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## HALF YEAR 2019 RESULTS PRESS RELEASE

### UTMOST INTERNATIONAL REPORTS STRONG FINANCIAL RESULTS FOR THE FIRST HALF OF 2019

#### Summary

Utmost International Group Holdings Limited ("Utmost International") is a leading life assurance group which provides solutions to help preserve our clients' wealth and safeguard it for future generations. The principal business lines of Utmost International are Utmost Wealth Solutions and Utmost Corporate Solutions.

Utmost International is pleased to report strong financial results for the first half of 2019.

- Solvency II Economic Value ("SII EV") increased by £65m to £982m at 30 June 2019 from a pro-forma £917m at 31 December 2018
  - Gross SII EV increased by £45m to £1,203m
  - Bank debt reduced by £18m to £222m
  - Leverage ratio reduced from 21% to 18%

Other Key Performance Indicators showed good progress:

- Assets Under Administration increased to £28.7bn at 30 June 2019, compared to £24.3bn at 31 December 2018 and £28.0bn on a pro-forma basis
- New business sales on an Annual Premium Equivalent basis of £87.0m in the first half of 2019, compared to £152.1m for the full year 2018 and £180.0m on a pro-forma basis
- Value of New Business of £11.4m in the first half of 2019, compared to £15.2m for the full year 2018 and £20.0m on a pro-forma basis
- Operating profit of £35.5m<sup>1</sup> compared to £30.8m for the full year 2018 and £75.0m on a pro-forma basis

**Paul Thompson, CEO of Utmost Group of Companies, commented:** "Utmost International has delivered a strong financial performance in H1 2019. The Group has a track record of growth and has demonstrated a disciplined approach to acquisition. Our robust solvency position and strong financial performance will support the continuation of our strategy going forward. While the economic background presents some challenges, Utmost International is well positioned to support our clients' safeguarding and preserving their wealth."

#### Financial Strength

Utmost International solvency remains strong with Group Own Funds of £745m and an SCR Coverage Ratio of 162% as at 30 June 2019, compared to a pro-forma SCR Coverage Ratio of 157% at 31 December 2018.

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<sup>1</sup> The H1 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.

The Group Own Funds are made up as set out in the table below:

£m	30 June 2019	31 December 2018 Pro Forma
Ireland	343	350
Isle of Man	247	235
Guernsey	355	329
Holding Companies	22	16
<b>Group Own Funds gross of Bank Debt</b>	<b>967</b>	<b>930</b>
Bank Debt	-222	-240
<b>Group Own Funds</b>	<b>745</b>	<b>690</b>

In June 2019, Utmost International and its principal operating subsidiaries were assigned inaugural credit ratings by Fitch. Utmost Ireland DAC, Utmost PanEurope DAC, Utmost Limited and Utmost Worldwide Limited were assigned Insurer Financial Strength Ratings of A. Utmost International was assigned an Issuer Default Rating of BBB+.

#### Detailed New Business Performance

New business performance in the first half of 2019 remained strong across both the Utmost Wealth Solutions and Utmost Corporate Solutions businesses.

£m	First Half 2019	2018 Pro Forma
<b>Utmost Wealth Solutions</b>		
- New Single Premiums	639.3	1,382.9
- New Regular Premiums	7.6	24.3
- New APE	71.5	162.6
- New VNB	8.9	18.8
<b>Utmost Corporate Solutions</b>		
- New Single Premiums	0.0	19.8
- New Regular Premiums	15.5	15.4
- New APE	15.5	17.4
- New VNB	2.5	1.2
<b>Total Business</b>		
- New Single Premiums	639.3	1,402.7
- New Regular Premiums	23.1	39.8
- New APE	87.0	180.0
- New VNB	11.4	20.0

### **Acquisition Activity**

The acquisition of Generali Worldwide Insurance Company Limited (now Utmost Worldwide Limited) and Generali Link Limited was successfully completed on 28 February 2019.

### **Integration and Operational Progress**

The creation and delivery of synergies across acquired businesses continues to be strong. Progress in the first half of 2019 includes the following:

- Rebranding of the entire group to “Utmost” was completed in March 2019.
- Organisational changes were implemented to create a single Sales and Marketing function across the Utmost Wealth business and to merge the Corporate Solutions businesses of Utmost Worldwide and Utmost PanEurope into a single business unit.
- Generali Link Limited was merged with Utmost Services Ireland Limited to create a single Irish service company for the group.
- Excellent progress was made on the project to merge the three Irish life assurance companies, with the Irish High Court subsequently approving the merger scheme on 16 October 2019 and the merger expected to complete on 31 October 2019.
- Effective progress was made on the migration of the Athora International Bond portfolio to Utmost International’s in-house administration platform, with that migration subsequently going live on 30 September 2019.

### **Customer Service and Awards**

Utmost Wealth Solutions maintained its strong reputation for customer service in the first half of 2019, and was pleased to receive two further awards confirming its pre-eminence in its markets:

- Defaqto Investment Bond Service Rating 2019: Gold Star for Utmost Ireland DAC and Utmost Limited Investment Bonds
- Professional Paraplanner Awards 2019: Best Offshore Product Provider

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### **For further information, please contact:**

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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 £28bn of policyholder assets for more than 140,000 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.