



FOR IMMEDIATE RELEASE: Monday 29th January 2007

## SHIP FULL YEAR RESULTS 2006

### New equity release plans increase 19% and drawdown mortgages continue to grow

The twenty one members\* of UK equity release industry body, SHIP (Safe Home Income Plans), that represents over 90% of the equity release sector, today report fourth quarter figures to 31 December 2006 and full year results that show a healthy increase in new equity release plans sold and a steady years growth in drawdown business.

#### Overall Business Figures:

The total value of new business written in Q4 2006 was £317.4 million, contributing to a total new business figure of £1,154.3 million for FY 2006. The number of new plans sold increased nearly 16% between Q3 2006 and Q4 2006 (6,954 and 8,038 respectively) and was almost 19% greater than the number sold in Q4 2005 (6,779). Increases were witnessed by both home reversion plans (364- Q3 2006; 427- Q4 2006) and lifetime mortgages (6,590 - Q3 2006; 7,611 - Q4 2006).

Total home reversions business saw another impressive increase year on year, accounting for £73.5 million worth of new business in FY 2006, up almost 35% from FY 2005 (£54.6 million). However, lifetime mortgage business saw only a marginal increase of 3% compared to 2005 (£1,080.8 million FY 2006 -£1,048.9 million FY 2005).

#### Growth of the Drawdown Mortgage:

Drawdown plans continued to witness a steady growth in 2006. During Q4 2006 £89.9 million was taken from £202.9 million committed new business. This compares to £14.2 million taken from £31.3 million of committed new business in Q4 2005 – a six and a half times increase of committed new business year on year. Drawdown mortgages, unsurprisingly, continued to rate as one of the most popular features for consumers in the 2006 SHIP members survey.

Jon King, Chief Executive of SHIP commented:

“2006 has seen a substantial increase in the number of new equity release plans sold. Both home reversions and lifetime mortgages have been party to this increased interest and the number of customers keen to use flexible drawdown mortgages is highly encouraging.

“It is clear that equity release is beginning to claim a significant place in the mortgage industry and its benefits are becoming more apparent to those at which it is targeted. However, if anything is to be learnt from the SHIP members’ survey published this month it is vital that the industry as a whole work together to ensure good advice is readily available to these consumers and that IFAs wishing to enter the market are equipped with the full range of knowledge and skill required.”

**-Ends-**

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## Notes to Editors:

### SHIP new business figures:

Period	Total SHIP £m
2006 FY	1154.3
2006 Q4	317.4
2006 Q3	295.1
2006 Q2	262.8
2006 Q1	279.0
2005 FY	1103.5
2004 FY	1192.30
2003 FY	1161.40

### About SHIP:

Safe Home Income Plans (SHIP) is the UK's leading professional body for equity release product providers, representing the interests of its 21 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's current 21 members\* are: Bradford and Bingley Ltd, Bridgewater Equity Release, Bristol and West Mortgages, Ecclesiastical Life, GE Life, Hodge Equity Release, Home & Capital Trust, In Retirement Services, Just Retirement, Key Retirement Solutions, National Counties Building Society, New Life Mortgages, Northern Rock, Norwich Union, Partnership Home Loans, Portman Building Society, Prudential, Retirement Plus, Standard Life, Stonehaven Equity Release, Stroud and Swindon Building Society.