

PRESS RELEASE: COMPLETION OF THE EQUITABLE LIFE BUSINESS TRANSFER TO UTMOST LIFE AND PENSIONS

01 January 2020

The Utmost Group of Companies is pleased to announce the completion of The Equitable Life Assurance Society (“Equitable Life”) business transfer to Utmost Life and Pensions Limited (“ULP”).

The transaction delivers good value to Equitable Life customers and demonstrates ULP’s credentials as a consolidator for the UK life and pensions market.

Transaction Highlights

- The Equitable Life business transferred to ULP under a Part VII transfer, which completed on 1 January 2020.
- Policyholders voted in favour of the Scheme, which includes the conversion of with-profits policies to unit-linked policies, at the Policyholders’ Meeting in November 2019. Approval was received from the UK High Court in December 2019.
- With-profits policyholders received an increase in their policy values with an immediate one-off uplift. Investment guarantees were removed and the with-profits policies were converted to unit-linked policies. The uplift is expected to be between 65-75% but will depend on final calculations.
- As previously communicated, ULP entered a strategic partnership with J.P. Morgan Asset Management (“JPMAM”), a global leader in investment management, in April 2019. The strategic partnership is in line with ULP’s goal to develop products and services designed to help customers achieve better outcomes. The strategic partnership will deliver a wide range of funds and leading investment solutions for customers and advisers, leveraging the strength, depth and breadth of investment expertise and resources that JPMAM has to offer.
- ELAS policyholders will receive a communication from ULP, which will confirm the exact amount of their uplift and their investment choices.
- The business transfer adds £6.2bn of assets under administration and 300,000 customers to ULP. In total, ULP will have c. £7.9bn of assets under administration on behalf of around 450,000 customers.
- Equitable Life’s employees will transfer to Utmost and continue to administer and service the policyholders.

Strategic Rationale and Financial Benefits

- ULP provides a financially stable home for Equitable Life policies and maximises the capital distribution to with-profits policyholders. Policyholders will benefit from enhanced security as a result of ULP’s strong capital position and efficient operational management.
- The transaction demonstrates ULP’s credentials as an established buyer of assets in the UK insurance market.
- The transaction is in line with ULP’s goal of developing products and services designed to help customers achieve better outcomes.

Paul Thompson, Utmost Group of Companies CEO commented:

“We are delighted to complete the Equitable Life transaction and welcome its policyholders and employees to our Group. Our deep experience in managing insurance companies will be utilised to deliver best value to the Equitable Life policyholders. We can create significant cost and capital synergies from the transaction and maintain our strong capital position and resilient balance sheet.

The transaction underlines our strong position in the insurance consolidation space. We continue to see significant opportunities in European insurance to enhance our platform and grow our business.”

Stephen Shone, Utmost Life and Pensions CEO commented:

“We are pleased to complete the Equitable Life transaction. It helps to demonstrate our continued growth strategy and is a major step forward in the delivery of our strategic objectives. ULP will continue to offer existing and joining customers the highest levels of service, as well as providing financial security for their futures.”

Simon Small, Equitable Life CEO commented:

“We are delighted to have completed the business transfer of Equitable Life to ULP, which has returned capital to policyholders quickly and fairly and we believe offers the best outcome for customers.

ULP will provide policyholders with long-term security and peace of mind about their life and pensions policies.”

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About the Utmost Group of Companies

The Utmost Group of Companies is a specialist life assurance group. Its principal businesses are Utmost Wealth Solutions, Utmost Corporate Solutions and Utmost Life and Pensions, which together are responsible for over £36bn of primarily unit-linked policyholder assets for around 600,000 customers.

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 looks after 450,000 customers with £7.9bn of assets under administration.

Utmost Life and Pensions is authorised by the Prudential Regulation Authority (PRA), and regulated by the Financial Conduct Authority (FCA) and the PRA.