
BONDHOLDER PRESENTATION

PROPOSED ACQUISITION OF LOMBARD
INTERNATIONAL

8th JULY 2024

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Ian Maidens

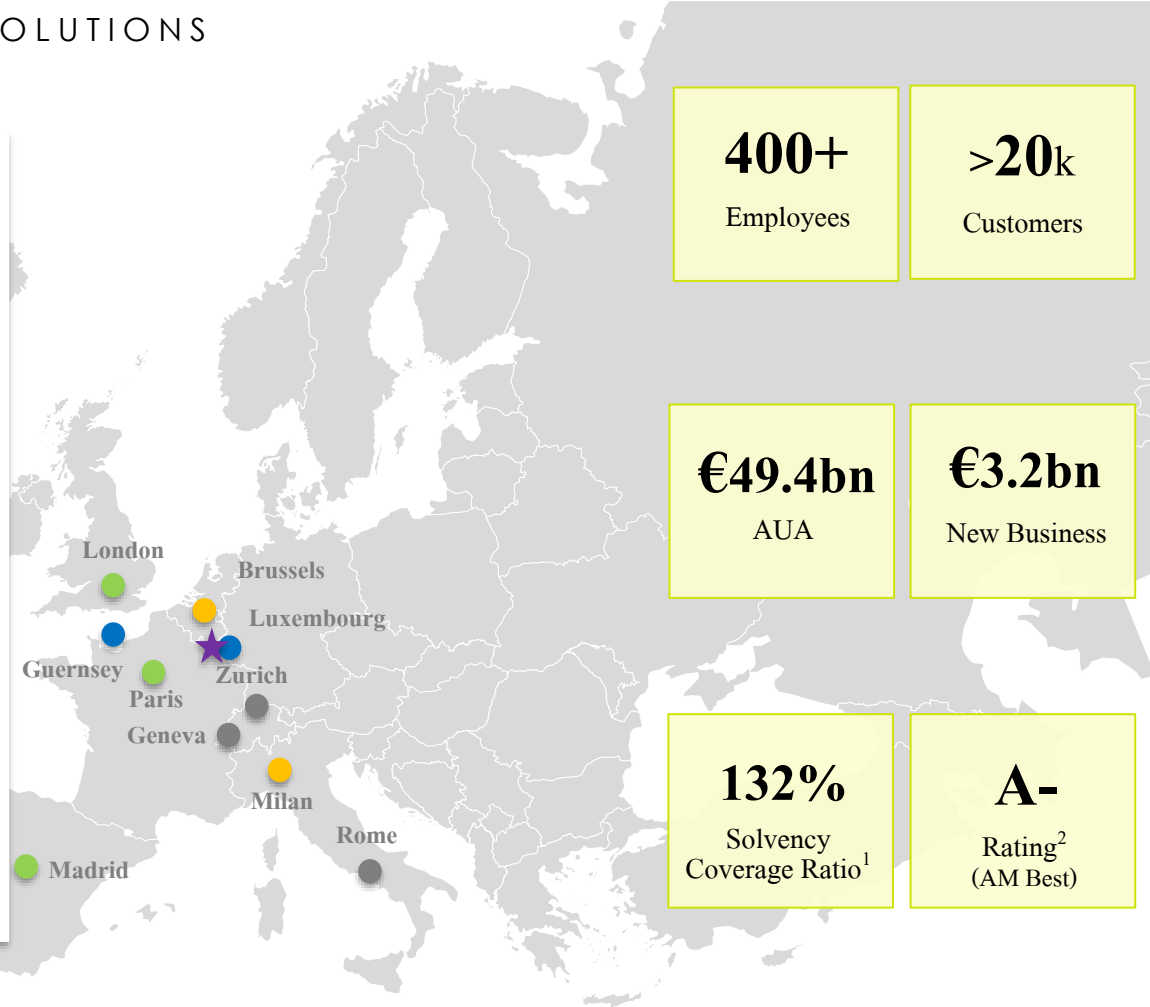
REASSURINGLY DIFFERENT

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GROUP

LOMBARD INTERNATIONAL

LEADING LUXEMBOURG-BASED PROVIDER OF UNIT-LINKED INSURANCE WEALTH SOLUTIONS

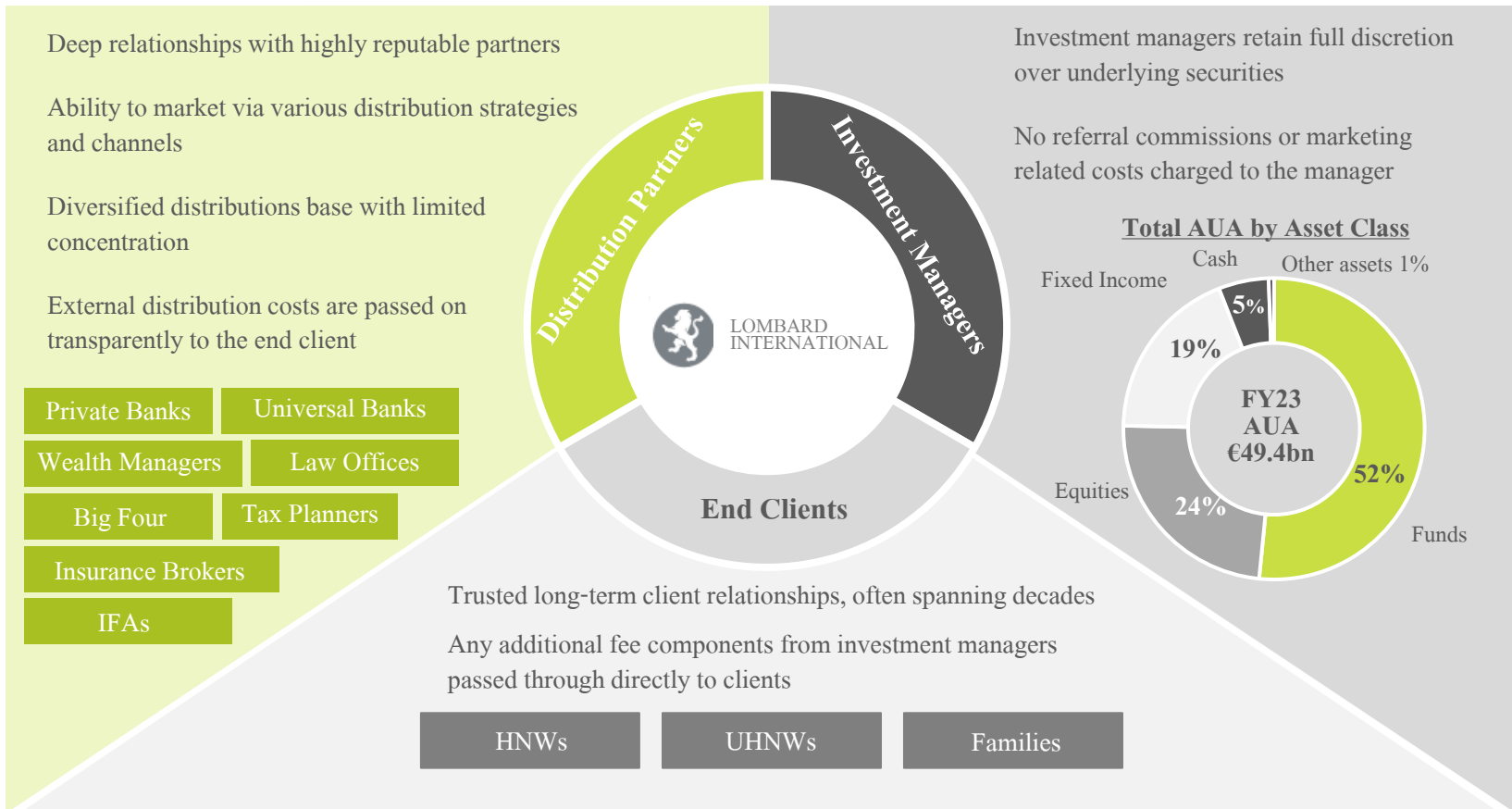
- › Over 30 years of history
- › Providing wealth solutions for HNW & UHNW clients
- › Long-term financial product offering with strong client retention
- › Open architecture distribution - through a broad network of distribution partners (private banks, IFAs, and brokers)
- › Significant European presence, with core markets including France, Italy and Sweden
- › Luxembourg HQ alongside regional booking/servicing centres



BUSINESS MODEL

WIN-WIN PROPOSITION FOR PARTNERS AND CLIENTS

Lombard International's wealth solutions seamlessly align the interests of clients, distribution partners and investment managers





Combined Entity

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COMBINED BUSINESS

CREATING A GLOBAL LEADER WITH SCALE, DIVERSIFICATION, AND DEEP LOCAL MARKET KNOWLEDGE



COMPARABLE BUSINESS MODEL

COMPLEMENTARY BUSINESS ACROSS VARIOUS AREAS

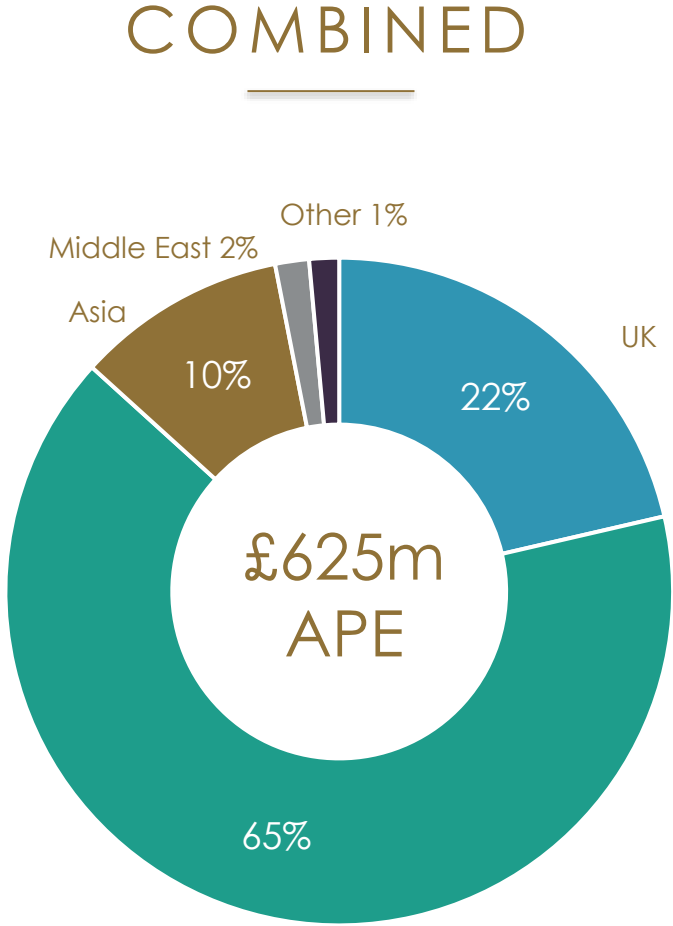
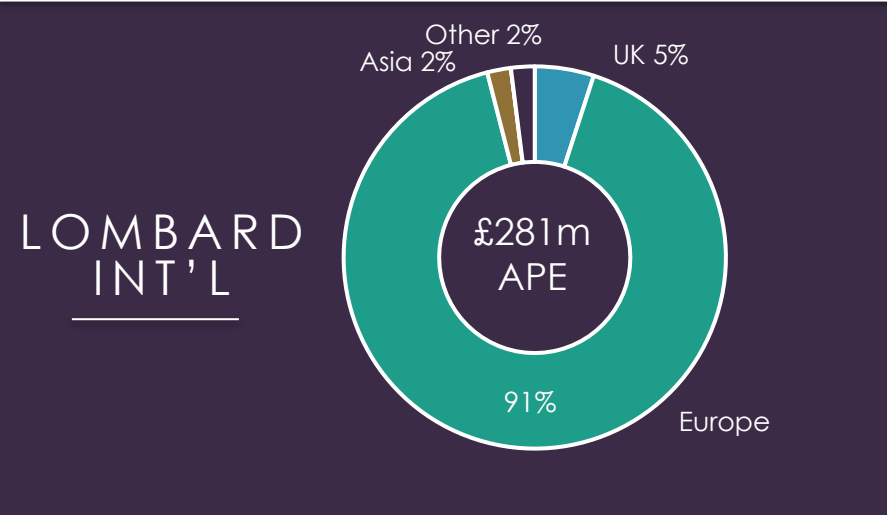
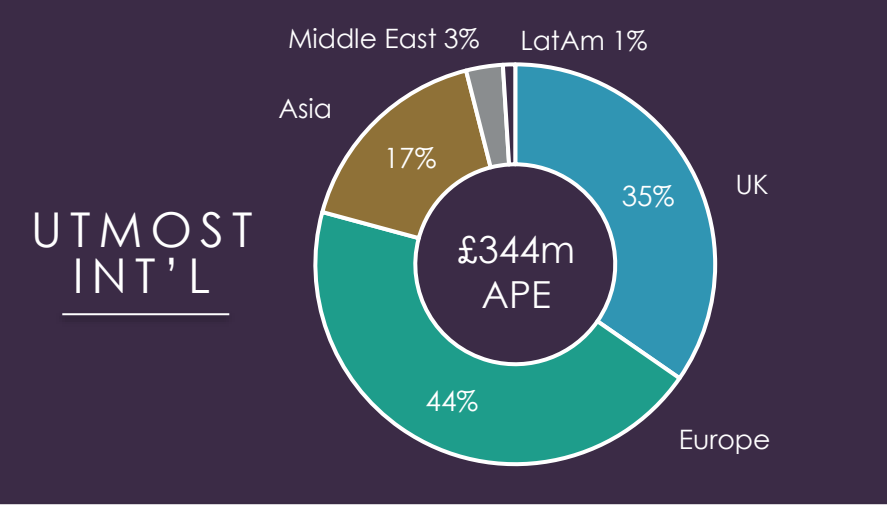
	Utmost International	Comparability	Lombard International
Distribution	<ul style="list-style-type: none"> › Broad network of distribution partners (Private Banks, IFA's, Brokers) both regionally and nationally › Deep long-established relationships with >750 partners 	★★★☆☆	<ul style="list-style-type: none"> › European focused partnerships › Extensive network of partners › Direct distribution through agents
Product	<ul style="list-style-type: none"> › Unit-linked life insurance product used for protection and wealth transfer › Ability to transport products across geography 	★★★★☆	<ul style="list-style-type: none"> › Use of similar products to serve client needs
Clients	<ul style="list-style-type: none"> › Propositions tailored to Affluent, HNW and UHNW › Serving >190k clients across +100 countries 	★★★☆☆	<ul style="list-style-type: none"> › Emphasis on HNW and UHNW propositions › Serving >20k clients
Geographic reach	<ul style="list-style-type: none"> › Operating in UK, Europe, Asia, Middle East and Latam 	★★★☆☆	<ul style="list-style-type: none"> › Strong European focus
Investment	<ul style="list-style-type: none"> › Investment options include Open & Guided Architecture › Access to a wide variety of asset classes › Investment decisions with client and their adviser 	★★★☆☆	<ul style="list-style-type: none"> › Excludes Guided Architecture fund range
Location	<ul style="list-style-type: none"> › Writing business through Ireland, Isle of Man and Guernsey jurisdictions 	★★★☆☆	<ul style="list-style-type: none"> › Writing business through Luxembourg and Guernsey
Entity Financial Strength	<ul style="list-style-type: none"> › Strong Capital base (£2.1bn own funds) › Issued Restricted Tier 1 and Tier 2 debt instruments › High Financial Strength Rating ('A+' IFS Fitch Rating) 	★★★☆☆	<ul style="list-style-type: none"> › €0.7bn own funds › 'A-' FSR AM Best Rating

POST COMBINATION

- › **Product Suite:** Maintain existing product suite. Offer customers option of Luxembourg or Ireland for hosting a product
- › **Direct Distribution Model:** Maintain direct distribution model
- › **Rebrand:** Lombard International will rebrand to Utmost
- › **Combined Global Salesforce:** Lombard International and Utmost's sales team will be combined, leveraging technical and proposition expertise
- › **Luxembourg:** Luxembourg will remain as a key booking/servicing centre

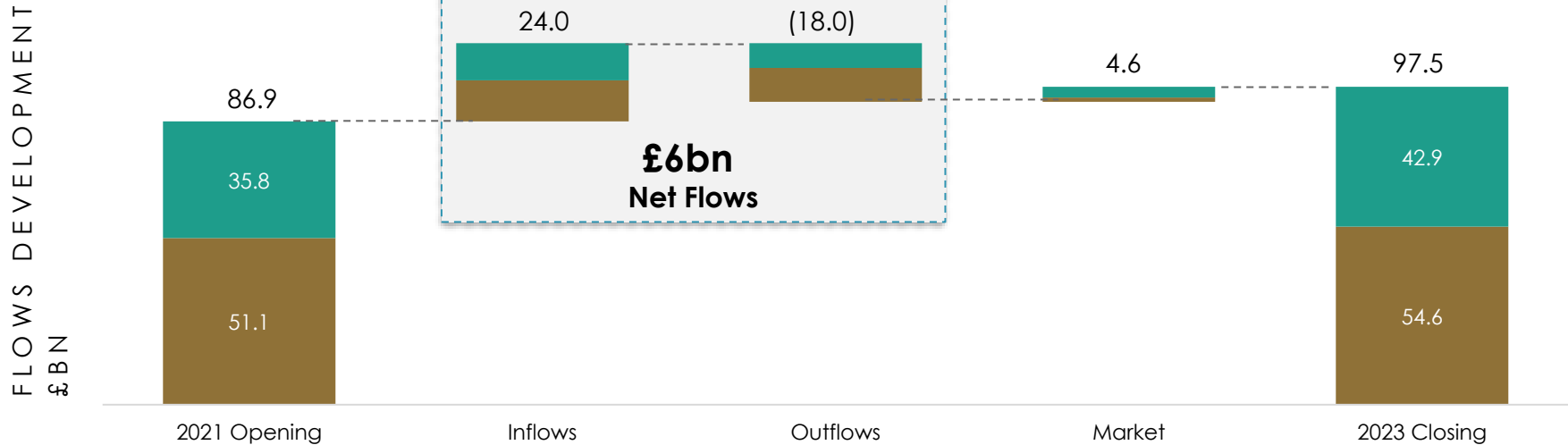
DIVERSIFIED GLOBAL SALES

PROFORMA SALES 2023



1 – Lombard International APE based on 10% of New Business inflows.

THE COMBINATION



- › Shared focus on **client centricity** to engage, serve and ensure good client outcomes
- › Leveraging **combined strengths** to enhance scale, diversification, and reach
- › Building an **enduring business** with a strong commitment to the industry, establishing a business for the long-term

TRANSACTION FINANCING

- › Transaction to be financed by (i) a new £200m senior bank facility and (ii) existing excess capital in Utmost Group holding companies which would otherwise have been paid to UGP shareholders as a dividend during 2024
 - › New senior bank facility will be at Utmost Group plc level and will sit across the entire Utmost Group
 - › Repayable in tranches of £50m on 15 December 2025 and £25m every six months thereafter until fully repaid around the 4th anniversary of completion of the acquisition
- › Outstanding Bank Debt will be a deduction from Group Own Funds at Utmost Group plc level
- › Utmost currently holds additional excess cash in an “interest reserve account” at holding company level equal to one year of interest payments, net of available tax relief, on its Tier 2 and Restricted Tier 1 Notes
 - › This amount will be increased to include one year of interest payments, net of available tax relief, on the Bank Debt

CAPITAL POLICIES

- › Utmost Group capital policies will remain unchanged
 - › Above 135% SCR Coverage at all times and above 150% immediately after a dividend
 - › Lombard International Assurance ("LIA") to adopt Utmost Group capital policies
 - › LIA will not pay dividends to Group until SCR Coverage exceeds 150%
- › Utmost Group solvency to remain well in excess of Capital Policy
- › Utmost Group leverage ratios on both an economic basis (Face Value of Debt / Gross Economic Value) and on a Fitch Financial Leverage Ratio basis will remain within target ranges post-acquisition
- › Fitch Ratings ("Fitch") have confirmed that the transaction is not expected to impact Utmost Group's ratings.
 - › Fitch will be asked to provide LIA with an Insurer Financial Strength rating at completion of the transaction
 - › Likely that other external ratings held by LIA will be dropped in due course

KEY FINANCIAL METRICS

UGP position shown proforma for transaction as if completed on 31 Dec 23

£m	Utmost Group YE23	Lombard International Group YE23	Proforma UGP at 31 Dec 23
Group Own Funds	2,110	605	2,550
Group SCR	1,016	457	1,470
SCR Coverage	208%	132%	173%
Gross SII EV	2,386	846	3,150
RT1 and Tier 2 Debt	-700		-700
Senior Debt Facility			-200
Net SII EV	1,686	846	2,250
Economic Leverage Ratio	29%	n/a	29%
Fitch Financial Leverage Ratio	25%	n/a	25%