

18 May 2017

JRP GROUP PLC

BUSINESS UPDATE FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2017

DISCIPLINED GROWTH

JRP Group plc (“JRP”, “the Group”) announces a business update for the period ended 31 March 2017.

Highlights

- Overall total new business sales of £436m grew by 13% (pro forma¹), driven by a large increase in Defined Benefit de-risking (DB) volumes, partly offset by more normal levels of mortgage advances. Sales were up 92% compared to the statutory Q116 level, which excluded Partnership.
- DB sales were 191% higher (pro forma) at £125m. DB de-risking growth prospects remain very positive, as we tailor solutions and focus on transactions of less than £250m.
- Guaranteed Income for Life (GifL) sales were up 7% (pro forma) to £174m, helped by a stabilizing market and demographic growth. Care sales were £17m due to increased pricing selectivity, offsetting the increase in GifL.
- Lifetime Mortgage (LTM) advances fell by 29% (pro forma) against a tough comparator. At 34% of Retirement Income sales (Q116 pro forma – 63%), we took advantage of attractive economics and have warehoused excess assets for use later in the year.

JRP new business²	3 months to 31/03/17 £m	Pro forma 3 months to 31/03/16 £m	Change %	Statutory 3 months to 31/03/16 £m
Defined Benefit De-risking	125	43	191	43
Guaranteed Income for Life	174	163	7	87
Care Plans	17	29	(41)	13
Retirement Income sales	317	235	35	142
Drawdown	12	2	582	2
Total Retirement sales	328	237	39	144
Protection	2	1	20	-
Lifetime mortgage loans advanced	107	149	(29)	83
Total new business sales	436	387	13	227

Rodney Cook, Group Chief Executive, said:

“While maintaining our strong focus on margins and profit growth, I am delighted that we have also been able to grow sales in the first quarter of 2017. Our core GifL and DB products both grew well, confirming the momentum of these segments. The DB market offers sustained growth, and our pipeline in the below £250m segment remains very encouraging. Our profit focus should deliver IFRS new business margins in excess of the mid 6% range and we remain on track to deliver a sustainable mid-teen IRR³ on shareholder capital deployed in new business by year-end 2018. This will be helped by the progress being made with the £45m merger cost saving programme. Along with a number of other firms, we have been granted Prudential Regulation Authority (PRA) approval to publish a single group Solvency and Financial Condition Report on 30 June. In common with most UK life companies, our capital position benefits from a significant transitional, in line with the PRA’s stance that recognises transitionals as long term capital. The directors remain comfortable that the Group’s capital position is appropriate to deliver the growth and returns that we are targeting. Overall we have enjoyed a solid start to the year and we remain on track to meet our expectations.”

Notes

1. The merger of Just Retirement and Partnership is required for accounting purposes to be treated as an acquisition by Just Retirement of Partnership with an effective date of the beginning of April 2016. Accordingly, the statutory comparative information includes 3 months of sales by Just Retirement only. Pro forma sales are presented as though the merger took place at the beginning of January 2016, in order to give a better understanding of the merged Group.
2. Numbers in table subject to rounding.
3. IRR: Internal Rate of Return

FINANCIAL CALENDAR	DATE
Annual General Meeting	18 May 2017
Final dividend payment date, subject to shareholder approval	26 May 2017
Guaranteed Income for Life ("GIFL") seminar	29 June 2017
Publication of Solvency & Financial Condition Report (SFCR)	30 June 2017
Interim results for the six months to 30 June 2017	13 September 2017

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A copy of this announcement will be available on the Group's website www.jrpgroup.com

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