



SHIP REPORTS A 10% INCREASE IN EQUITY RELEASE BUSINESS

SHIP Q3 Results 2008

- Quarterly growth up - value of new business up 10%
- Value of new business down slightly year on year by 6.8%

The members of the UK equity release industry body, SHIP (Safe Home Income Plans) that represents over 90% of the equity release sector in terms of volume, today reports Q3 figures to 30 September 2008.

Overall Quarterly Comparisons:

The total value of new business written for Q3 2008 reached £303.3m, a £27.6m (10%) increase on the amount released in the previous quarter. 7,942 new policies were sold in Q3, significantly up (15.7%) on last quarter's figure of 6,864.

Overall Annual Comparisons:

The total value of new business written was down slightly by 6.8% (£22m) on the previous year's figure. The number of new policies sold remains stable against that of the previous year (7,981 policies sold in Q3 2007).

Developments by Distribution Channel:

Sales via intermediaries rose by a significant 16.43% quarter on quarter, from £194.7m (Q2) to £226.7m (Q3). Direct sales continue to represent a smaller share of the whole market (£76.5m), a figure which has remained largely stable, (Q3 2007: £74.8m, Q2 2008: £81m).

Lump Sum Mortgages show greatest quarterly growth:

The value of equity released as a lump sum has grown 16.4% from £145.2m in Q2 to £169m in Q3. Annual comparisons show a slight decline of 6.1% (from £180.9m in Q3 2007).

Popularity Of Drawdown Continues:

The popularity of drawdown products has shown continued growth and accounted for 57.6% of all plans sold in Q3, a quarterly increase of 4.7% (Q2 2008: 52.9%).

The amount committed by drawdown schemes in Q3 was £218.9m, and the amount advanced by drawdown stood at £118.4m. These figures show quarter on quarter growth of 6.46% and 1.71% respectively.

Drawdown products have become increasingly popular, due to their flexible nature: year on year, the number of drawdown products sold in Q3 has increased 12% to 4,577 (Q3 2007: 4,088).

Andrea Rozario, Director General of SHIP, commented:

“The equity release market has been naturally affected by the slowdown in the wider property market. However, whilst the volume figures are slightly down on the previous year the equity release market as a whole is holding its own and the number of actual plans sold is stable. The increase in popularity of drawdown products, which allow people to take a small sum initially with the option to get at more if they should need it, will obviously impact on the volume of business written and this is also reflected in the figures.

“The overall stability of the market in such turbulent financial times is very pleasing. Quarter on quarter growth has been strong, especially in terms of the number and value of drawdown products taken out. Equity release remains an important diversification of an adviser’s client offering, and the 16.4% rise in sales through intermediaries shows good growth.

“There remains a clear need for equity release products, which is becoming ever more important as pensioners feel the pinch from the credit crunch. We remain realistic and yet positive about the next quarter’s results”.

-Ends-

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About SHIP:

Safe Home Income Plans (SHIP) is the UK's leading professional body for equity release product providers, representing the interests of its members who provide home income and equity release plans. It was launched in 1991 to promote safe schemes. At present, 90% of the equity release market (in volume terms) is represented by SHIP members.

SHIP is comprised of the following 22 members:

- Bradford & Bingley
- Bridgewater Equity Release Ltd
- Bristol & West Mortgages
- Coventry Building Society
- Dunfermline Building Society
- Hodge Equity Release
- Home & Capital Trust Ltd
- In Retirement (Reversion) Ltd
- Just Retirement Ltd
- LV Equity Release Limited
- More2life limited
- National Counties Building Soc
- New Life Mortgages Ltd
- Northern Rock Plc
- Norwich Union Equity Release
- Partnership Home Loans Limited
- Prudential UK Service Ltd
- Retirement Plus Ltd
- Saffron Building Society
- Standard Life Lifetime Mortgages
- Stonehaven UK Ltd
- Stroud & Swindon Building Society