

10 September 2019

PRESS RELEASE

Rothesay Life New Business Update

- **Rothesay Life has written £3.7bn of new pension bulk annuity business in H2 2019. Year-to-date new business total is c. £4.4bn**
- **Rothesay Life is exclusive and in execution on further transactions which we expect to take total new business for 2019 to over £10bn and AUM to over £50bn**
- **Rothesay Life's shareholders will be contributing at least £500m of new equity capital to fund the new business**

Rothesay Life Plc today updates on its H2 2019 new business performance.

Following a successful trading performance in the first half of 2019 driven by navigating markets well, investing carefully and £700m of new business (H1 2019 pre-tax IFRS profit: £403m) Rothesay Life has executed a further £3.7bn of new pensions bulk annuity business so far in H2 2019. Year-to-date total new business volume for 2019 is £4.4bn.

In addition, Rothesay Life is currently in exclusive execution on several significant bulk annuity transactions which we expect to result in the firm writing more than £10bn of business during 2019, a record for pension bulk annuities. Balance sheet strength combined with substantial new equity capital being contributed by our shareholders will help Rothesay Life to take advantage of unprecedented opportunity in the defined benefit buy-in and buy-out market. Rothesay Life's shareholders will contribute at least £500m in new equity to support this.

Rothesay Life's current solvency position remains close to the position as at 30 June 2019, and well above the top end of our target operating range¹. As usual, where we are successful in writing new business, we will remain patient in asset origination which may in turn impact short term IFRS profit performance ahead of anticipated longer term gains.

Addy Loudiadis, Chief Executive Officer of Rothesay Life, said: "Rothesay Life has a strong history of being disciplined but agile in both investment markets and in new business origination. Balance sheet strength and considerable shareholder support allow us to execute on our conviction that there is an exceptional opportunity to write business in the defined benefit de-risking market this year.

"While the political and economic backdrop clearly presents challenges, we believe there will also be opportunities for strong institutions which are risk managed well. We expect this to be a record year for new business for Rothesay Life and to finish 2019 as the third largest annuity provider in the UK."

Note 1. This excludes the benefit of the proposed new primary equity injection, but allows for the impact of the new business written to-date.

ENDS

Contact:

Temple Bar Advisory Limited +44 (0)20 7002 1080 or +44 (0)78 27960151

Alex Child-Villiers or William Barker

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. 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 £42bn and insures the pensions of over 770,000 individuals.

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