

# Our response to COVID-19

*How has Quilter  
managed through  
the global COVID-19  
pandemic for all its  
stakeholders?*

Quilter took a multi-dimensional approach to managing through the COVID-19 pandemic. Our initial focus was on ensuring colleagues' health and safety, maintaining operational resilience with high levels of client service, and rising to the challenge of broader social responsibility. As well as supporting colleagues, clients and communities, Quilter remained focused on delivering good outcomes for shareholders.

**Quilter's response through the pandemic has been characterised across three dimensions:**

- Focus on the welfare of our colleagues, advisers, customers and charitable partners, and continuity of high-quality service;
- Continued strategic delivery; and
- Financial resilience, focused on cost reduction and efficiency, and supported with strong liquidity.

Quilter's response was overseen by the Executive Committee and the Crisis Management Gold Committee, comprised of key senior executive leaders from across the business. The Board and Board Committees met regularly to review COVID-19-related responses and the Group's resource position.

When the scale of the COVID-19 pandemic became apparent, Quilter mobilised at pace with over 98% of colleagues across our UK, Isle of Man, Ireland, Dubai, Hong Kong and Singapore offices working from home from late March 2020. Throughout the lockdowns, we adopted an active engagement strategy to ensure colleagues were supported through these difficult times. Business contingency plans were implemented through accelerated delivery of IT and remote telephony solutions, allowing Quilter to maintain high client service levels to support advisers and customers. Management were also cognisant of broader social responsibilities given the significant support measures put in place by the UK Government, reflecting the unprecedented situation. This limited some of the cost measures which Quilter would normally expect to take in response to equity market declines reducing revenues. This included deferring Optimisation-linked redundancies during the first UK lockdown.

Quilter's management and the Board regularly reviewed financial budgets and operating plans in response to the challenges arising from COVID-19 and the uncertain outlook. With a robust business model and financial resource position, low leverage, and as an active manager of our risk exposures across the risk universe, we were confident in our operational and financial resilience, and remained focused on completing principal strategic projects including the PTP and Optimisation plans. Quilter also has access to revolving credit facilities of £125 million provided by a syndicate of five banks with a maturity date of February 2025. These have remained undrawn since inception in 2018.

In response to the challenging revenue environment, management planned to reduce expenses by c.£30 million in 2020, and achieved a reduction of c.£40 million, through lower variable compensation, reduced marketing spend and other short-term initiatives. Despite these tactical cost savings, we noted in our first quarter trading statement that management no longer expected to meet the targeted 27% operating margin for 2020 due to lower market levels leading to lower AuMA and hence revenues. Quilter did not furlough any staff nor use support measures made available to companies by the UK Government.

The Board reviewed and continued to recommend the approval for the 2019 final dividend. The Company also paid a 2020 interim dividend and recommended to shareholders a final dividend for 2020. As a significant provider of retirement solutions to the UK public, Quilter believes companies who are in a position to do so should maintain dividends which provide important income for pension plans.

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■ **Case studies on capital management**  
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**Quilter's financial position**  
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**Quilter's approach to risk management**  
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## How we supported our stakeholders

	Colleagues	Clients and advisers	Communities	Investors
<b>Focus on welfare and continuity of service</b>	<ul style="list-style-type: none"> <li>Moved to 98%+ work from home</li> <li>Expanded staff health and wellbeing programme, including mental health wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>Enabled remote call centres</li> <li>'There For You' rolled out to 23,000+ adviser firms</li> </ul>	<ul style="list-style-type: none"> <li>£200k+ UK National Emergencies Trust donation</li> </ul>	
	<b>Focus on welfare and continuity of service/Strategic delivery</b>			
	<ul style="list-style-type: none"> <li>Deferred Optimisation-linked redundancies during first UK lockdown</li> </ul>	<ul style="list-style-type: none"> <li>Ensured business continuity</li> <li>Advisers supported their clients through market volatility</li> </ul>	<ul style="list-style-type: none"> <li>Quilter Foundation continued to support Young Carers, with colleagues mentoring remotely</li> </ul>	<ul style="list-style-type: none"> <li>£375m share buyback initiated, final 2019 and 2020 dividends paid (final recommended) and Odd-lot Offer completed</li> </ul>
<b>Strategic delivery</b>	<ul style="list-style-type: none"> <li>Restructured offices globally to be compliant with local COVID-19 regulations</li> </ul>	<ul style="list-style-type: none"> <li>Quilter Financial Planning and Quilter Cheviot systems upgrade</li> <li>Supported greater digital adoption to meet client demands and improve efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Financial Adviser School remained open with initial module made available online for free</li> </ul>	<ul style="list-style-type: none"> <li>Delivered PTP, with final two migrations undertaken during full UK lockdown</li> </ul>
<b>Financial resilience</b>	<ul style="list-style-type: none"> <li>Did not take UK Treasury support</li> </ul>	<ul style="list-style-type: none"> <li>Adviser financial support arrangements in place</li> </ul>		<ul style="list-style-type: none"> <li>c.£40m tactical cost savings achieved in response to more challenging markets</li> <li>Improved net client cash flow</li> <li>Robust financial results</li> </ul>


**To read more, turn to our s.172 statement**  
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