

## **New £50m Funding Line**

05 January 2017

The Directors of The Just Loans Group Plc are delighted to announce that the Group, has broken new ground by seeking to raise £50m of new funding through an A rated tradable bond structure backed by a portfolio of small business loans.

This innovative approach marks a new stage of support to the SME sector from an emerging small business lender, providing businesses with an alternative way of funding their growth aspirations, as they find access to loans from the banks more difficult.

So far, alternative lenders have raised funds from either major institutional investors, small issues of listed retail bonds or through peer to peer retail investors. The Just Loans Group structure now provides a further solution by creating a rated bond suitable for institutions and Life Offices as well as retail investors, which is fully tradable on a daily basis. The bond carries an 'A' rating giving investors the comfort of investing in an investment grade rated portfolio, rather than simply a portfolio of loans approved by the underlying lender.

The bond has been issued through Escher-Marwick PLC, on behalf of Just Cash Flow PLC, which is part of the Just Loans Group. Bedford Row Capital Advisers acted as Arranger and Lead Manager for the transaction.

Whilst securitisations of invoice discounting portfolios have been undertaken in the recent past, according to Just Cash Flow Director, John Davies, the investment grade rating on the bond makes this structure the first of its kind in the funding of SMEs' cash flow loans. "We are delighted

with this credit rating, as it recognises both the strict underwriting criteria we apply, coupled with the very high level of security we take on each loan,” he says.

Commenting on the portfolio quality of the Just Cash Flow loans underpinning the rating, Justin Benjamin, Escher Marwick Director, said, “Just Cash Flow are an excellent partner to work with as, they have an extremely robust underwriting process and a heavily over-collateralised portfolio of loans”

Arrangers, Bedford Row Capital Partners, added, “Bedford Row Capital Advisers is delighted to be working with Just Cash Flow PLC to help them increase the size of their existing loan book. The SME sector has many excellent companies with good quality assets and solid cash flows that have largely been neglected by the banks when it comes to suitable long term financing options. At the same time there is a shortage of high quality, high yield investments and we can help to deliver liquid, tradable, investment grade debt securities with regular pricing that also benefit from a secure trust structure designed to protect the interests of bondholders”

The Directors of the Issuer accept responsibility for the contents of this announcement.

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