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PRESS RELEASE

Rothesay Life has delivered a record financial year

Rothesay Life Plc, the largest specialist annuity provider in the UK, today provides an update on its trading and financial performance for 2019.

- Rothesay Life wrote £16.3bn of new pension bulk annuity business during 2019 (2018: £13.2bn), a record year for volume of new business
- Transactions completed included those with Allied Domecq, ASDA, Cadbury, National Grid, and the largest full scheme buy-out ever in the UK, the £4.7bn transaction with telent
- The Group¹ also had a record year in terms of consolidated pre-tax IFRS profits of £640m (2018: £102m), driven by a combination of successfully executing profitable new transactions and carefully deploying assets in line with its long term, secured investments strategy
- The Group's assets under management (AUM) grew by 48% to £53.7bn (2018: £36.3bn), making it the 3rd largest annuity provider in the UK
- The Group's MCEV² increased by over 75% to £6.0bn (2018: £3.4bn) including £0.7bn of new equity
- The Group's solvency position remains strong with a Solvency Capital Requirement (SCR) coverage ratio of 202% as at 31 December 2019 (2018: 181%)
- The Group now insures the pensions of over 820,000 people and is the first insurer to be awarded Gold Standard accreditation by the Pensions Administration Standards Association for excellence in service
- The pension risk transfer market in the UK remains very active with a healthy pipeline of potential transactions. Rothesay Life has considerable resources to fund growth opportunities and will continue to maintain a cautious and disciplined approach to underwriting

Addy Loudiadis, Chief Executive Officer of Rothesay Life, said: "2019 has been a transformative year for the Group in many respects. Not only have we increased AUM by nearly 50% on the back of strong growth through new business, but also delivered our most profitable year to-date.

We are proud of the continued confidence that sponsors and trustees of pension schemes place in Rothesay by insuring their members with us and our shareholders

¹ References to the "Group" in this announcement mean Rothesay Holdco UK Limited and its subsidiaries and subsidiary undertakings. The profit figure has been calculated in accordance with IFRS accounting policies of the Group and in a manner consistent with its audited financial statements for the year ended 31 December 2019.

² Market Consistent Embedded Value

have continued to demonstrate their commitment to the business by injecting a further £0.7bn of new equity during 2019 to support our growth”

The Group’s solvency metrics for 2019 are summarised below:

	Group	Rothesay Life Plc
Own Funds available to meet SCR	£6.1bn	£6.1bn
SCR	£3.0bn	£3.0bn
Surplus above SCR	£3.1bn	£3.1bn
SCR Coverage (%)	202%	201%
SCR coverage without transitional solvency relief	153%	152%

Rothesay Life’s credit ratings from Fitch and Moody’s remain strong and unchanged, with stable outlooks, as summarised below:

Fitch	
Rothesay Life Plc Insurer Financial Strength Rating (IFSR)	A+ (Strong), Stable outlook
Rothesay Life Plc Long-Term Issuer Default Rating (IDR)	A, Stable outlook
Rothesay Holdco UK Ltd. IDR	A, Stable outlook

Moody’s	
Rothesay Life Plc Insurer Financial Strength Rating (IFSR)	A3, Stable outlook
Rothesay Life Plc Issuer Rating	Baa1, Stable outlook
Rothesay Holdco UK Ltd. Issuer Rating	Baa2, Stable outlook

ENDS

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About Rothesay Life

Rothesay Life is the largest specialist annuity provider in the UK, and has grown continuously since its foundation in 2007. This strong growth has been achieved through the steady accumulation of pension scheme clients, significant strategic acquisitions and the reinsurance of annuity portfolios. Rothesay Life has assets under management of over £53bn and insures the pensions of over 820,000

individuals. Existing Rothesay Life clients include the pension schemes and customers associated with such names as Aegon, Allied Domecq, ASDA, British Airways, Cadbury, the Civil Aviation Authority, General Motors, GKN, InterContinental Hotels, Lehman Brothers, National Grid, Philips, the Post Office, Prudential, telent and Zurich Assurance.

Rothesay Life is committed to delivering absolute customer security. Rothesay Life delivers this through a clear and disciplined business strategy, focused on prudent underwriting, cautious investment strategies, meticulous management of risk and excellence in both execution and customer service.

Rothesay Life has three substantial institutional shareholders, Blackstone, GIC and Massachusetts Mutual Life Insurance Company, who 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.