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THIS ANNOUNCEMENT IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION
FOR IMMEDIATE RELEASE**

7 March 2017

**PROPOSED CASH OFFER for Shawbrook Group plc
("Shawbrook" or the "Company")**

The board of Marlin Bidco, a company jointly owned by funds managed or advised by Pollen Street Capital Limited ("**Pollen Street**") and funds advised by BC Partners LLP ("**BC Partners**"), notes the announcement by Shawbrook rejecting its proposed cash offer at 330 pence per Shawbrook share, with Shawbrook shareholders also receiving the final dividend not to exceed 3 pence per Shawbrook share in respect of the year ended 31 December 2016 (the "**Agreed Dividend**") (the "**Proposed Offer**").

The Proposed Offer represents an opportunity for Shawbrook shareholders to realise their shareholding in cash at an attractive premium at a time when the Company, in line with the sector more generally, is faced with greater uncertainty arising principally from the as yet unclear impact of Brexit on the macroeconomic outlook together with an evolving regulatory landscape.

Marlin Bidco believes Shawbrook will benefit from being returned to private ownership, allowing it to adopt a more flexible approach in an uncertain economic environment, while retaining capital to ensure the prudent growth of the business and build up a long-term through-the-cycle lending track record.

The board of Marlin Bidco is surprised by Shawbrook's decision, given that in the Marlin Bidco board's view the Proposed Offer represents an attractive premium for shareholders and given the friendly and open nature of its discussions with Shawbrook.

Proposed Offer

The Proposed Offer of 330 pence per Shawbrook share, together with the Agreed Dividend, represents a premium of approximately:

- 35.2% to the Company's closing share price on 2 February 2017 (being the last business day prior to the execution of the Agreement, as defined below);
- 30.1% to the Company's closing share price on 28 February 2017 (being the last business day prior to the indication of Marlin Bidco's willingness to proceed with the Proposed Offer);

- 24.2% to the Company's closing share price on 2 March 2017 (being the last business day prior to commencement of the offer period); and
- 32.5% to the Company's six-month volume weighted average closing price up to 2 March 2017 (being the last business day prior to commencement of the offer period).

Marlin Bidco reserves the right to reduce the Proposed Offer price in the event that the Company announces, declares or pays a dividend or any other distribution or other payments to its shareholders in excess of the Agreed Dividend, in which case there would be an equivalent reduction in Marlin Bidco's offer price.

History of discussions

- Marlin Bidco has been in discussions with Shawbrook since early January 2017 and on 13 January 2017 made a proposal to Shawbrook at a price of 307 pence per Shawbrook share.
- Following this approach, Marlin Bidco entered into a period of discussion with Shawbrook and raised its price upwards three times, before putting forward a revised offer of 330 pence per share, with Shawbrook shareholders also receiving the Agreed Dividend. The revised offer would be structured as a scheme of arrangement with provision to change to a Takeover Offer if preferable.
- The Board of Shawbrook confirmed it was comfortable with this revised offer. This resulted in the execution of a non-disclosure and standstill agreement (the "**Agreement**") on 3 February 2017 to allow for confirmatory due diligence to take place.
- Following completion of due diligence, Marlin Bidco reaffirmed the Proposed Offer and, with the support of Shawbrook, held initial discussions with the Prudential Regulatory Authority on 20 February 2017.
- In addition, Marlin Bidco has, with the support of Shawbrook, met with certain Shawbrook shareholders since 22 February 2017 to discuss their views on the Proposed Offer.
- On 1 March 2017, Marlin Bidco formally confirmed its willingness to publicly announce pursuant to Rule 2.7 of the Code a cash offer for the entire issued and to be issued share capital of the Company at a price of 330 pence per Shawbrook share plus the Agreed Dividend.

Position of Pollen Street

Funds advised by Pollen Street hold approximately 38.8% of the issued share capital of Shawbrook as at 6 March 2017 (being the latest practicable date prior to this announcement). The Proposed Offer is at a price and a premium that Pollen Street is advising its existing investors that currently own shares in Shawbrook to accept.

Next steps

Marlin Bidco is considering its position and there can be no certainty that any transaction will proceed. Further announcements will be made in due course as appropriate.

In accordance with Rule 2.6(a) of the Code, Marlin Bidco is required, by not later than 5.00 p.m. on 31 March 2017, to either announce a firm intention to make an offer for Shawbrook in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be extended with the consent of the Panel in accordance with Rule 2.6(c) of the Code.

This announcement is not being made with the approval of the Company.

In accordance with Rule 26.1 of the Code, a copy of this announcement will be published on the website (<http://www.bcpartners.com/news>) by no later than 12 noon on 8 March 2017. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

The person responsible for arranging for the release of this announcement on behalf of Marlin Bidco is Lindsey McMurray.

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Quayle Munro Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser to Marlin Bidco, Pollen Street and BC Partners and no one else in connection with the Offer and shall not be responsible to anyone other than Marlin Bidco, Pollen Street and BC Partners for providing the protections afforded to clients of Quayle Munro Limited nor for providing advice in connection with the Offer or any matter referred to herein.

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