

Date: 23 June 2020

UTMOST INTERNATIONAL PUBLISHES ANNUAL REPORT 2019

Summary

Utmost International Group Holdings Limited ("Utmost International"), a leading international life assurance business, which provides international life assurance to affluent, high-net-worth and ultra-high-net-worth individuals through its Utmost Wealth Solutions ("UWS") business, and employee benefit and savings solutions to multi-national corporates through its Utmost Corporate Solutions ("UCS") business, has published its audited results for the year ended 31 December 2019.

In this press release, unless otherwise indicated, results are presented on a pro-forma basis to include Utmost Worldwide ("UW") and Utmost PanEurope DAC ("UPE") for the full year in both 2019 and 2018. Full details on the pro-forma basis are provided in the Annual Report.

Utmost International is pleased to report strong financial results for 2019:

- Solvency II Economic Value ("SII EV") increased from £917m on a pro-forma basis at 31 December 2018 to £988m at 31 December 2019:
 - o Gross SII EV increased by £34m to £1,192m
 - o Bank debt reduced by £37m to £204m
 - Leverage ratio reduced from 21% to 17%

Other Key Performance Indicators showed good progress:

- Assets Under Administration increased to £29.4bn at 31 December 2019, compared to £28.0bn at 31 December 2018
- New business sales on an Annual Premium Equivalent basis of £173m in 2019 compared to £180m for 2018. UWS APE was £147m in 2019 (2018: £163m) and UCS APE was £26m in 2019 (2018: £17m)
- Value of New Business of £28m in 2019 compared to £20m in 2018
- Operating Profit of £73m in 2019¹ compared to £75m in 2018

Paul Thompson, CEO of Utmost Group of Companies, commented:

"2019 was, in all respects, a successful year for Utmost International. Our business was profitable, it delivered on our ambitious strategic goals and above all, delivered good outcomes for our clients. The balance of our geographical footprint and complementary businesses, our commitment to our partnerships, and continued focus on developing and delivering high-quality solutions to our clients made the difference. Our business was supported by strong asset performance in spite of underlying political and trade uncertainty."

Financial Strength and Solvency Position

Utmost International solvency remains strong with Group Own Funds of £731m (2018: £690m) and an SCR Coverage Ratio of 161% as at 31 December 2019, compared to a pro-forma SCR Coverage Ratio of 157% at 31 December 2018.

In June 2019, Utmost International and its principal operating subsidiaries were assigned inaugural credit ratings by Fitch with Insurer Financial Strength Ratings of A and an Issuer Default Rating of BBB+. In April 2020, Fitch conducted a ratings review of European life insurers under a set of base and stress-case rating assumptions to reflect the pressures from the Covid-19 pandemic. Based on their assessment of the impact of the pandemic, Fitch affirmed these credit ratings, reflecting the strong capitalisation and stable leverage ratios of the Group.

Acquisition Activity

The acquisition of Generali Worldwide Insurance Company Limited (now Utmost Worldwide) and Generali Link Limited was successfully completed on 28 February 2019. The acquisition added scale to UWS, our wealth solutions business, and UCS, our employee benefits business.

¹ The 2019 operating profit includes a pro-forma adjustment to include the pre-acquisition 2019 profits of Utmost Worldwide from 1 January 2019 to 28 February 2019



Operational Performance

The Group made excellent progress with its integration activity. The progress made in 2019 includes:

- The completion of the migration of the Athora Ireland international bond portfolio, whereby over 7,000 policies and £2.8bn (c. 10%) of Utmost International's Assets Under Administration were migrated from the seller's external platforms to Utmost International's in-house administration platform, with that migration subsequently going live on 30 September 2019
- The merger of our three Irish life assurance companies completed in October 2019 with the business of Utmost Ireland DAC and Harcourt Life Ireland DAC merged into Utmost PanEurope DAC via a portfolio transfer scheme
- Rebranding of the entire group to "Utmost" was completed in March 2019
- Generali Link Limited was merged with Utmost Services Ireland Limited to create a single Irish service company for the Group

Product Development

During 2019, the Group refocused on proposition development, making some key hires to strengthen the team and delivering new products and features in both our UWS and UCS product ranges. In the years ahead we will make a significant investment into our proposition to continue to meet the evolving needs of our clients and to deliver the best outcomes and good value.

Covid-19 Pandemic

Utmost International continues to monitor and assess the impact of the ongoing Covid-19 pandemic. Our core markets across Europe and Asia are acutely affected. Our priority continues to be the health and safety of our employees, partners and clients, as well as ensuring that we maintain the service provided to our clients and partners. The Group is well capitalised and our capital ratios were stable throughout the start of 2020. The Group has a strong balance sheet and maintains a low leverage ratio. Under Solvency II and local solvency regulations in our operating jurisdictions, Utmost International's life companies are subject to ongoing stress testing based on extreme market conditions, and they hold adequate capital and liquidity to withstand such conditions.

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About Utmost International

Utmost International is an international life assurance business which serves two key markets. It provides international life assurance to affluent, high-net-worth and ultra-high-net-worth individuals through its Utmost Wealth Solutions business, and group risk and savings solutions to multi-national corporates through its Utmost Corporate Solutions business. Utmost International is responsible for over £29bn of policyholder assets for more than 130,000 customers.

Utmost International has been formed through the acquisition of insurers that were previously owned by major insurance groups. By bringing these companies together under a common strategy and rationalising to achieve significant cost synergies, Utmost International has created a financially and operationally robust insurance group that is strongly positioned to win new business.

For further information, please contact:

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