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Just Group announces £1.8bn defined benefit de-risking transaction

Just Group plc (“Just”, the “Group”) announces a £1.8bn transaction to secure all pension benefits of the G4S Pension Scheme.

Highlights of the transaction

Just has completed its largest defined benefit de-risking transaction to date; a £1.8 billion full buy-in with the Trustee of the G4S Pension Scheme, covering the benefits of c.22,500 pensioner and deferred members. The Trustee selected Just Group following a competitive and rigorous selection process.

Financial details

Utilising our DB Partner (funded reinsurance) proposition, Just is reinsuring 60%, or £1.1bn, of the investment and longevity risks of the transaction. Just Group has entered into the funded reinsurance portion of the transaction with a subsidiary of Brookfield Wealth Solutions, a leading wealth and retirement company with over \$110 billion of assets. The transaction is expected to close in the coming weeks, subject to customary regulatory approvals in the U.S.

Just is retaining 40%, or £0.7bn, which represents the shareholder funded portion of the transaction. This amount is consistent with, and does not alter, the guidance that was given at the time of the H1 24 results, whereby we expected that H2 24 shareholder funded new business volumes would be similar to the excellent performance achieved in H1 24 (£2.5bn), albeit with slightly lower margins due to business mix.

David Richardson, Group Chief Executive, said:

“We have exciting growth opportunities across both our DB and retail businesses. This transaction, our first above £1bn, demonstrates that we have all the capabilities in place to deliver de-risking solutions across the DB market. There is a vibrant insurance de-risking market for schemes of all sizes and Just are delivering outstanding service to small and large schemes and everything in between.

We continue to view funded reinsurance as complementary to our existing business. Our use has always been selective, with a combined c.£2bn of funded reinsurance across four transactions to date, representing less than 10% of our total annuity liabilities, each with a different counterparty.

As announced at the interim results in August, for FY 2024 we expect to substantially exceed a doubling of the Group’s 2021 £211m operating profit.”

Pretty Sagoo, Managing Director for Defined Benefits Solutions, said:

“We are delighted to have been selected by the Trustee to secure the Scheme members’ benefits, and we look forward to providing a brilliant member experience for many years to come. This demonstrates our ability to support larger schemes in their de-risking journeys. We are also very pleased to have selected American National Insurance Company, a wholly owned subsidiary of Brookfield Wealth Solutions, as our reinsurance partner. American National has a decades-long history of financial strength (A rated) and excellent customer service.”

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

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