin Bidco has stated its intention that Shawbrook would remain a listed company. In this case Shawbrook would remain subject (among other things) to the obligations imposed by the Listing Rules and to continued regulation and oversight by the Prudential Regulation Authority. At this level of ownership, Marlin Bidco would be Shawbrook's controlling shareholder and would have certain control rights over Shawbrook. The free float of the Shares would be reduced, thus resulting in potentially lower liquidity in respect of the Shares; and
- If Marlin Bidco acquires or agrees to acquire (whether pursuant to the Final Offer or otherwise) Shares carrying 75 per cent. (or more) of the voting rights of Shawbrook or, alternatively, less than the 25 per cent. or more of the Shares remain in public hands, Marlin Bidco has stated its intention to delist Shawbrook from the London Stock Exchange. If this occurs, it will reduce liquidity in

respect of the Shares, as Shareholders who have not accepted the Final Offer, or not otherwise sold their Shares prior to delisting, would hold an unlisted security.

Unless otherwise stated, defined terms have the meaning given to them in the Shawbrook circular dated 2 May 2017.

The person responsible for arranging for the release of this announcement on behalf of Shawbrook is Daniel Rushbrook, Company Secretary.

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#### ***Important disclaimer***

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Certain information contained in this announcement, including any information as to the Group's strategy, market position, plans or future financial or operating performance, constitutes "forward looking statements". Such forward-looking statements are made based upon the expectations and beliefs of the Group's directors concerning future events impacting the Group, including numerous assumptions regarding the Group's present and future business strategies and the environment in which it will operate going forward, which may prove to be inaccurate. As such, the forward-looking statements contained in this announcement involve known and unknown risks and uncertainties, which may cause the actual results, performance or achievements of the Group or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

#### ***About Shawbrook***

Shawbrook is an independent specialist lending and savings bank serving UK SMEs and consumers with tailored products designed to address a selection of high growth sub-sectors of the overall lending industry. The Group's lending activities are primarily funded by a stable retail deposit book consisting of easy access and ISA accounts, variable rate long-dated notice accounts (mostly 95 - 120 days' notice) and fixed rate fixed term accounts (mostly one - five years). Shawbrook Bank Limited is an operating entity of Shawbrook Group plc. In April 2015, Shawbrook Group plc's shares (SHAW.L) listed on the Main Market of the London Stock Exchange. Shawbrook Bank Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is a member of the Financial Services Compensation Scheme.

***Additional information***

Goldman Sachs International, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for Shawbrook and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Shawbrook for providing the protections afforded to clients of Goldman Sachs International, or for providing advice in connection with the contents of this announcement or any other matter referred to in this announcement.

Merrill Lynch International ("BofA Merrill Lynch"), a subsidiary of Bank of America Corporation, which is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Shawbrook in connection with the matters set out in this announcement and for no one else and will not be responsible to anyone other than Shawbrook for providing the protections afforded to its clients or for providing advice in relation to the matters set out in this announcement.

***Publication on Website***

A copy of this announcement will be made available at [www.shawbrook.co.uk](http://www.shawbrook.co.uk) no later than 12.00 noon (London time) on 7 June 2017 (being the business day following the date of this announcement) in accordance with Rule 26.1(a) of the Code. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

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