

Utmost Group announces the proposed acquisition of Quilter International from Quilter plc for £483m

1 April 2021

Acquisition Highlights

- Utmost Group Limited ("Utmost Group" or "the Group") has entered into an agreement to acquire Quilter International (the "Transaction"), subject to regulatory and other approvals
- Under the terms of the Transaction, Quilter will receive approximately £483m in cash assuming completion on 31 December 2021
- Quilter International will become a part of Utmost International, the international life assurance business of Utmost Group
- The Transaction adds £22bn of assets under administration and 90,000 policies to Utmost International. It confirms Utmost International's position as one of the leading global providers of international life assurance
- On a combined basis, Utmost International will have £52bn of assets under administration, 220,000 policies and would have written over £330m APE of new business in 2020, making it a leader in the industry
- The Transaction is in line with Utmost Group's strategy to grow its Utmost International business both organically and through acquisition and to enhance our proposition for our partners and clients

Strategic Rationale and Financial and Operational Benefits

- **Complementary business footprint and distribution network** – Quilter International's diversified business footprint and distribution network across the UK, Europe, the Middle East, Asia and LatAm, with branches in Singapore and Hong Kong and a regulated distribution office in the Dubai International Financial Centre (DIFC), will complement and strengthen Utmost International's existing position in these attractive markets, where Utmost International sees strong, continuing demand for wealth solutions for HNW and UHNW clients
- **Confirms Utmost International as one of the leading global providers of international life assurance** – The acquisition brings additional scale, skillsets and cashflows to Utmost International, creating an enlarged international business with £52bn of assets under administration and 220,000 customers on a pro-forma basis, enhancing further growth opportunities for Utmost Group
- **Ongoing relationship** – Utmost Group and Quilter will work together to ensure a range of modern, flexible international life assurance products will continue to be available to all participants on the Quilter Platform

- **Operational Integration** – Quilter International will be merged with Utmost International's operations in the Isle of Man, DIFC, Singapore and Hong Kong. There will be a single suite of products under the Utmost International brand soon after completion of the acquisition
- **Maintains balance sheet strength and resilience** – The Group's estimated Gross Solvency II Economic Value (SII EV) will increase from £1.7bn to over £2.3bn on a pro-forma basis with an estimated Solvency Coverage Ratio of 183% post-completion
- **Balance sheet flexibility** – The consideration of £483m represents 84% of the Own Funds of Quilter International of £575m at 31 December 2020. The consideration will be partly financed through £275m of additional debt funding. This will take the Group's leverage ratio to 22% of the enlarged Group's Gross SII EV, which is well within our target range of 20-30%
- **Significant expense and capital synergies** – Opportunities for expense and capital synergies by leveraging Utmost Group's efficient operating model
- **Transaction Timeline** – Subject to regulatory approvals, completion of the Transaction is expected later this year

Commenting on the Transaction, Paul Thompson, CEO of Utmost Group said:

"This is a highly attractive acquisition for Utmost Group and underscores the importance of our Utmost International business. Quilter International is highly complementary to our existing International business from both an operational, product and distribution perspective.

The acquisition is in line with our growth strategy and positions us well to benefit from the fundamental growth trends in the international life assurance sector.

The acquisition confirms Utmost Group's position as a leading insurance consolidator with £58bn of assets under administration and 600K customers on a pro-forma basis and gives us an enhanced platform to pursue acquisitions.

I look forward to welcoming all the staff, customers and distribution partners to our Group. We are delighted to work with Quilter on this transaction and look forward to a productive partnership in the future."

Commenting on the Transaction, Paul Feeney, CEO of Quilter said:

"We are delighted to announce the proposed sale of Quilter International to the Utmost Group which represents an excellent outcome for all stakeholders.

I would like to thank all our Quilter International colleagues for their dedication, professionalism and service to our customers, which has resulted in the creation of such a strong franchise.

I am confident that the agreement we have reached with the Utmost Group will ensure the continued success of the business, with a focus on delivering good customer outcomes, as well as providing wider range of career opportunities for Quilter International's employees within an enlarged international business."

Utmost Group Limited anticipates releasing its Full Year 2020 Results on 28 May 2021

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About Utmost Group Limited

Utmost Group Limited is a specialist life assurance group. Its principal businesses are Utmost International and Utmost Life and Pensions, which together are responsible for over £37bn of primarily unit-linked policyholder assets for around 510,000 customers.

Utmost Group Limited is authorised and regulated by the PRA.

About Utmost International

Utmost International provides international life assurance to affluent, high-net-worth and ultra-high-net-worth individuals through Utmost Wealth Solutions, and group risk and savings solutions to multi-national corporates through Utmost Corporate Solutions.

In 2020, Utmost International had £30bn of assets under administration, 130,000 customers, and wrote £1.6bn of new business premiums. It was formed through the acquisition of insurers that were previously owned by major insurance groups. Uniting them under a common strategy and achieving significant synergies has created a financially and operationally robust insurance group that is strongly positioned to win new business.

About Utmost Life and Pensions

Utmost Life and Pensions is a specialist UK life consolidator, focused on the acquisition of life assurance businesses in the UK. It was formed through the demutualisation and acquisition of the Reliance Mutual and Equitable Life businesses. It looks after 380,000 customers with £7bn of assets under administration. Utmost Life and Pensions is authorised by the PRA, and regulated by the FCA and the PRA.

About Quilter International

Quilter International is an investment platform provider of cross-border investment solutions aimed primarily at affluent and high net worth UK residents seeking investment solutions outside of the UK, as well as expatriates and international investors in selected offshore markets. In 2020, Quilter International had £22bn of assets under administration, c. 90,000 policies and wrote £1.6bn of new business premiums.

Quilter International's core markets are the UK, Europe, the Middle East, Asia and LatAm. The business is headquartered in the Isle of Man with a regulated presence in the Isle of Man, Ireland, Hong Kong, Singapore, and the Dubai International Financial Centre.

Quilter International is a part of Quilter plc, a UK listed company and FTSE250 constituent. Quilter plc is a leading provider of advice, investments and wealth management in the UK and internationally managing over £100bn of investments on behalf of over 900,000 customers.