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## PRESS RELEASE

### **Rothesay Life to purchase £860m portfolio of equity release loans from UK Asset Resolution**

Rothesay Life plc today announces that, following a competitive sales process, it has purchased an £860m portfolio of equity release loans from UK Asset Resolution. The portfolio comprises equity release mortgages from the legacy books of NRAM Ltd (NRAM), Bradford & Bingley plc (B&B) and Mortgage Express (MX) and is secured on residential property assets in the UK. The purchase is based on the portfolio position as at 30 April 2018, from which point Rothesay Life will acquire the risks and rewards of ownership of approximately 6,200 NRAM, B&B and MX mortgages. Financial completion is expected within the next few weeks.

It is intended that the mortgages will continue to be administered by the same company (Computershare Loan Services), providing continuity of service. Equity release mortgage customers do not need to take any action and will be contacted in due course to confirm the change of ownership.

Rothesay Life notes the publication by the Prudential Regulation Authority (PRA) of consultation paper CP13/18 "Solvency II: equity release mortgages"<sup>[1]</sup> and confirms that the price paid for the portfolio reflects Rothesay Life's prudent approach to reserving and assessment of the potential outcome of the consultation on the treatment of the loans.

By providing funding to back equity release mortgages, the Group is helping the over 55s to access the equity in their houses, without the need for them to move. Mortgages are written with a no negative equity guarantee which means that borrowers don't have to worry about the liability growing above the value of the house.

<sup>[1]</sup> The consultation paper sets out further proposed detail on the PRA's expectations in respect of firms investing in equity release mortgage portfolios.

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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 U.K. market for pensions de-risking, with c. £37bn assets under management and over 750,000 end customers. This strong growth has been achieved through the steady accumulation of pension scheme clients, significant strategic acquisitions and the reinsurance of annuity portfolios.

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

Rothesay Life was founded on several core pillars:

- Clear and disciplined business strategy;
- Prudent underwriting;
- Meticulous management of risk and cautious investment strategy offering absolute customer security;
- Excellence in execution; and
- Robust operational processes underpinning excellent customer service

Rothesay Life has three substantial institutional shareholders, Blackstone, GIC and Massachusetts Mutual Life Insurance Company (MassMutual), which provide the company with long term support for its growth and development.

Rothesay Life is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Further information is available at [www.rothesaylife.com](http://www.rothesaylife.com)