

NEWS RELEASE

24 July 2018

JUST GROUP plc BUSINESS UPDATE FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2018 RETIREMENT SALES GROWTH OF 62%

Just Group plc¹ (“Just”, “the Group”) announces a business update for the 6 months ended 30 June 2018.

Highlights

- Retirement sales growth for H1 18 was 62% compared to H1 17, driven by exceptional Defined Benefit De-risking (“DB”) sales
- DB sales of £718m were up 143% versus H1 17. This year we have seen an acceleration in the market as employee benefit consultants have managed the industry pipeline, reducing seasonality. At the same time we have further strengthened our pricing discipline
- Guaranteed Income for Life (GifL) sales improved by 9% to £426m this year. In March 2018 the Financial Conduct Authority (FCA) introduced new rules requiring pension companies to show the best quote available from the open market in order to stimulate shopping around. The FCA’s recently released ‘Retirement Outcomes Review’ outlines new proposals which should lead to greater take-up of GifL via the open market option channel in which we operate, assisting customers to find better value
- Lifetime Mortgage (LTM) advances of £313m were up 36% in H1 18, below Retirement Income sales growth, demonstrating our active asset liability matching approach

Just Group new business ²	6 months to 30/06/2018 £m	6 months to 30/06/2017 £m	Change %
Defined Benefit De-risking	718	296	143
Guaranteed Income for Life	426	390	9
Care Plans	35	34	2
Retirement Income sales	1,179	720	64
Drawdown	24	22	7
Total Retirement sales	1,203	742	62
Protection ³	1	3	(71)
Lifetime mortgage loans advanced	313	230	36
Total new business sales	1,517	975	56

Rodney Cook, Group Chief Executive, said:

“These new business figures show that our strategy of focusing on attractive growth markets is working. Our segment of the defined benefit de-risking market has been buoyant, and increasing levels of shopping around have supported our GifL business.

Volume growth has not been at the expense of financial discipline, and our focus remains on improving shareholder returns. The strength of first half new business means we are in a position to price even more selectively over the remainder of the year, particularly in DB De-risking, and we remain comfortable with the full year expectations.

The Prudential Regulation Authority (PRA) has issued CP13/18 in order to open a further consultation around Life Time Mortgages being held to back annuity liabilities. The consultation with the industry will close on 30 September 2018, and the conclusion from the PRA will be available in time for a 31 December 2018 implementation and phase-in period. However, CP13/18 does contain proposals, which if implemented would result in a reduction in Just’s regulatory capital position.² The outcome will depend on the result of the consultation process. We, together with the industry, continue to work constructively with the PRA as part of the consultation and will update the market when appropriate.”

New business sales by quarter (£m)³

3 months to:	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016
Defined Benefit De-risking	469	249	434	269	170	125	365	414	121
Guaranteed Income for Life	238	188	213	217	216	174	174	207	234
Care Plans	18	18	20	18	17	17	19	20	29
Retirement Income	725	454	666	504	403	317	559	641	384
Drawdown	13	11	14	14	11	12	10	9	4
Total Retirement sales	738	465	681	518	414	328	569	650	388
Protection ⁴	-	1	2	1	1	2	1	2	1
LTM loans advanced	162	151	142	137	124	107	95	143	173
Total new business sales	900	617	826	656	539	436	665	795	562

Notes

1. The company changed its name from JRP Group plc to Just Group plc at the AGM on the 18th May 2017.
2. Our SFCR, published on 18 June 2018 and available on our website, contained commentary on the risks associated with these and other ongoing regulatory developments.
3. Numbers in table subject to rounding.
4. Protection closed to new business in Q4 17. Q1 18 protection new business sales represented applications in the pipeline.

Enquiries

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FINANCIAL CALENDAR

DATE

Interim results for the six months to 30 June 2018

6 September 2018

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

JUST GROUP PLC

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