

NEWS RELEASE

For immediate release
15 June 2018

Equitable Life today announces new strategy

Equitable Life has entered into an agreement to transfer the Society and all its policies to Reliance Life, part of the LCCG Group.

We expect to be able to increase the current 35% capital distribution on with-profits policies to between 60% and 70%, the extent of such increase made possible by the transfer to Reliance Life.

For with-profits fund values to be enhanced, eligible policyholders will be asked to vote in favour of removing policy guarantees as well as on the arrangements to transfer to Reliance Life.

Voting is expected to take place in mid-2019 and, with the approval of the High Court, the enhancement to with-profits policy values taking place towards the end of 2019.

Chris Wiscarson, Equitable Life's Chief Executive said:

"When the Equitable closed to new business in 2000, it was inevitable that at some point the Society had to come to an end. The benefit of bringing Equitable to an end sooner rather than later is that we can capture for with-profits policyholders the near record high values of the investments backing their policies."

Ian Brimecome, Equitable Life's Chairman said:

"While it will be sad to bring an end to the oldest mutual assurer in the world, the potential to enhance with-profits policy values to the extent made possible by a transfer to Reliance Life is fundamentally helpful in distributing capital to our policyholders as fairly and as soon as possible. I believe Reliance Life's approach to customer service, investment choice and policyholder security make for a compelling way forward."

Paul Thompson, LCCG's Chief Executive said:

"We are delighted to have been selected by Equitable Life to be its partner in providing on-going service, fund choice and security to its policyholders. As a group, we have significant experience in delivering policyholder value through well-managed run-off processes and our expertise in unit linked assets."

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Equitable Life was advised by
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Notes to editors overleaf/

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1. Capital Distribution

At the point a policyholder leaves the Equitable, their with-profits policy value plus capital distribution is compared to the policy's guaranteed value, where applicable, and the larger amount is paid. Today, capital distribution represents a 35% increase to the underlying policy value. Today, over 95% of individual policyholders have a value in excess of the guarantee. Capital distribution can be removed, or the level reduced or increased at any time.

2. Rationale for a new strategy

When the Equitable closed to new business in 2000, it was inevitable that at some point the Society had to come to an end. The benefit of bringing the Equitable to an end sooner rather than later is that the near record high values of the investments backing with-profits policies can be captured on behalf of policyholders.

3. Impact on with-profits policyholders whose policy is in force on the day the proposal is implemented

- Increase the current 35% capital distribution to a level expected to be between 60% and 70%
- Close the with-profits fund, which means the guaranteed values under with-profits policies end along with any guaranteed annual increases
- With-profits policies convert to unit-linked funds selected by policyholders
- Policies transfer to Reliance Life

4. Next steps

There is no action for policyholders to take now.

Equitable Life and Reliance Life will now progress a Scheme of Arrangement and Part VII Transfer, which includes a vote by the members of Equitable Life on the conversion of the 'with-profits' policies, which will be followed by a Court hearing to approve the transactions.

It is expected that policyholders will be sent full details regarding the process later this year, with the transfer completing by the end of 2019.

5. Reliance Life

Reliance Life is part of Life Company Consolidation Group ("LCCG") a specialist European life assurance group. Its principal businesses are Reliance Life and Utmost Wealth Solutions, which are responsible for in aggregate £24bn of primarily unit-linked policyholder assets for more than 250,000 customers.

Reliance Life's stated strategy is to continue to grow through further acquisitions of life business in the UK thereby protecting policyholders from the diseconomies of reducing scale in a stand-alone run-off environment whilst securing the highest standards of service and broadest fund choice.