

esure Group plc
9 November 2016

Continued strong growth; on track for the full year

Trading update for the nine months to 30 September 2016

Highlights

- Gross written premiums up 15.9% to £499.0m (YTD Q3 2015: £430.5m)
 - Motor gross written premiums up 18.3% to £430.6m (YTD Q3 2015: £364.1m)
 - Home gross written premiums up 3.0% to £68.4m (YTD Q3 2015: £66.4m)
- In-force policies up 5.7% to 2.105m (Q3 2015: 1.991m)
 - Motor in-force policies up 7.6% to 1.530m (Q3 2015: 1.422m)
 - Home in-force policies up 1.1% to 0.575m (Q3 2015: 0.569m)
- Additional Services Revenues¹ up 3.5% to £80.6m (YTD Q3 2015: £77.9m)
- The Group's financial position is strong and the capital base has been further strengthened as part of the Gocompare.com demerger

Stuart Vann, Chief Executive Officer of esure Group plc, commented:

"Our business continues its strong growth trajectory and overall premiums are up 16% and policies up 6% year-on-year, which is very pleasing. As a result of our underwriting expertise, focus on customer service, and efficient expense base, we are well placed to take advantage of the current motor market conditions to grow our market share over the coming period and deliver value to shareholders.

"Rates in motor continue to be favourable and we are making good progress on our strategic initiatives to grow our business. In particular our underwriting footprint expansion, which supports our growth ambitions, and enhanced customer contribution modelling in motor are delivering promising results.

"In home, the market remains competitive. This, coupled with the weather costs incurred earlier in the year, mean we continue to manage the portfolio accordingly, not pushing growth when we don't believe it is profitable to do so.

"We successfully demerged Gocompare.com from esure Group on 3 November having guided the business to improved results during our ownership.

"We are on track to deliver the outlook for the insurance business provided at the interim results earlier in the year, with premium growth expected to be at the upper end of our guidance of 13-18% driven by our motor book. Assuming favourable market conditions continue, we would expect to continue to see attractive rates of growth in the coming periods."

Additional information

Gross written premiums

| | 2016 Q3 | 2015 Q3 | 2016 Q3 YTD | 2015 YTD Q3 |
|------------|--------------------|------------|------------------------|----------------|
| Group (£m) | 178.6 | 155.0 | 499.0 | 430.5 |
| Motor (£m) | 154.9 | 130.8 | 430.6 | 364.1 |
| Home (£m) | 23.7 | 24.2 | 68.4 | 66.4 |

In-force policies

| | 2016 Q3 | 2016 HY | 2016 Q1 | 2015 FY | 2015 Q3 |
|------------------|--------------------|------------|------------|------------|------------|
| Group (millions) | 2.105 | 2.076 | 2.036 | 2.001 | 1.991 |
| Motor (millions) | 1.530 | 1.495 | 1.459 | 1.435 | 1.422 |
| Home (millions) | 0.575 | 0.581 | 0.577 | 0.566 | 0.569 |

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Notes

1. Additional Services Revenues includes four main components: (i) sales of underwritten and non-underwritten additional insurance products to motor and home insurance customers; (ii) installment interest on premium payment plans; (iii) policy administration fees; and (iv) legal panel membership fees and fees generated from the appointment of firms used during the claims process, including vehicle repair, car hire and medical suppliers where applicable in the relevant period ("Claims Income"). Additional Services Revenue is stated before the deduction of any internal costs of acquisition or administration. Non-underwritten additional insurance products revenue represents the commission margins for the Group generated from sales of such products. Underwritten Additional Services Revenue is stated after the deduction of claims costs. Additional Services Revenue is a non-IFRS measure which management uses to evaluate Group performance. It may not be comparable with similarly titled measures used by other companies.

Cautionary statement

Certain statements made in this announcement are forward-looking statements. Such statements are based on current expectations and assumptions and are subject to a number of known and unknown risks and uncertainties that may cause actual results, performance or achievements of the Group or industry results to differ materially from any future events, results, performance or achievements expressed or implied by such forward-looking statements. Persons receiving this announcement should not place undue reliance on any forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, esure disclaims any obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.