



# Utmost Group plc Proposed RT1 Transaction

January 2022

REASSURINGLY DIFFERENT

utmost™  
GROUP

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# Agenda

- I. Overview of Utmost Group
- II. Q3 2021 Trading Update
- III. Capital Management
- IV. Proposed Restricted Tier 1 Issuance
- V. Credit Highlights



# Overview of Utmost Group

# A Leading Provider of Insurance and Savings Solutions

- Utmost Group is a life assurance group which is a leading provider of insurance and savings solutions
  - Operating in attractive markets within the UK and International life assurance industry
  - Low risk business model focused on unit linked solutions
  - Growing base of loyal, high quality customers
  - Efficient operating model and a profitable, scalable platform
  - Experienced, founder-led management team and a highly motivated workforce
  - High quality revenue stream from diversified mix of open and closed businesses
  - Highly cash generative business delivering an attractive return on capital
- Significant opportunity to continue growth through new business and further acquisitions
  - Open business writing significant new business volumes
  - Acquisition-focus on closed business
- Utmost Group is supervised by the UK's Prudential Regulation Authority and has a Fitch IFS rating of "A"
- Utmost Group plc issued a £400m 4% coupon 10.25-year 2031 Tier 2 Bullet in September 2021. Utmost Group plc has capacity for a benchmark RT1 issuance

Pro Forma Q3 2021

AUA

£62bn

New Business

£3.7bn

Gross SII EV

£2.4bn

SCR Coverage Ratio

178%

Policyholders

570,000

# Our Group

utmost<sup>TM</sup>  
G R O U P

utmost<sup>TM</sup>  
INTERNATIONAL

utmost<sup>TM</sup>  
LIFE AND PENSIONS

utmost<sup>TM</sup>  
WEALTH SOLUTIONS

utmost<sup>TM</sup>  
CORPORATE SOLUTIONS

UK Run-Off Business

£55bn AUA  
£3.7bn New Business Flows in Nine Months to Q3 2021  
210K Customers  
UK, Europe, Asia, Middle East, Latin America

£200m Annual Premiums  
1m Lives Covered  
Global Corporations

£7bn AUA  
360K Customers  
UK

# Strategy

Utmost Group provides insurance and savings solutions which assist our clients in securing their financial futures

## Good Client Outcomes

- Delivering good client outcomes is front and centre of our strategy
- Our mission is to build a brighter future for our clients by preserving their wealth

## Organic Growth

- Drive the organic growth of Utmost International with ambitions to deliver £100m per annum value of new business within 3 years

## Growth through Acquisitions

- Objective to complete strategic M&A transactions in UK run-off with ambitions to add a further £25bn AUA over 3 years
- Competitive advantages include the ability to complete complex transactions, ready access to capital and a leading market position

## Delivery of Synergies

- Focus on the successful integration of our acquired businesses to drive economies of scale

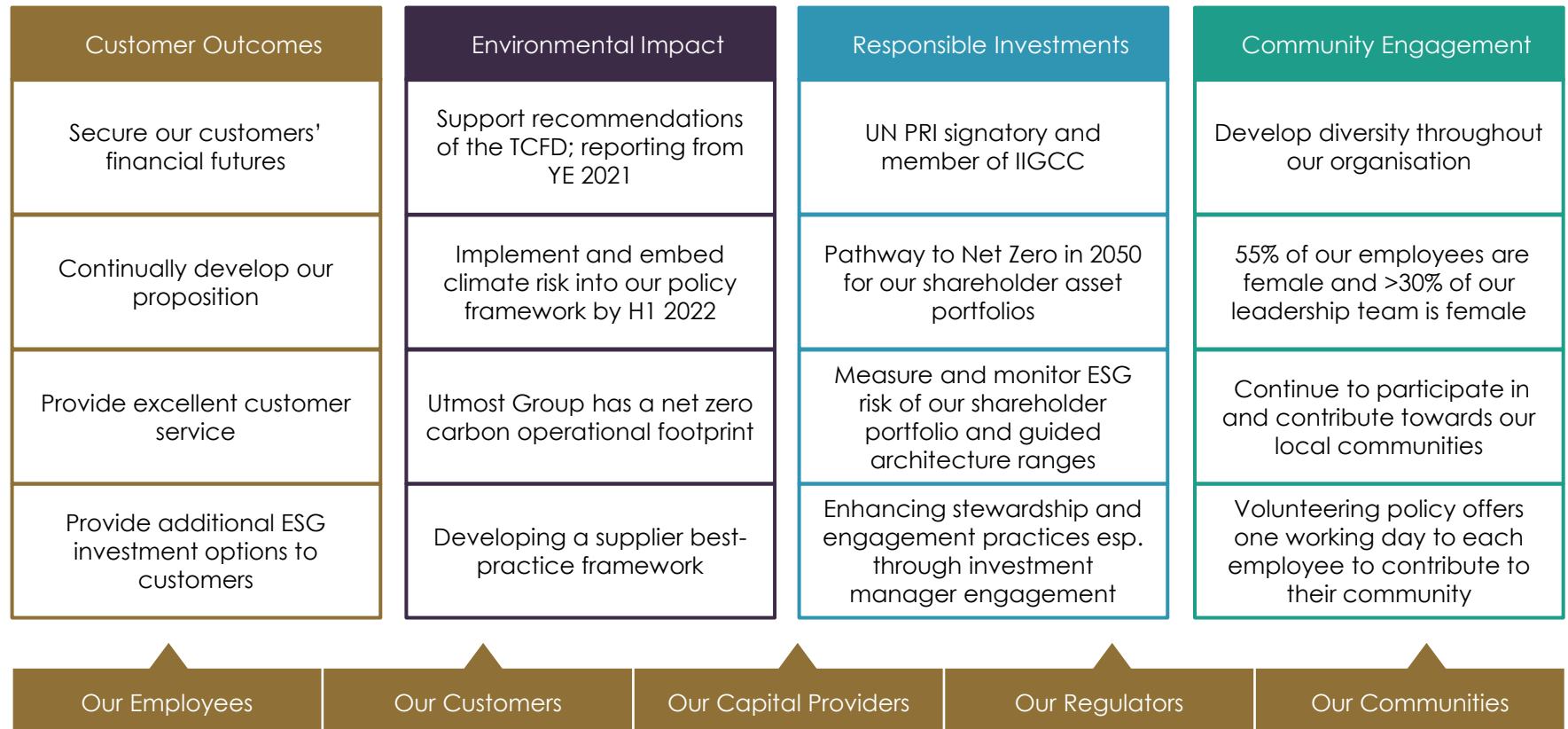
Providing a safe home for our customers' wealth and sharing our success with our customers, our employees and our investors is at the core of our strategy



# Sustainability at the Heart of our Strategy

Sustainability strategy framed across four pillars

- Board oversight of our sustainability strategy which is managed by the Sustainability Working Group and Climate Steering Group

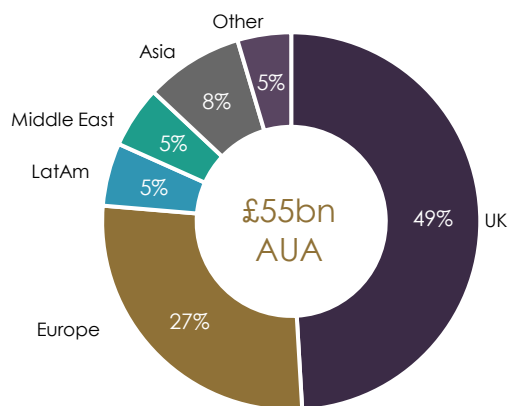


# Utmost International

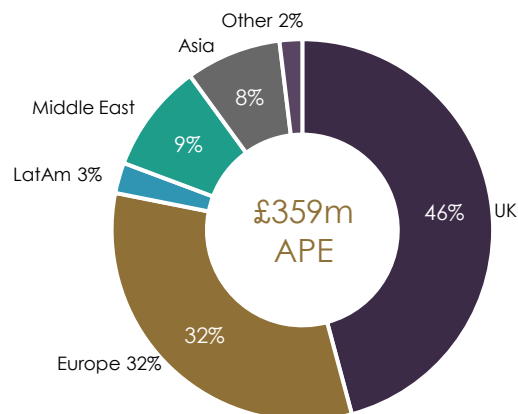
Operates in attractive markets buoyed by structural growth factors

- Utmost International is the leading provider of insurance-based wealth solutions to affluent and HNW clients
- The solutions are based on unit linked insurance policies which are simple, well-regulated and provide a tax-efficient savings vehicle
- Our clients have high average portfolio values and distribution is intermediated by a large array of financial advisers and private bankers who want simple, robust solutions for their clients
- Structural factors drive the future market growth including a growing population of affluent and HNW individuals and increased demand from distributors for straightforward planning solutions

Assets Under Administration £m<sup>1</sup>



Annual Premium Equivalent £m<sup>1</sup>



International Snapshot Q3 2021

AUA	£55bn
APE	£359m (Nine months to Q3 2021)
Customers	210K Customers
Distribution Model	Intermediated
Products	Unit Linked Life Assurance
Premiums	95% Single / 5% Regular
Geography	UK, Europe, LatAm, Middle East, Asia
Fees	49 bps (75% AMC / 25% Fixed)
Client Retention	93%

# Quilter International Acquisition

## Update on Completion and Integration Plans

### Acquisition

- The acquisition of Quilter International completed on 30 November 2021
- This followed the initial announcement in April 2021 and the achievement of necessary regulatory approvals and non-objections and competition authority approvals

### Operational Integration

- The operational integration of the businesses has commenced and is expected to take 12-18 months
- The integration plan optimises the organisational structure, team structures, risk and governance approaches, actions the full rebrand of Quilter International entities to Utmost International and a full transition of Quilter International systems away from the Quilter plc data centre
- The delivery of synergies will result in a material increase in both Own Funds and SII EV over time, with a modest proportion included at YE 2021

### Day 1 Announcements

- The combined Isle of Man leadership team was announced on 1 December 2021
- A single suite of products was launched, combining the strengths of both the Utmost International and Quilter International product ranges, available to clients going forward under the Utmost brand
- The resulting product suite consists of 19 Quilter International products (out of 47 open previously) and 15 Utmost products (out of 17 open previously)

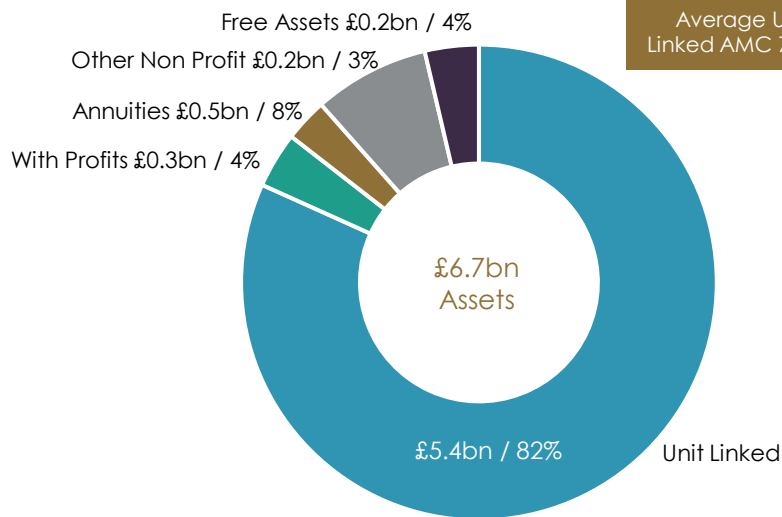
### First 100 Days

- A comprehensive 100-day plan is in place which will be delivered by mid-March 2022 to capture early synergies
- These include:
  - Implementing a single global salesforce
  - Initiating entity transfers to remove duplicate entities in each region
  - Cascading the organisational design down from the leadership team
  - Embedding Utmost's risk framework and risk management system
  - Building out Utmost's IT systems to aid in the migration off Quilter systems and to enable greater operational flexibility

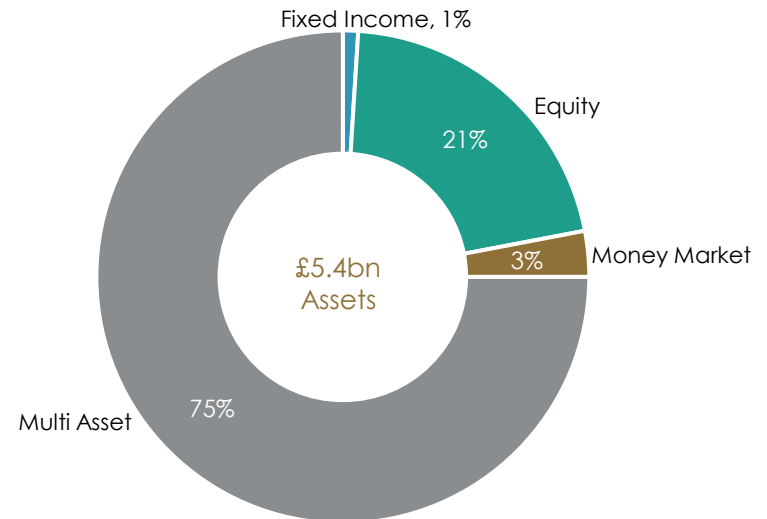
# Utmost Life and Pensions

- Utmost Life and Pensions is a consolidator of closed UK life and pensions businesses with £6.7bn assets and 360K customers
- Its liabilities are predominantly unit linked. The business also manages annuities and with-profits liabilities
- Provides good client outcomes, demonstrated through the Equitable Life with-profits to unit linked conversion, with an associated 75% one-off uplift for customers, and the design of a modern unit linked product range with JPMAM
- Highly experienced management team with experience completing complex transactions and driving efficiencies through the integration of acquired businesses
- Future strategy focuses on the acquisition of UK life assurance businesses and portfolios

Liabilities by Product Q3 2021



Unit Linked Assets by Asset Class Q3 2021





# Q3 2021 Trading Update

# Utmost Group Trading Update

New Business Highlights Pro Forma YTD Q3 2021

## New Business

YTD Q3 2021 APE<sup>2</sup>

**£359m**  
(FY 2020: £180m)

YTD Q3 2021 Net Flows

**£1.1bn**  
(FY 2020: -£0.3bn)

YTD Q3 2021 VNB

**£45m**  
(FY 2020: £30m)

## YTD Q3 2021 International Business Net Flows

£bn	Opening AUA	Inflow	Outflow	Net Flows	Market	Closing AUA
Utmost International	29.3	2.0	(1.5)	0.5	1.5	31.3
Quilter International	21.8	1.7	(1.1)	0.6	1.2	23.6
<b>Utmost Pro-Forma</b>	<b>51.1</b>	<b>3.7</b>	<b>(2.6)</b>	<b>1.1</b>	<b>2.7</b>	<b>54.9</b>

# Utmost Group Trading Update

Financial and Capital Highlights Pro Forma Q3 2021

## Sustainable Growth

AUA

**£62bn**  
(YE 2020: £36.7bn)

Gross SII Economic Value

**£2,377m**  
(YE 2020: £1,642m)

## Financial Resilience

SCR Coverage Ratio

**178%**  
(YE 2020: 183%)

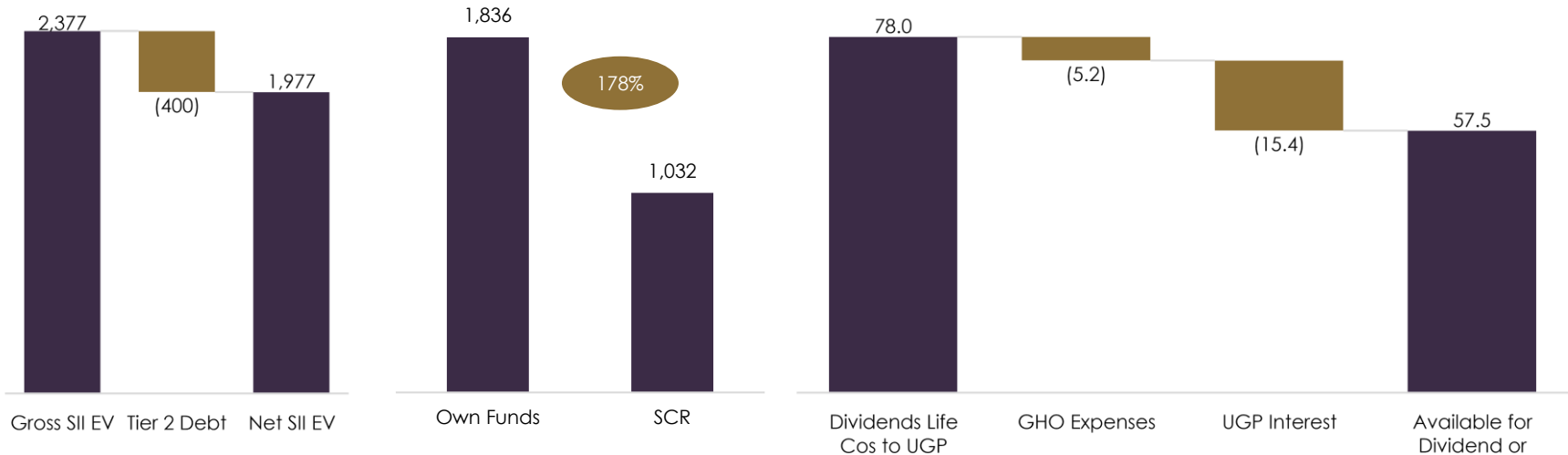
YTD Q3 2021 Operating Profit

**£121m**  
(FY 2020: £85m)

SII EV £m

SCR Coverage Ratio %

YTD Q3 2021 Holding Company Cash Development £m<sup>3</sup>



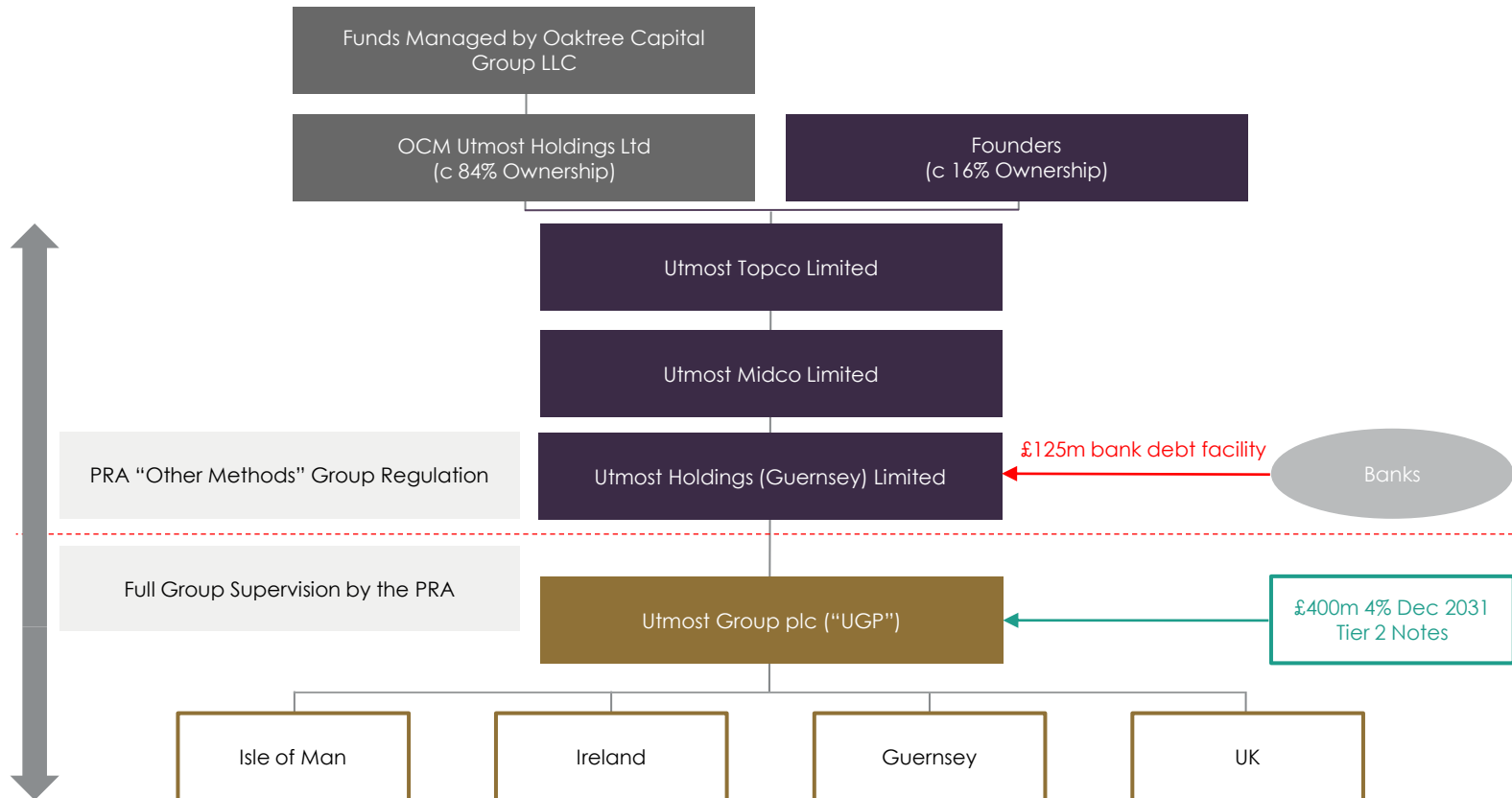


# Capital Management



# Group Structure and Debt

As at 30 September 2021



# UGP Financial Policies

## Prudent Capital and Leverage Policies

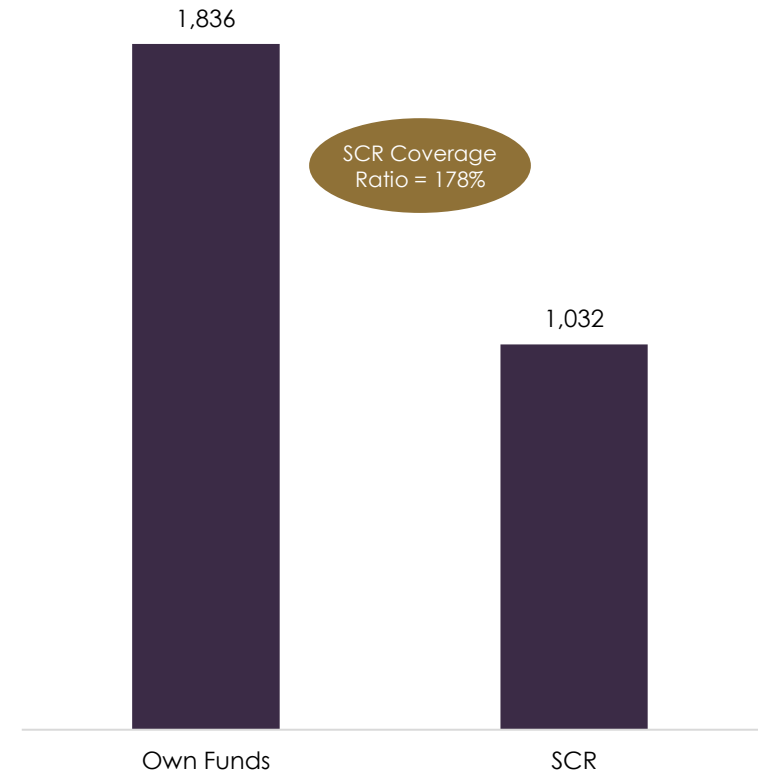
### Capital Policy

- UGP has a prudent capital policy to:
  - Maintain an SCR coverage ratio in excess of 135% at all times
  - Maintain an SCR coverage ratio of at least 150% immediately after payment of a dividend

### Leverage Policy

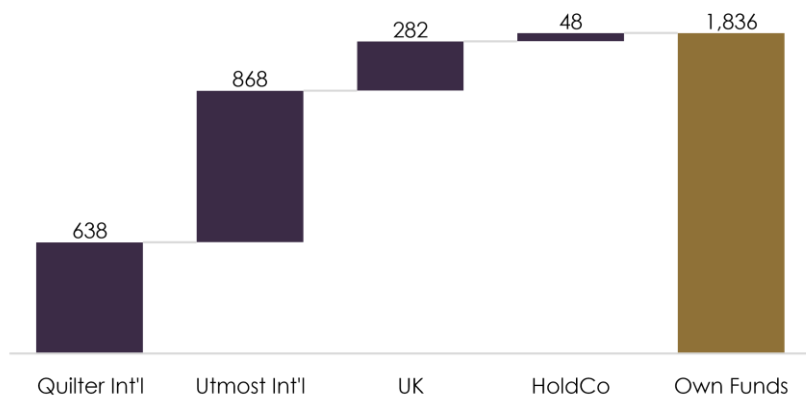
- Target leverage ratio of 20%-30% calculated as Total Debt to Gross SII Economic Value
- Remain within Solvency II capital limits
- Maintain at least current Fitch ratings
- UGP's pro-forma leverage was 16.8% as at Q3 2021 on our internal measure and within the 'A' IFS range for Fitch's financial leverage ratio<sup>4</sup>

### UGP Pro-Forma SCR Coverage Ratio Q3 2021 £m



# UGP Own Funds and SII EV

UGP Pro-Forma Own Funds Build-Up Q3 2021 £m<sup>5</sup>

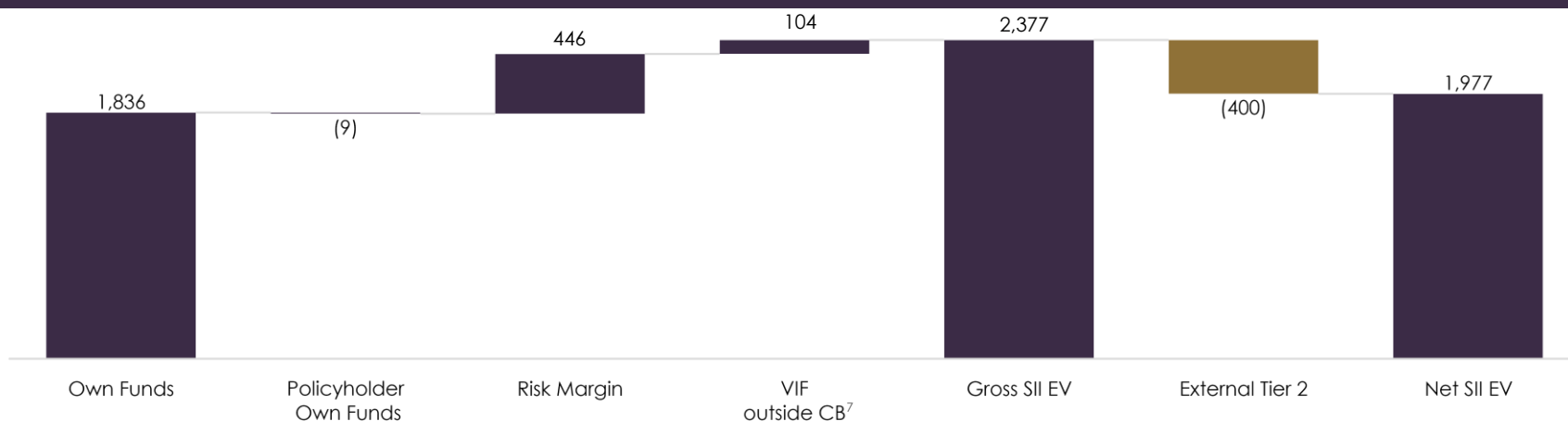


SII EV Components<sup>5</sup>

YE 2020 £:m

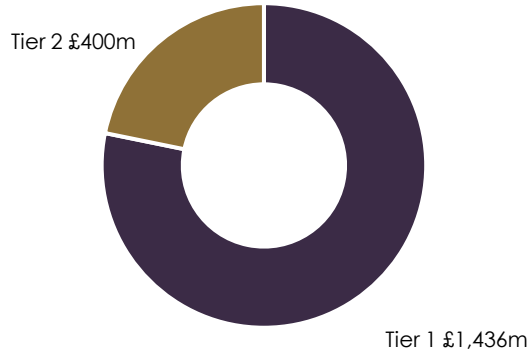
<b>NAV</b>	<b>784</b>
International VIF	759
UK VIF	99
<b>Group VIF</b>	<b>858</b>
<b>Gross SII EV<sup>6</sup></b>	<b>1,642</b>

UGP Pro-Forma Own Funds to SII EV Q3 2021 £m<sup>5</sup>

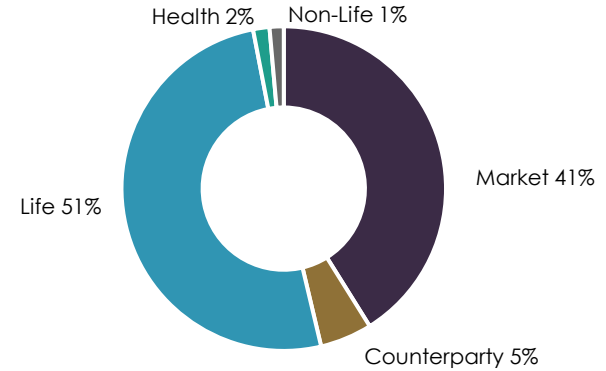


# UGP Capital Position

UGP Pro-Forma Solvency II Capitalisation Q3 2021<sup>8</sup>



UGP SCR by Type of Risk Pro-Forma YE 2020<sup>8</sup>

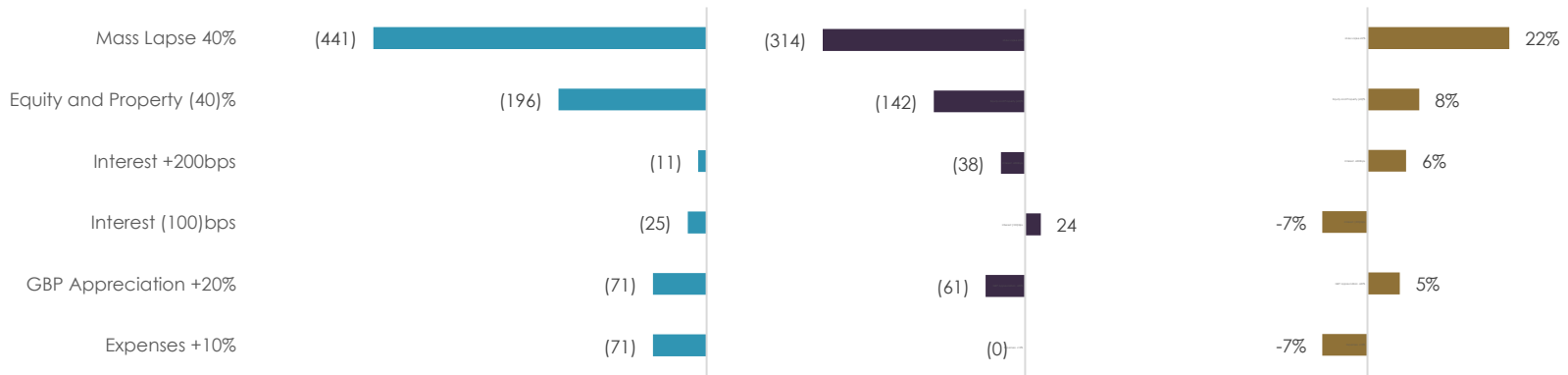


UGP Sensitivities Pro-Forma YE 2020<sup>8</sup>

Own Funds: Base Position £1,829m

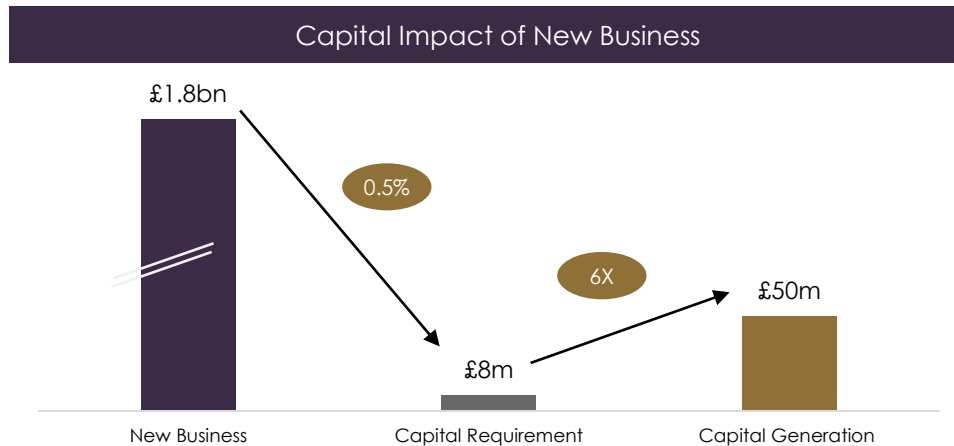
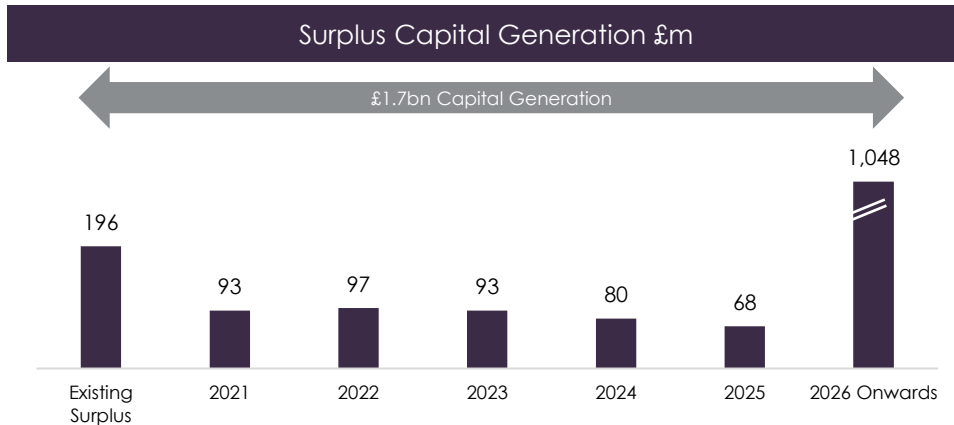
SCR: Base Position £982m

SCR Coverage Ratio: Base Position 186%



Our Own Funds and Solvency II coverage ratio are resilient in the face of economic and operational shocks

# Surplus Capital Generation as at YE 2020



## Commentary

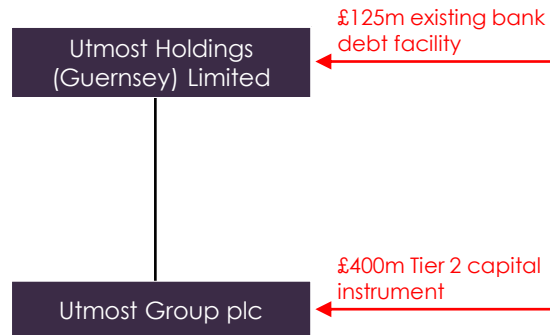
- Significant surplus capital is generated from the in-force book
- Analysis is shown for the Utmost Group ex Quilter International business – the Quilter International profile is expected to be similar to the Utmost International profile
- The top chart shows the capital emergence anticipated from the in-force book, defined as any capital in excess of the capital policy for each life company
- In addition the business had £0.2bn existing surplus capital at YE 2020
- Total capital emergence over the life of the in-force business including the existing surplus is £1.7bn which compares to YE 2020 Gross SII EV of £1.6bn
- The bottom chart shows the capital impact of writing new business
- The business invested £8m of capital at 150% SCR to support writing approximately £1.8bn of new business in 2020
- One year's new business adds £50m of future cash emergence, reflecting the value of new business and real world investment returns
- Demonstrates Utmost Group's capital-light approach to product design

Capital-light new business driving future capital generation

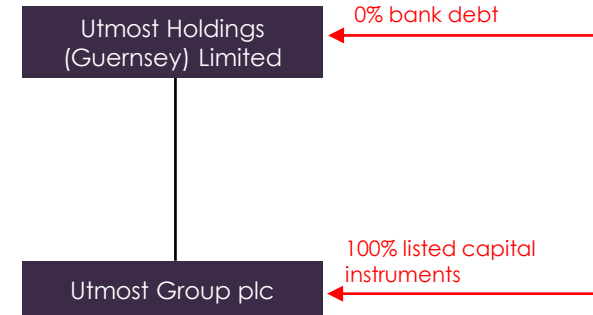
# Updated Financing Position

- The Quilter International acquisition completed on 30 November 2021 with consideration of £481m. The Group was able to execute a sizeable, strategic transaction whilst retaining its strong balance sheet, robust capital position and conservative leverage ratios, giving us headroom for further acquisitions
- UGP funded the consideration and associated transaction costs through a combination of approximately £200m of current excess capital within the business and additional equity subscription by Utmost Holdings (Guernsey) Limited ("UHGL"), the immediate parent of UGP, of approximately £300m
- UGP intends to issue a benchmark size RT1 note from UGP and use part of the proceeds to repay the existing £125m bank debt at UHGL

## Current Financing Structure



## Medium Term Target Financing Structure





# Proposed Restricted Tier 1 Issuance

# Inaugural RT1 Offering and Rationale

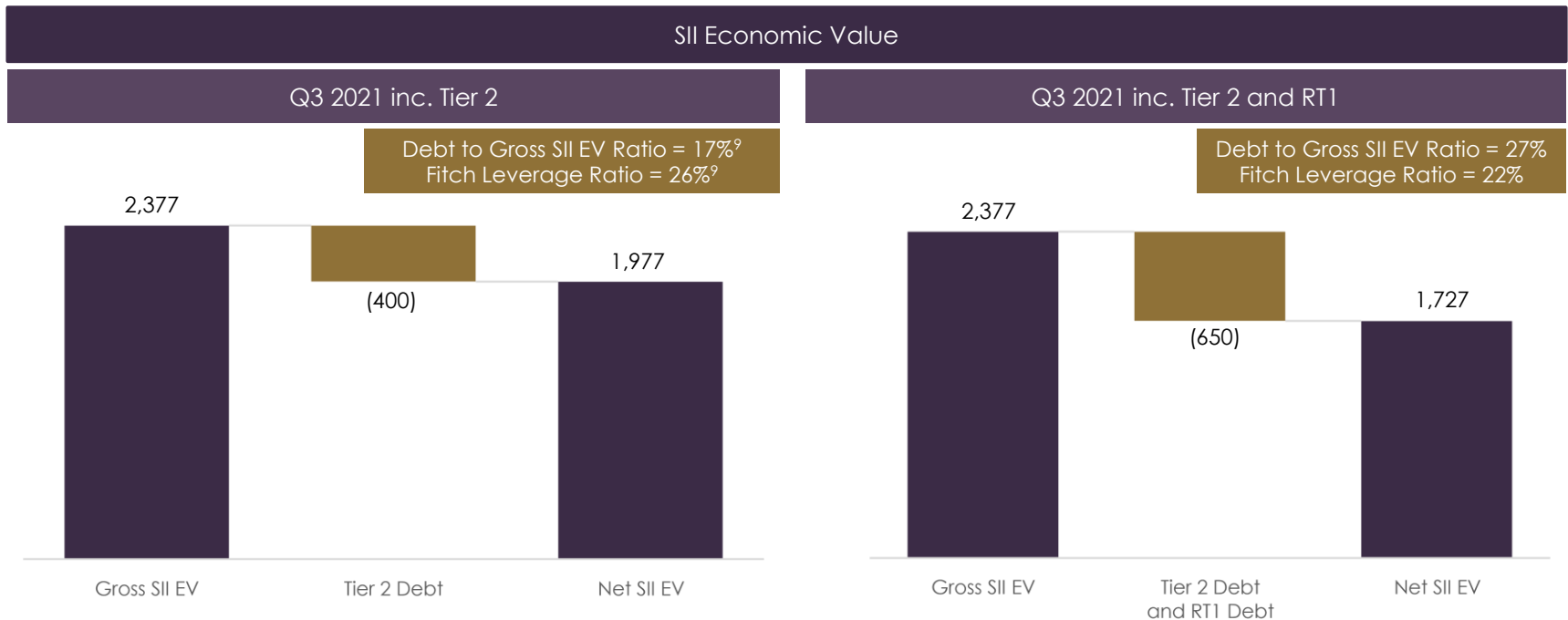
Transaction Overview	
Issuer	<ul style="list-style-type: none"> <li>Utmost Group plc</li> </ul>
Currency	<ul style="list-style-type: none"> <li>GBP</li> </ul>
Size	<ul style="list-style-type: none"> <li>Benchmark</li> </ul>
Maturity	<ul style="list-style-type: none"> <li>Perpetual, first call in December 2028</li> </ul>
Use of Proceeds	<ul style="list-style-type: none"> <li>General corporate purposes including the payment of a dividend to its immediate parent company, to (i) repay all existing external bank debt of UHGL and (ii) return capital to shareholders</li> </ul>
Structure	<ul style="list-style-type: none"> <li>Equity Conversion (non-voting B Shares)</li> <li>Initial Conversion Price: £1,000 per share</li> </ul>
Issue Rating	<ul style="list-style-type: none"> <li>BB (Fitch)</li> </ul>

Issuance Rationale	
Responsible Financial Management	<ul style="list-style-type: none"> <li>Enhances the Tier 1 capital base whilst improving quality and efficiency of capital</li> <li>Supports Fitch leverage ratio and rating position</li> <li>Enhances maturity profile of UGP debt</li> </ul>
Capital and Balance Sheet Strength	<ul style="list-style-type: none"> <li>Issue from position of strength</li> <li>Q3 2021 SCR Coverage Ratio of 178% with £804m capital surplus</li> </ul>
Supportive Markets	<ul style="list-style-type: none"> <li>Raise capital at currently attractive funding levels</li> <li>Ensures lower impact on fixed charge coverage in longer term</li> </ul>
Debt Profile	<ul style="list-style-type: none"> <li>Extend the Group's debt repayment profile</li> </ul>



# Impact of RT1 Issuance on UGP Financial Positions

- As at Q3 2021 assuming the Quilter acquisition had completed, the Group's Gross SII EV was £2,377m. The debt to Gross SII EV leverage at UGP was 17% and the Fitch leverage ratio was 26%
- If UGP were to issue £250m RT1 notes and pay all the proceeds up to UHGL as a dividend:
  - UGP's debt to gross SII EV ratio would increase to 27% and the Fitch Leverage Ratio (FLR) would decrease to 22% given Fitch's equity treatment of RT1 issuance in their FLR calculations
  - SCR coverage would remain unchanged



# Summary Terms of the Offering

<b>Issuer</b>	Utmost Group plc
<b>Instrument</b>	Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes (the "Notes")
<b>Currency / Size</b>	GBP [•]m
<b>Expected Issue Rating (Fitch)<sup>10</sup></b>	BB
<b>Maturity</b>	Perpetual
<b>Status</b>	The Notes will constitute direct, unsecured and subordinated obligations of the Issuer and will rank <i>pari passu</i> and without any preference among themselves. In an Issuer Winding-Up the rights and claims of the Noteholders will be subordinated to the claims of Senior Creditors (including unsubordinated creditors, Tier 2 and Tier 3 Capital) and in priority to ordinary share capital
<b>No Set-off</b>	Subject to applicable law, each Noteholder will be deemed to have waived any right of set-off or counterclaim that such Noteholder might otherwise have against the Issuer in respect of or arising under the Notes or the Trust Deed
<b>First Reset Date</b>	15 June 2029
<b>Reset Dates</b>	The First Reset Date and each fifth anniversary of the First Reset Date thereafter
<b>Optional Redemption</b>	Subject to Conditions to Redemption and Purchase, the Issuer may, at its option, redeem all (but not some only) of the Notes (i) on any day falling in the period commencing on (and including) 15 December 2028 and ending on (and including) the First Reset Date (6 month par call); or (ii) on any Reset Date thereafter, at their principal amount together with accrued and unpaid interest (if any)
<b>Interest</b>	Fixed rate of [•]% per annum from (and including) the Issue Date to (but excluding) the First Reset Date, payable semi-annually in arrear resetting on each Reset Date to the sum of the relevant 5-year Gilt yield plus the Margin (no step-up)
<b>Cancellation of Interest</b>	Fully discretionary interest cancellation at the option of the Issuer at any time Mandatory cancellation of interest upon occurrence of the following events: (i) Solvency Condition not met; (ii) non-compliance with the SCR; (iii) non-compliance with the MCR; (iv) insufficient Issuer's Distributable Items; or (v) as otherwise required by the PRA or under the Relevant Rules Any cancelled interest payment is non-cumulative
<b>Special Redemption Events</b>	Subject to Conditions to Redemption and Purchase, at par at any time if a Tax Event, Capital Disqualification Event or Ratings Methodology Event has occurred and is continuing (or if a Capital Disqualification Event or Ratings Methodology Event will occur within six months). Clean-up Call option at par at any time if 80% or more of the Notes originally issued have been purchased and cancelled
<b>Substitution &amp; Variation</b>	Applicable upon a Tax Event, Capital Disqualification Event or Ratings Methodology Event; subject to certain conditions including new terms not being materially less favourable to an investor
<b>Trigger Event</b>	If the Issuer determines at any time that: (i) eligible Own Fund Items ≤75% of SCR; (ii) eligible Own Fund Items ≤100% of the MCR; or (iii) breach of the SCR has occurred and has not been remedied within 3 months
<b>Conversion upon Trigger Event</b>	Upon the occurrence of Trigger Event, the Notes will be converted into ordinary shares of the Issuer (which, for so long as Utmost Group plc is the Issuer of the Notes, shall mean the Class B non-voting ordinary shares) in whole and not in part at the prevailing Conversion Price on the Conversion Date
<b>Conversion Price</b>	£1,000 per Conversion Share, subject to certain anti-dilution adjustments
<b>Conversion Share Offer</b>	None
<b>Governing Law / Listing</b>	English law / Global Exchange Market ("GEM") of Euronext Dublin
<b>Denominations</b>	£200,000 and integral multiples of £1,000 in excess thereof

# Structural Comparison of Recent RT1s<sup>11</sup>

	Utmost Group [Proposed Offering]	Rothesay Life £450m PNC10.5 RT1	Bupa Finance £300m PNC10.5 RT1	L&G £500m PNC11.25 RT1	Pension Insurance Corporation £450m PNC10 RT1
<b>Issuer</b>	Utmost Group Plc	Rothesay Life Plc	Bupa Finance Plc	Legal & General Group Plc	Pension Insurance Corporation Plc
<b>Issue Date</b>	January 2022	October 2021	September 2021	June 2020	July 2019
<b>Issue Ratings (M / S / F)</b>	- / - / BB	- / - / BBB-	Ba1 / - / BB+	Baa3 / BBB / -	- / - / BBB-
<b>Interest</b>	[•]% until the FRD (Jun-2029), thereafter reset to 5yr Gilt+[•]bps, semi-annual	5.000% until the FRD (Apr-32), thereafter reset to 5yr Gilt+387.3bps, semi-annual	4.000% until the FRD (Mar-32), thereafter reset to 5yr Gilt+317bps, semi-annual	5.625% until the FRD (Sep-31), thereafter reset to 5yr Gilt+537.8bps, semi-annual	7.375% until the FRD (Jul-29), thereafter reset to 5yr Gilt+665.8bps, semi-annual
<b>Issuer Call Option</b>	During the 6m period to and including the FRD, and every 5yrs thereafter	During the 6m period to and including the FRD, and every 5yrs thereafter	During the 6m period to and including the FRD, and every 5yrs thereafter	During the 6m period to and including the FRD, and every 5yrsthereafter	FRD, and every 5yrs thereafter
<b>Optional Interest Cancellation</b>	Fully discretionary, cancellable at any time. Non-cumulative	Fully discretionary, cancellable at any time. Non-cumulative	Fully discretionary, cancellable at any time. Non-cumulative	Fully discretionary, cancellable at any time. Non-cumulative	Fully discretionary, cancellable at any time. Non-cumulative
<b>Cancellation of Interest</b>	Cancellation upon (without limitation) breach of SCR, MCR, or Solvency Condition; insufficient distributable items; or if otherwise required by regulator. Non-cumulative	Cancellation upon (without limitation) breach of SCR, MCR, or Solvency Condition; insufficient distributable items; IIWU; or if otherwise required by regulator. Non-cumulative	Cancellation upon (without limitation) breach of SCR, MCR, or Solvency Condition; insufficient distributable items; IIWU; or if otherwise required by regulator. Non-cumulative	Cancellation upon breach of SCR, MCR, or Solvency Condition; insufficient distributable items; or if otherwise required by regulator. Non-cumulative	Cancellation upon breach of SCR, MCR, or Solvency Condition; insufficient distributable items; or if otherwise required by regulator. Non-cumulative
<b>Trigger Event</b>	Own Fund Items ≤75% SCR, ≤100% MCR, or 100% > SCR > 75% for 3 months	Own Fund Items ≤75% SCR, ≤100% MCR, or 100% > SCR > 75% for 3 months	Own Fund Items ≤75% SCR, ≤100% MCR, or 100% > SCR > 75% for 3 months	Own Fund Items ≤75% SCR, ≤100% MCR, or 100% > SCR > 75% for 3 months	Own Fund Items ≤75% SCR, ≤100% MCR, or 100% > SCR > 75% for 3 months
<b>Principal Loss Absorption</b>	Equity Conversion at £1,000	Equity Conversion at £1,000	Equity Conversion at £1,000	Equity Conversion at £1.6310	Equity Conversion at £2.710 (pre-IPO)
<b>Conversion Shares Offer</b>	N/A	N/A	Issuer's option at no lower than the nominal value of an ordinary share to existing shareholders	Issuer's option at no lower than the then current market price to existing shareholders	Issuer's option at no lower than the greater of the Conversion Price and the then current market price to existing shareholders
<b>Special Redemption Events</b>	Tax Event, CDE, RME, Clean-up Call (80%)	Tax Event, CDE, RME, Clean-up Call (80%)	Tax Event, CDE, RME, Clean-up Call (80%)	Tax Event, CDE, RME, Clean-up Call (80%)	Tax Event, CDE, RME, Clean-up Call (80%)
<b>Substitution &amp; Variation</b>	Tax Event, CDE, RME	Tax Event, CDE, RME	Tax Event, CDE, RME	Tax Event, CDE, RME	Tax Event, CDE, RME
<b>Governing Law / Listing</b>	English / Euronext Dublin	English / Euronext Dublin	English / LSE	English / LSE	English / Euronext Dublin
<b>Denominations</b>	£200k + 1k	£200k + 1k	£200k + 1k	£200k + 1k	£200k + 1k

# Key Transaction Risks and Mitigants

## Potential for Equity Conversion

- **Risk focused organisation** whose groupwide risk management framework enables management to monitor all key risks, solvency, etc. for effective risk and capital management
- The **capital management policy** requires the Group to operate with a minimum 135% SCR cover at all times
- Substantial headroom to each of the three **RT1 trigger events**

## Coupon Payment

- Mandatory restrictions on coupon payment **only in case of Solvency Condition not met, breach of SCR / MCR, lack of Distributable Items**, the occurrence of an Insolvent Insurer Winding-Up or as otherwise so required by the PRA or under the relevant rules
- **Substantial amount of distributable items** at Utmost Group plc of £995m as at Q3 2021
- **Strong earnings and capital generation** track record
- It is the Issuer's intention that, whenever exercising its discretion to declare dividends, or its discretion to cancel interest on the Notes, the Issuer will take into account, among other factors, **the relative ranking of these instruments** in the capital structure

## Discretionary Non-Cumulative Coupon

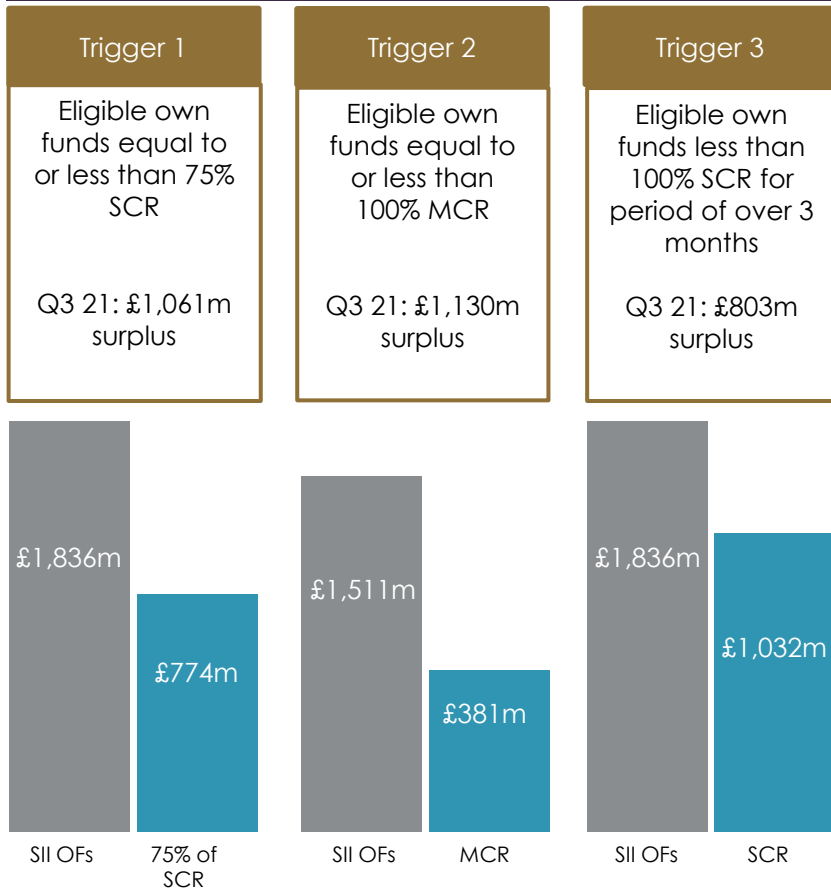
- Utmost Group plc is a privately-held company with **no dividend requirements**
- Capital management policy dictates that the **SCR coverage ratio must be at least 150%** immediately after the payment of a dividend

## Interest Rate Risk

- Long term interest rate risk for investors **mitigated by a coupon reset mechanism** at the first reset date and every 5 years thereafter
- Notes do not contain any incentive to redeem at any call date as per Solvency II regulations, with call decisions remaining **fully discretionary and subject to regulatory approvals**

# Mitigating the RT1 Risks

## Substantial Headroom to RT1 Trigger Events



## Resilient Capital Position maintains Headroom in Stress Scenarios

Sensitivities on slide 20 demonstrate substantial headroom maintained in stress scenarios, e.g. Trigger 1 headroom reduces by:

- (i) c. £200m in 40% mass lapse scenario
- (ii) c. £90m in -40% equity/property scenario
- (iii) c. £40m in -100bp interest rate scenario

## UGP Distributable Items

Under UK Company law the Issuer's distributions can be made out of the distributable reserves of the Issuer.

As at Q3 2021 distributable reserves are £995m and will be supported by dividends from the life company subsidiaries.

## Shareholders' Hierarchy

It is the intention of the Directors to take into account the relative hierarchy of its shareholders and the more senior Notes whenever exercising its discretion to declare dividends to the former or to cancel interest on the latter

UGP has significant capital buffers to the RT1 conversion triggers



# Credit Highlights

# Utmost Group's Credit Highlights

Credit Ratings	<ul style="list-style-type: none"><li>Fitch Insurer Financial Strength credit ratings of 'A' (Strong) for the Utmost International life companies and Issuer Default Rating of BBB+ (Stable) for the issuing entity, UGP</li></ul>
Regulation	<ul style="list-style-type: none"><li>Subject to Group Supervision by the UK's Prudential Regulation Authority</li></ul>
Solvency	<ul style="list-style-type: none"><li>Q3 2021 pro-forma Group SCR Coverage Ratio of 178% using Standard Formula; significant balance sheet with Own Funds of £1.8bn; limited sensitivity to market and lapse risks supportive of stable cash flows</li></ul>
Our Markets	<ul style="list-style-type: none"><li>Operating in attractive markets with a number one position in our open business and well-positioned in our closed business for acquisition-led growth</li></ul>
Cash Generation	<ul style="list-style-type: none"><li>For the Utmost Group ex Quilter International business, future cash generation of £1.5bn from the in-force combined with £0.2bn of surplus capital results in £1.7bn of future cash flow for equity and debt providers</li><li>We expect the future cash generation profile of Quilter International to be similar to that of Utmost International</li></ul>
New Business	<ul style="list-style-type: none"><li>New business premiums of £3.7bn and net flows of £1.1bn in the nine months to Q3 2021</li><li>New business makes a substantial contribution to future surplus capital generation</li></ul>
Acquisitions	<ul style="list-style-type: none"><li>Strong track record of acquisitions with an average of 2 deals per year since inception</li><li>Experienced management team adhere to strict acquisition criteria to maintain attractive, long-term IRRs</li></ul>
Leverage Ratio	<ul style="list-style-type: none"><li>Low leverage ratio within our target range of 20-30% and in line with investment grade credit ratings post a benchmark-sized RT1 issue</li></ul>



# Appendix



# Utmost Group Credit Ratings

## Utmost Group plc Credit Ratings

Entity	Fitch Rating Category	Rating	Outlook
Utmost PanEurope dac	Insurer Financial Strength	A	Stable
Utmost Limited	Insurer Financial Strength	A	Stable
Utmost Worldwide Limited	Insurer Financial Strength	A	Stable
Quilter International Isle of Man Limited	Insurer Financial Strength	A	Stable
Quilter International Ireland dac	Insurer Financial Strength	A	Stable
Utmost Group plc	Issuer Default Rating	BBB+	Stable

Instrument	Nominal	Coupon	Issue Date	Redemption	Fitch Rating
Utmost Group plc Subordinated Tier 2 Notes	£400m	4%	15 Sept 2021	15 Dec 2031	BB+

# Utmost Wealth Solutions Business Model



## Key Features of UWS Business Model

- High quality customer base with high average portfolio value and strong customer retention
- Serves authorised advisers who have advisory permissions
- Excellent client service delivered through the pandemic recognised by advisers. 24h online access for customer and advisor ease of use
- Model supports discretionary, advisory and self select investment styles
- Open architecture platform offers access to a wide investment universe

The insurance policy brings the robust legal and tax advantages of a life assurance policy to an investment portfolio

# Benefits of International Life Assurance

## Simple and Convenient

- Unit linked insurance provides a straightforward, transparent savings solution which is globally recognised and favoured by intermediaries

## Tax Efficient

- Unit linked insurance is a standardised, tax-efficient savings vehicle utilising available tax reliefs and deductions. These include:
  - Investment growth and income inside the policy is tax-free
  - Lower inheritance tax rates for insurance policies compared to other solutions
  - Flexible access to savings with tax-free withdrawals

## Flexibility and Choice

- Wide range of investment managers and asset classes can be accessed via an insurance product

## Mobility

- Internationally mobile customers can retain the benefits of the insurance product whilst moving between countries

## Security

- Policies are based in stable, secure jurisdictions providing protection from political risk, with investment options in hard currencies

Global population of millionaires projected to grow 50% by 2025<sup>12</sup>

# Utmost International Proposition

Pricing competitive versus the alternatives<sup>13</sup>

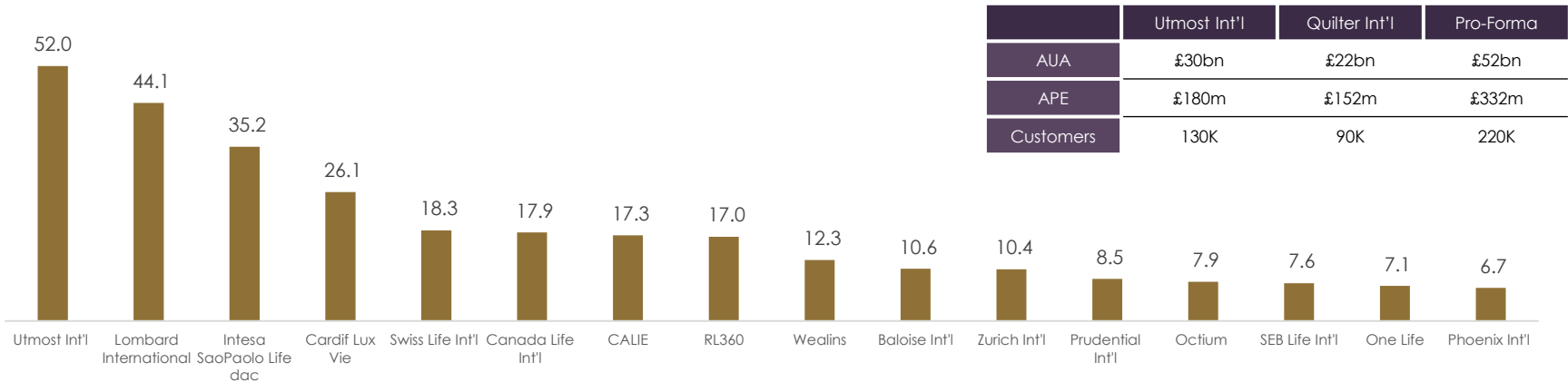
Client	Mass Affluent >£50K	HNW £1m-£10m	UHNW >£10m	
Advice Channel	Unadvised nil	IFA 50-100bps	Private Bank 50-100bps	
Investment Solutions	Direct Stocks Dealing Fees	Mutual Funds 5-150bps	Managed Funds 100-250bps	DFM 25-100bps
Product	GIA 20-60bps	ISA 20-60bps	Pension 30-100bps	Insurance 20-50bps

- ✓ Unlimited Allowance
- ✓ Tax Efficient
- ✓ Investment Flexibility

Once a client has used their pension and ISA allowances, insurance provides a tax-efficient savings solution

# Utmost International: The Market Leader

International Life Assurance Peer Group AUA as at YE 2020 in £bn<sup>14</sup>

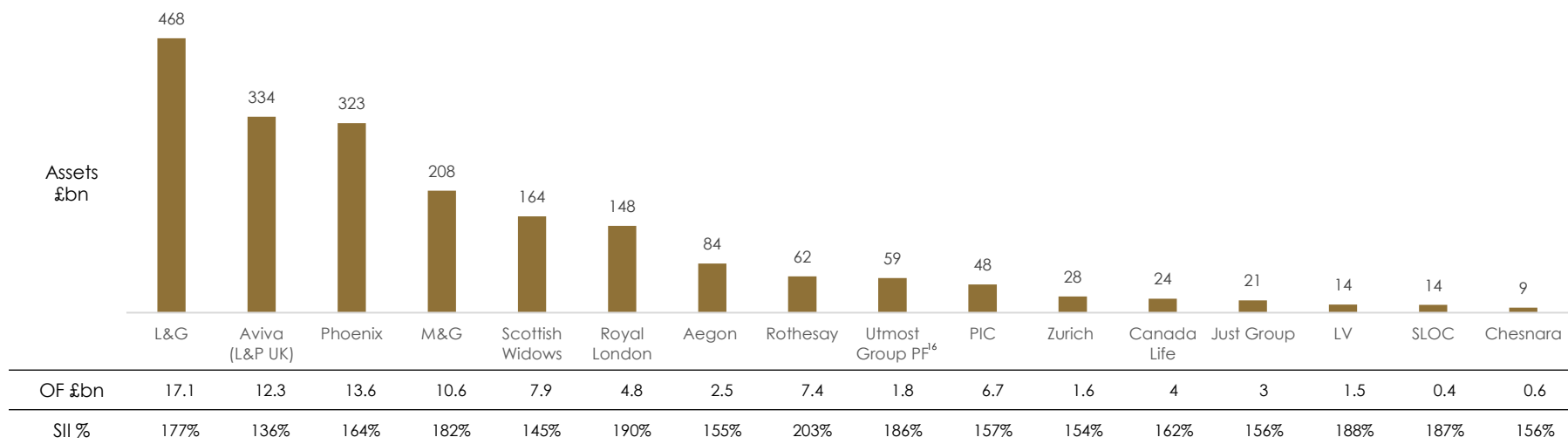


## Utmost International: Well-Positioned for Future Growth

- Utmost International is the clear market leader post the acquisition of Quilter International
- The business has the largest AUA, APE and Own Funds in the industry, a strong franchise, good regulatory relationships and a market-leading, modern, flexible proposition
- Quilter International's business footprint and distribution network complements Utmost International's existing position in its attractive markets across UK, Europe, LatAm, the Middle East and Asia where we see strong, continuing demand for wealth solutions
- Utmost Group has maintained its balance sheet strength and resilient capital position whilst executing a large, strategic transaction in Quilter International
- The operational integration of Quilter International will now commence and is expected to take 12-18 months – the Utmost and Quilter operations in the Isle of Man, DIFC, Singapore and Hong Kong will be merged

# UK Life and Pensions Consolidation

## Overview of UK Life and Pensions Industry at YE2020<sup>15</sup>



## Market Dynamics

- Utmost Group foresees a healthy pipeline of deal activity over a 2-3 year horizon, with sellers desiring to sell businesses and portfolios in order to release capital and redeploy this in core areas of their business. We have witnessed strong demand for assets from consolidators and private equity
- The insurance market has high barriers to entry. Utmost Group has a competitive position with established regulatory relationships and a scaled UK operation
- The team has a demonstrable track record executing complex deals and creating value for shareholders through management actions having completed two complex demutualisations and reduced ongoing costs by 45% from the most recent one
- Utmost Group has a strong position in the market when compared to both its listed, mutual and private peer group

<sup>15</sup> Source: Company Annual Report and Accounts; Company SFCRs; Literature Searches

<sup>16</sup> Source: Utmost Group is shown on a pro-forma basis including the Utmost International, Utmost Life and Pensions and Quilter International businesses as of YE 2020