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Directors of MetLife Europe d.a.c.
20 on Hatch
Lower Hatch Street
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Directors of MetLife UK Limited
Invicta House
Trafalgar Place
Brighton
United Kingdom
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Dear Directors,

1. I write to you in relation to my reports dated 25 October 2023 (my **Main Report**) and 29 January 2024 (my **Supplementary Report**), produced in relation to the proposed transfer of the UK wealth management business of MetLife Europe d.a.c. (**MLE**) to MetLife UK Limited (**MLUK**). Unless otherwise stated, definitions used within this letter shall have the same meaning as given to them within my Main Report.

2. In paragraphs 3.13 and 3.14 of my Supplementary Report I stated the following:

3.13 *As a newly authorised insurance company, MLUK currently has no insurance business. However, MLUK is nonetheless required to hold eligible capital resources in excess of the regulatory minimum, which is subject to a floor of €4.0 million (approximately £3.4 million at 30 September 2023). Consequently, despite its lack of insurance business, MLUK has been capitalised to ensure it can cover the £3.4 million minimum capital requirement.*

3.14 *As described in paragraph 7.19 of my Main Report, in advance of the transfer, MLUK will be further capitalised to ensure its SCR Coverage Ratio after the transfer is at least 150%. In order to ensure that its SCR Coverage Ratio does not fall below 150% as a result of foreseeable market movements and transactions, MetLife intends to capitalise MLUK to an SCR Coverage Ratio of higher than 150% in advance of the Sanction Hearing. MetLife has informed me that it currently anticipates that the amount of capital injected into MLUK will be £2 million more than required to achieve a 150% SCR Coverage Ratio after the transfer. The capitalisation required will be determined based on the amount that would have been required had the transfer taken place on 30 September 2023; additional capital will then be provided to MLUK, should this be needed, on the Transfer Date to ensure that MLUK has sufficient capital to meet an SCR Coverage Ratio of 150%, plus £2 million, based on a balance sheet date of 31 December 2023 (as, by the time of the Transfer Date, the pro forma financial position of MLUK at 31 December 2023 will be known).*

3. I have since been informed that the proposed timing of the capitalisation of MLUK has changed and therefore I wish to highlight a correction to paragraph 3.14 of my Supplementary Report. In particular, it has been agreed that MetLife will inject sufficient capital for MLUK to achieve a 150% SCR Coverage Ratio plus £2 million in a **single** capital injection **prior to the Transfer Date**. This capital injection will be based on a balance sheet date of 31 December 2023. Therefore, contrary to what is stated in paragraph 3.14 of my Supplementary Report, there will be no further capitalisation of MLUK prior to the Sanction Hearing.

4. Paragraph 3.14 would therefore now read as follows:

3.14 (AMENDED) *As described in paragraph 7.19 of my Main Report, in advance of the transfer, MLUK will be further capitalised to ensure its SCR Coverage Ratio after the transfer is at least 150%. In order to ensure that its SCR Coverage Ratio does not fall below 150% as a result of foreseeable market movements and transactions, MetLife will capitalise MLUK to an SCR Coverage Ratio of higher than 150% in advance of the Transfer Date. MetLife has informed me that it currently anticipates that the amount of capital injected into*

MLUK will be £2 million more than required to achieve a 150% SCR Coverage Ratio after the transfer. The capitalisation required will be determined based on the amount that would have been required had the transfer taken place on 31 December 2023.

5. For the avoidance of doubt, and notwithstanding the clarifications set out above, my conclusions contained in Section 9 of my Supplementary Report remain unchanged.

Yours faithfully,



Robert Bugg, FIA, FSAI
Principal and Consulting Actuary