

Announcement of Periodic Review: Moody's announces completion of a periodic review of ratings of Rothesay Holdco UK Limited

12 Jul 2019

London, 12 July 2019 -- Moody's Investors Service ("Moody's") has completed a periodic review of the ratings of Rothesay Holdco UK Limited and other ratings that are associated with the same analytical unit. The review was conducted through a portfolio review in which Moody's reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), recent developments, and a comparison of the financial and operating profile to similarly rated peers. The review did not involve a rating committee. Since 1 January 2019, Moody's practice has been to issue a press release following each periodic review to announce its completion.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Credit ratings and outlook/review status cannot be changed in a portfolio review and hence are not impacted by this announcement. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

Key rating considerations are summarized below.

The A3 insurance financial strength rating of Rothesay Holdco UK Limited's main operating company, Rothesay Life Plc, reflects the Group's good market position in the growing UK bulk annuity market and proven ability to acquire sizeable annuity portfolios, as well as its good profitability, financial flexibility and asset quality with a relatively conservative investment portfolio and no intangible assets. These positive credit factors are mitigated somewhat by the Group's limited business and geographic diversification with a focus on lumpy UK annuity business, very high asset leverage and a relatively moderate Solvency II ratio target range of 130-150% although the Group's Solvency II ratio was 177% as at 30 June 2019.

This document summarizes Moody's view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Life Insurers published in May 2018. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

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