

NEWS RELEASE

31 October 2018

JUST GROUP plc BUSINESS UPDATE FOR THE PERIOD ENDED 30 SEPTEMBER 2018

Just Group plc (“Just”, “the Group”) announces a business update for the period ended 30 September 2018.

Highlights

- **Retirement Income sales for 9M18 were 44% higher than for 9M17**, driven by the continued growth in Defined Benefit De-risking (“DB”) sales.
- **DB sales for 9M18 were up 91% to £1,081m.** The market for de-risking is buoyant and we are being increasingly selective to maximise returns.
- **Guaranteed Income for Life (“GIFL”) sales for 9M18 were up 3% to £627m.** Volumes have slowed as pricing increases have taken effect.
- **Lifetime Mortgage (“LTM”) advances of £483m were up 32% on 9M17.** This is in line with the very robust market growth we are seeing.
- **Just Group has submitted its response to consultation paper (“CP”) 13/18** and awaits the publication of the Prudential Regulation Authority’s (“PRA”) final supervisory statement. The Board is preparing for a wide range of possible outcomes and remains in constructive dialogue with the PRA.

| | 9 months to 30/09/18 £m | 9 months to 30/09/17 £m | Change % | 3 months to 30/09/18 £m | 3 months to 30/09/17 £m | Change % |
|--|----------------------------------|----------------------------------|-------------|----------------------------------|----------------------------------|-------------|
| Just Group new business¹ | | | | | | |
| Defined Benefit De-risking | 1,081 | 564 | 91 | 363 | 269 | 35 |
| Guaranteed Income for Life | 627 | 607 | 3 | 201 | 217 | (8) |
| Care Plans | 52 | 52 | 0 | 17 | 18 | (3) |
| Retirement Income sales | 1,760 | 1,223 | 44 | 581 | 504 | 15 |
| Drawdown | 38 | 37 | 4 | 14 | 14 | 1 |
| Total Retirement sales | 1,798 | 1,260 | 43 | 595 | 518 | 15 |
| Protection ² | 1 | 4 | NM | - | 1 | NM |
| Lifetime mortgage loans advanced | 483 | 367 | 32 | 170 | 137 | 25 |
| Total new business sales | 2,282 | 1,631 | 40 | 765 | 656 | 17 |

Rodney Cook, Group Chief Executive, said:

“I am pleased to report another excellent quarter, demonstrating the strength of the Group’s positioning and strategy. The markets in which we operate are generally buoyant. The Defined Benefit market has seen increased activity all year and the industry pipeline is very strong. In the GIFL market, shopping around continues to grow as a proportion of the total, helped by Financial Conduct Authority initiatives. Customer appetite for lifetime mortgages is increasing and supply from insurers is growing, all helping to stimulate strong market growth.

We remain focused on achieving attractive returns on capital from new business and, in anticipation of the potential increase in capital requirements as a result of CP13/18, we have strengthened our pricing discipline further during the quarter. Whilst the price increases will affect sales in the final quarter we remain confident of delivering a strong performance for the year.

CP13/18 is for us primarily a back book issue. The Group has no further clarity on the outcome of the consultation but has continued to work hard to make detailed plans for a range of potential outcomes. We welcome the announcement by the PRA last week that the implementation date for the final proposals will not be before 31 December 2019. A longer implementation period provides greater flexibility to execute any necessary capital management actions.”

New business sales by quarter¹ (£m)

| 3 months to: | 30 Sep 2018 | 30 Jun 2018 | 31 Mar 2018 | 31 Dec 2017 | 30 Sep 2017 | 30 Jun 2017 | 31 Mar 2017 | 31 Dec 2016 | 30 Sep 2016 |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Defined Benefit De-risking | 363 | 469 | 249 | 434 | 269 | 170 | 125 | 365 | 414 |
| Guaranteed Income for Life | 201 | 238 | 188 | 213 | 217 | 216 | 174 | 174 | 207 |
| Care Plans | 17 | 18 | 18 | 20 | 18 | 17 | 17 | 19 | 20 |
| Retirement Income | 581 | 725 | 454 | 666 | 504 | 403 | 317 | 559 | 641 |
| Drawdown | 14 | 13 | 11 | 14 | 14 | 11 | 12 | 10 | 9 |
| Total Retirement sales | 595 | 738 | 465 | 681 | 518 | 414 | 328 | 569 | 650 |
| Protection ² | - | - | 1 | 2 | 1 | 1 | 2 | 1 | 2 |
| LTM loans advanced | 170 | 162 | 151 | 142 | 137 | 124 | 107 | 95 | 143 |
| Total new business sales | 765 | 900 | 617 | 826 | 656 | 539 | 436 | 665 | 795 |

Notes

1. Numbers in table subject to rounding.
2. Protection closed to new business in Q4 17. Q1 18 Protection new business sales represented applications in the pipeline.

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| FINANCIAL CALENDAR | DATE |
|---|---------------|
| Results for the year ended 31 December 2018 | 14 March 2019 |

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

JUST GROUP PLC

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