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PRESS RELEASE

Rothesay Life to purchase £12bn annuity portfolio from Prudential plc

- **Rothesay Life is acquiring a £12bn annuity portfolio from Prudential, covering c.400,000 policyholders, in the largest transaction of its type in the UK**
- **The transaction makes Rothesay Life the UK's largest specialist annuity insurer with over £37bn of assets under management and over 750,000 lives insured**

Rothesay Life, one of the leading life insurers specialising in providing de-risking solutions to UK defined benefit pension schemes and insurance companies, announces today that it has entered into an agreement to purchase £12bn of annuities from Prudential plc. The transaction has been structured initially as a reinsurance contract and is expected to lead to a Part VII transfer of the underlying assets and policy liabilities to Rothesay Life subject to regulatory and court approval. Rothesay Life's shareholders have invested additional equity to finance the transaction.

The transaction will result in a significant increase to Rothesay Life's asset base to over £37bn. Following completion, Rothesay Life will be the largest specialist annuity insurer in the UK.

This is Rothesay Life's third reinsurance transaction of in-force annuities and further demonstrates the company's ability to successfully deploy capital across all areas of the wholesale annuity and pensions market. Rothesay Life delivers clients financial certainty with execution excellence, provides policyholders long-term security and offers shareholders attractive value accretion. Established in 2007, Rothesay has been insuring defined benefit pensions and annuities for over a decade and with this transaction will be paying over £2bn each year to over 750,000 policyholders including from Scottish Equitable and Zurich Assurance as well as pension schemes such as British Airways, the Post Office, General Motors and Philips.

Prudential policyholders will continue to be serviced by Prudential until the effective date of a Part VII Transfer. Thereafter, they will continue to receive their benefits in the normal way from Rothesay Life. Policyholders do not need to take any action.

Addy Loudiadis, Chief Executive of Rothesay Life, said: *"I am delighted that Prudential, one of the UK's most respected insurance companies, has chosen Rothesay Life to secure its policyholders' pensions over the long term in a landmark transaction for us and for the industry. This is a testament to the quality and strength of our business, our focus on customer service, our execution proficiency and the support we receive from our shareholders. We look forward to building on this success as we predict a very active pension buy-out pipeline ahead."*

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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, making £1.5bn of payments in respect of over 380,000 end customers each year. 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 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, 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), 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