

Rothsay Life 2016 Half Year Financial Results and Business Highlights

Rothsay Life is one of the leading providers of bulk annuities and de-risking solutions for defined benefit pension schemes and other life insurers in the UK. Today the company announces its results and business highlights for the six months ending 30 June 2016.

Financial Highlights

- The Group delivered strong origination performance with £6.5bn of new business written, including the reinsurance of a £6.4bn block of in-force individual annuities from Aegon N.V.
- IFRS profit before tax of £100m, driven by new business but offset by being overweight in gilts and cash received as premiums from the Aegon transaction. The Group expects to generate profits on these assets as it invests them according to our long-term investment strategy.
- Assets under management increased by 55% from £15.4bn at 31 December 2015 to £23.9bn.
- Market Consistent Embedded Value (MCEV) increased from £1.4bn at 31 December 2015 to £2.1bn.
- Solvency II coverage ratio of 162% at the Group's life insurance subsidiary, Rothsay Life Plc.¹

Business Highlights

- **The Aegon transaction:** The Group continues to demonstrate its capability to originate wholesale annuity business via different routes with the Aegon transaction which is one of the largest transactions of its type in the UK and the first substantial annuity transfer since Solvency II came into force.
- **Navigating volatile markets:** The Group has successfully navigated the turmoil caused by the EU referendum and remains confident of maintaining a strong position through the uncertain economic conditions that are expected to persist in the aftermath.
- **Industry recognition:** Winner of the 2016 Risk Management Provider of the Year award, recognising the Group's ability to develop innovative solutions to help clients remove risks.

The interim consolidated financial statements for the six months ended 30 June 2016 are available [here](#).

¹ After allowing for the impact of re-calculation of transitional capital relief and removing solvency hedges in excess of those required to hedge best estimate liabilities.

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About Rothesay Life

Rothesay Life was established in 2007 and has become one of the leading providers of regulated insurance solutions in the UK market for pensions de-risking, making payments of around £1bn a year from over £22 billion of insurance contracts. This strong growth has been achieved through the steady accumulation of pension scheme clients, significant strategic acquisitions and the reinsurance of in-force annuity portfolios.

Existing Rothesay Life clients include the pension schemes and members associated with such names as RSA, British Airways, Rank, Uniq, General Motors, the MNOFP (Merchant Navy Officers Pension Fund), InterContinental Hotels, Philips, GKN, Lehman Brothers, Zurich Assurance and the Civil Aviation Authority.

Rothesay Life is a secure long-term provider of pensions, focused on

- a flexible and committed approach to execution;
- ongoing risk management to maintain balance sheet strength; and
- robust operational processes.

Rothesay Life is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.