

## Group Chief Executive Officer's review

# Delivering value over the long term



*Our Purpose – Protecting today, investing in tomorrow. Together we are mutually responsible. – drives us to grow our business over the long term for the benefit of our customers.*

Since setting out our strategy in 2020 – to be an insight-led modern mutual, growing sustainably by deepening customer relationships – we have made great progress, growing and diversifying our business while delivering substantial change. In 2025, we continued to build momentum and lay further foundations to deliver for our customers.

## Our trading performance

Our performance in 2025 reflected the strength of our mutual offering and the positive momentum across our business. Group adjusted operating profit grew by 18% to £327m (2024: £277m), with our Pensions business remaining core to this. Our growth in profit was also supported by our first full year in the BPA market, which saw a series of key transactions among trustees and employers. We saw a 17% increase in Protection new business sales to £991m (2024: £846m), driven by enhancements to our proposition and an increasing market share, while life and pensions new business sales were up 13% to £12,200m (2024: £10,804m).

The Group's assets under management increased to a record £199bn (31 December 2024: £173bn), which included £6bn from our acquisition of Dalmore Capital. Gross inflows rose to £42.5bn (2024: £31.8bn), with net inflows of £4.1bn (2024: £1.0bn net outflows) boosted by a new £4.6bn multi asset mandate with St. James's Place. Our capital position remains robust and supports ongoing investment in our business.

You can read more about the strategic progress being made within each of our business units on pages 44 to 53.

## Resilience starts with protection

The first part of our Purpose is about helping customers to protect themselves and their families. In 2025, 98% of protection claims were paid out – representing over 62,000 claims and a total of £821m. Following the proposed changes to inheritance tax announced in the 2024 Budget, we evolved our proposition to support estate planning needs, with our 'Joint Life Second Death' term product, alongside our Whole-of-Life offering, seeing strong demand. Our five-star ratings at the 2025 Financial Adviser Service Awards, for both protection and pensions, reflected our ongoing commitment to delivering outstanding service and continuous improvement. For the 12th year in a row, we also retained our five-star investment provider rating.

In Ireland, we retained our leading position for protection in the financial broker market. For the third consecutive year, we awarded ValueShare – the equivalent to ProfitShare in the UK – to eligible pensions customers across Ireland. Alongside ProfitShare, this reflects our dedication to ensuring that eligible customers benefit from the growth and success of the business.

## Broadening our solutions

Offering diversified investment solutions that support the needs of customers, and their advisers, is critical to the relationships we build with them. For many people in the UK, building their financial resilience involves saving as much as they can both through the workplace pension that their employer puts in place, and by putting money aside in an ISA. In September we launched our new Stocks and Shares ISA, designed to help our customers to manage their different investment products in one place. Our ISA offers tailored digital experiences, the same investment choices as our pension products and, like our pension, qualifies for ProfitShare.

In addition, we have introduced new functionality across our digital platforms, including forms for ad hoc payments and live web chat for Protection customers. Our digital services, such as our mobile app, are central to how customers interact with their plans, reflecting our commitment to delivering accessible and personalised services.

In May, we confirmed that Royal London was one of the first cohort of pension providers connected to the Pensions Dashboard ecosystem. As an early adopter, we are helping to bring forward a more transparent and accessible retirement landscape by enabling customers to view all their pensions in one place.

Our Workplace Pensions business is our largest source of new customers. We welcomed 230,000 new Workplace Pensions members in 2025, taking the total we support to 2.2 million – most of whom are invested in our Governed Range, which offers valuable diversification. We are committed to offering a market-leading mutual solution to a growing number of employers. Over the next three years, we will invest £100m to enhance our Workplace Pensions offering and support an increasing number of employees with their retirement savings.

Alongside our acquisition of Dalmore Capital, which will help to broaden the selection of assets being invested in the Governed Range, we further expanded our Asset Management offering through the launch of three asset-backed securities funds and our entry into the collateralised loan obligation market. Through the launch of four new Australian unit trusts, we also continued to build our international presence.

In October, we announced the launch of three additional funds in the Sustainable range available to our pension and ISA customers, taking the total to nine and offering more choice and flexibility. In 2025, all eight of the underlying UK-based Sustainable funds managed by our Asset Management business adopted the 'Sustainability Focus' label, under the FCA's Sustainability Disclosure Requirements. This is a significant milestone that underlines our long-term track record in sustainable investing.

Our BPA offering, the only mutual option in the market, continues to support our growth. We completed 18 buy-in transactions with external pension schemes in the first full year since our launch into this market in September 2024, generating £1.3bn in new business sales. This will help thousands of people to achieve greater security in retirement.

## Driving purposeful relationships

Our commitment to our Purpose helps us to establish enduring relationships with like-minded customers and clients. To support this, we continue to invest in ways of working that drive innovation, enabling our colleagues to deliver good customer outcomes and help us run our business efficiently. With interest in AI growing, giving all colleagues access to Microsoft Copilot was a key milestone in 2025. To maintain trust, ensure transparency and protect sensitive data, we will retain our focus on using AI ethically, safely and with clear controls in place, alongside our efforts to ensure that colleagues are alert to cyber risks.

Through our partnerships, we look for opportunities to drive positive change in the world around us. Levelling the playing field for women in sport continues to be the objective of our partnership with The British & Irish Lions.

Research findings that we published in October showed that, although participation in women's team sport in the UK has surged since 2023, there is still much more to do. While progress at the elite level of rugby is encouraging, we invest at grassroots level to empower local rugby clubs to grow the game, create more opportunities for participation and inspire ambitions – to support the build of a strong pipeline of talent for future Lions Women's teams. With the team's first ever tour taking place in 2027 to New Zealand, we hope that this will serve as a tangible reminder to a new generation of what they can achieve.

## Looking ahead

As we look ahead, we are progressing our strategy to deliver even more for a greater number of customers. We want to empower millions of people to take better financial decisions, harnessing technology to make it engaging and easy. Workplace pensions are the primary savings vehicle for the majority of UK pension savers and will play an increasingly prominent role in the future. This is where we will have the greatest impact, and we are continuing to invest in strengthening our proposition.

Following the changes announced in the Budgets over the last 18 months – around inheritance tax, cash ISA contributions and salary sacrifice pension contributions – it is likely that many people will need to reassess the ways in which they save for the future. However, with only 9% of the UK population paying for personal financial advice, the vast majority of customers are navigating complex financial decisions on their own. Our modelling suggests that Targeted Support could benefit 21.5 million people in the UK through the actionable advice it provides. In 2026, we will launch our Targeted Support offering, designed to complement our continued commitment to offering advisers the support and tools they need to deliver positive outcomes to their clients.

Our propositions are only part of our future success. Talent, commitment and strong colleague engagement are equally important components. We have a culture that empowers colleagues to perform at their best, and I am proud that Royal London was named in the top 10 places to work in the UK by Glassdoor for 2026. We will keep investing in our people and their skills – helping to ensure that they keep pace with advancements in technology, and that Royal London remains a great place to work.

By continuing to champion the value of mutuality, it will help us sustain a culture that supports colleagues to thrive and grow, and that positions us well to achieve our Purpose. We will continue putting our customers first, while playing our part in creating an environment and society that they can look forward to retiring into.

## Barry O'Dwyer

Group Chief Executive Officer