

27 September 2019

Rothesay Life completes £3.8bn buy-in with the Allied Domecq Pension Fund

- **£3.8bn transaction is the largest buy-in ever to cover deferred members as well as current pensioners**
- **Insurance covers the Fund's liabilities in respect of over 27,000 members of the former FTSE 100 company; c.17,000 pensioners and c.10,000 deferred pensioners**
- **Transaction materially improves the financial security of all members' benefits**
- **Rothesay Life's assets now exceed £50bn, more than doubling since year end 2017 (£24bn)**

Rothesay Life, a leading life insurer specialising in pension de-risking solutions, is pleased to announce that it has insured £3.8bn of defined benefit liabilities for the **Allied Domecq Pension Fund**.

The insurance policy secures the majority of the Scheme's liabilities and is the largest scheme buy-in on record that incorporates deferred members.

The transaction signifies a significant de-risking event for the Allied Domecq Pension Fund by passing future investment and longevity risks to Rothesay Life. The Fund will continue to hold some residual assets to support ongoing running costs as well as the payment of any pension benefits that are not covered by the policy.

In the process of choosing an appropriate insurer and negotiating terms, the Allied Domecq Pension Fund was advised by Hymans Robertson and DLA Piper, and Rothesay Life by Linklaters.

In anticipation of this transaction and further significant opportunities in the defined benefit bulk annuity market, Rothesay Life's shareholders have contributed another £200m of new equity in addition to the £500m announced earlier this month to take the total new equity provided in 2019 to £700m.

Lisa Arnold, Chairman of Trustees of the Allied Domecq Pension Fund, said: *"This buy-in is a key step on a long journey of de-risking taken by the Fund, with strong support along the way from the sponsoring company. It represents a major achievement, improving security for all our members. Hymans Robertson's insights and experience helped the Fund to navigate a fast-moving bulk annuity market and secure excellent terms with Rothesay Life."*

Sammy Cooper-Smith, Business Development at Rothesay Life, said: *"We are grateful to both the Trustees of the Allied Domecq Pension Fund and Hymans Robertson for their commitment to this project. Together we were able to execute this transaction smoothly and well ahead of schedule. The Fund came to market with clear, well thought through objectives which allowed us to focus on providing tailored solutions for their key requirements."*

"This transaction is further evidence that large maturing pension schemes are increasingly looking to secure de-risking opportunities. Rothesay Life's balance sheet strength, expertise and considerable ongoing shareholder support means that we are a very good insurance partner to the largest pension schemes in the UK."

Michael Abramson, Partner at Hymans Robertson, said: *"Hymans Robertson is delighted to have helped the Trustee take this substantial step in improving member security. We worked closely with the Fund to clearly define and achieve its objectives, ultimately helping the Fund to navigate a busy bulk annuity market and lock down terms for £3.8bn of liabilities with Rothesay Life. As the largest buy-in to date covering deferred members, this paves the way for other large schemes to de-risk."*

Cédric Ramat, EVP Human Resources, Sustainability and Responsibility at Pernod Ricard said: *"Pernod Ricard is very pleased that the Trustee of the Allied Domecq Pension Fund has been able to*

conclude this buy-in with Rothesay Life. This transaction reduces the Group's exposure to long-term risks associated with the Fund and is a significant milestone in the journey to secure the benefits earned by the Group's employees and former employees as members of the Allied Domecq Pension Fund."

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Notes to editors

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 £50bn and insures the pensions of over 800,000 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, 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