

NEWS RELEASE

16 May 2019

JUST GROUP plc
BUSINESS UPDATE FOR THE 3 MONTHS ENDED 31 MARCH 2019
FOCUS ON CAPITAL DISCIPLINE

Just Group plc (“Just”, the “Group”) announces a business update for the 3 months ended 31 March 2019.

Highlights

- **Retirement Income sales for Q119 were 59% lower than for Q118**, as a result of a lower level of completed Defined Benefit De-risking (“DB”) sales and our disciplined Guaranteed Income for Life (“GIfl”) pricing stance.
- **DB sales were down 90% year on year to £26m in Q119**, due to a temporary reduction in activity levels in our target segment. In Q2 so far we have completed a series of transactions with a value in excess of £300m and the run rate is returning to that of the second half of 2018. The pipeline remains full and market pricing is attractive.
- **GIfl sales for Q119 were down 23% year on year to £145m**. The lower level of volumes reflects pricing increases implemented following the Prudential Regulation Authority’s publication of CP13/18. The volumes are in line with our planned run rate and more similar to the Q418 level.
- **Lifetime Mortgage (“LTM”) advances of £79m were down 47%**, as we focus on capital efficient LTMs and manage volumes in line with Retirement Income sales.

Just Group new business¹	3 months to 31/03/19 £m	3 months to 31/03/18 £m	Change %
Defined Benefit De-risking	26	249	(90)
Guaranteed Income for Life	145	188	(23)
Care Plans	13	17	(23)
Retirement Income sales	184	454	(59)
Drawdown	12	11	8
Total Retirement sales	196	465	(58)
Protection ²	-	1	NM
Lifetime mortgage loans advanced	79	151	(47)
Total new business sales	276	617	(55)

David Richardson, Interim Group Chief Executive, said:

“Today’s update reflects our disciplined approach to the management of our capital in the new regulatory regime. Our GIfl price increases and DB pricing standards have been implemented rigorously, ensuring that we deliver to shareholders a new business internal rate of return in line with our targeted mid-teen levels. The continued growth in our markets gives us confidence that there remains a considerable opportunity to deploy capital in a disciplined and profitable manner. Although it was a quiet start to the year, DB transaction volumes in Q2 have been good. Given the strength of our pipeline, we remain comfortable that DB sales for the year will be similar to the annualised rate seen in H218.

Our capital position has been much improved by the £375m raised in March, and we are absolutely focussed on achieving capital neutrality by 2022. We have a plan in place to ensure we achieve this target, which includes a number of actions we will be taking over the course of this year. These include a renewed focus on cost control, the closure of loss making operations such as the US, reductions in new business LTM backing ratios and a shift towards more capital efficient assets.”

New business sales by quarter¹ (£m)

3 months to:	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Defined Benefit De-risking	26	233	363	469	249	434	269	170	125
Guaranteed Income for Life	145	159	201	238	188	213	217	216	174
Care Plans	13	21	17	18	17	20	18	17	17
Retirement Income	184	413	581	725	454	666	504	403	317
Drawdown	12	13	14	13	11	14	14	11	12
Total Retirement sales	196	426	595	738	465	681	518	414	328
Protection ²	-	-	-	-	1	2	1	1	2
LTM loans advanced	79	119	170	162	151	142	137	124	107
Total new business sales	276	545	765	900	617	826	656	539	436

Notes

- Numbers in table subject to rounding.
- 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
AGM	13 June 2019

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

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