

Financial results 2025

The mutual difference



March 2026

Daniel Cazeaux, Group Chief Financial Officer

 ROYAL LONDON

Financial results 2025

Agenda

- 1 Overview and highlights
- 2 Business unit highlights
- 3 Assets under management
- 4 Capital
- 5 Summary
- 6 Q&A

Overview and highlights

18% increase in operating profit

Operating profit

£327m

(FY2024: £277m)

Capital cover ratio¹

188%

(FY2024: 203%)

ProfitShare²

£199m

(FY2024: £181m)

New Business Sales

£12.2bn

(FY2024: £10.8bn)

Governed Range AUM

£83bn

(FY2024: £72bn)

Group AUM

£199bn

(FY2024: £173bn)

1. Investor View basis

2. ProfitShare is a discretionary enhancement to eligible RLMIS customers with unit-linked or with-profits policies

Financial highlights

Strong performance reflects momentum across our business

		FY 2025	FY 2024	Change
PERFORMANCE	Operating profit	£327m	£277m	£50m
	Transfer to FFA	£167m	£167m	£–m
	ProfitShare	£199m	£181m	£18m

NEW BUSINESS	Life and pensions new business sales	£12,200m	£10,804m	£1,396m
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INFLOWS	Gross inflows	£42,489m	£31,825m	£10,664m
	Net inflows / (outflows)	£4,105m	£(1,037)m	£5,142m

		FY 2025	FY 2024	Change
FUNDS	Assets under management	£199bn	£173bn	£26bn

CAPITAL	Regulatory View solvency surplus	£2.5bn	£2.7bn	£(0.2)bn
	Regulatory View capital cover ratio	183%	196%	(13)%pts
	Investor View solvency surplus	£2.5bn	£2.7bn	£(0.2)bn
	Investor View capital cover ratio	188%	203%	(15)%pts

UK – highlights

Increasingly diversified offerings attract customers

New Business Sales

£11,712m

(FY2024: £10,507m)

Governed Range AUM

£83bn

(FY2024: £72bn)

Operating Profit

£425m

(FY2024: £368m)

- New business sales up 11%, boosted by Protection performance and a full first year of BPA trading
- Our flagship Governed Range attracted net inflows of £2.6bn
- Broadened our savings offering with the launch of our Stocks and Shares ISA
- 15% increase in operating profit supports £100m investment in Workplace Pensions proposition over the next three years
- Finalised an agreement to transition servicing from Capita to Royal London for a number of Longstanding customer policies

UK – life and pensions new business

Significant increase in sales from Protection and BPA

	New business sales	YoY Change	New business margin
Individual pensions	£4,797m (FY2024: 4,850m)	(1%)	1.1% (FY2024: 1.4%)
Workplace pensions	£4,501m (FY2024: £4,459m)	+1%	1.8% (FY2024: 1.9%)
Protection	£991m (FY2024: £846m)	+17%	7.7% (FY2024: 3.2%)
Bulk Purchase Annuities	£1,262m (FY2024: £187m)	+576%	3.6% (FY2024: 4.0%)
Individual Annuities and Other	£161m (FY2024: £165m)	(3%)	4.2% (FY2024: 6.6%)
UK	£11,712m (FY2024: £10,507m)	+11%	2.2% (FY2024: 1.9%)

- Stable Individual Pensions new business sales with growth in our non-advised business as more customers chose to retire with Royal London
- Workplace Pensions sales were in line with prior year. This reflects lower new schemes following two larger scheme wins in 2024, alongside growth in transfers and new entrants into existing schemes
- UK Protection sales increased 17%, with growth driven by mortgage related and high net worth business
- Individual annuities sales reflect the continued impact of higher interest rates on take-up and premium levels

UK – Annuities

Successful first year of BPA trading

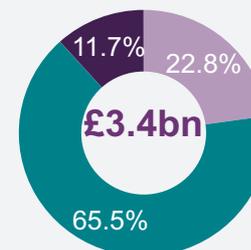
Bulk Purchase Annuity Proposition

- The reception to our proposition continues to be very positive from both trustees and their advisers, as they value the stability and long-term confidence that a mutual can offer
- 18 buy-in transactions completed with total premiums of £1.3bn
- Further £362m partial buy-in transaction completed with the Royal London Group Pension Scheme securing benefits for 6,500 members
- We expect to enter into the first BPA buy-in to buy-out conversions in 2026

Matching Adjustment Portfolio

- Broadened investment in illiquid assets, including income-producing real estate loans, private placements, and infrastructure debt
- 11.7% of the Matching Adjustment Portfolio is now invested in illiquid assets, with further asset eligibility expansion planned for 2026
- Higher gilt allocation to new business written in the second half of the year reflecting current levels of credit spreads

Matching Adjustment Portfolio Assets 31 December 2025



Asset Management – highlights

Advancing our private asset capabilities

Group AUM

£199bn
(FY2024: £173bn)

Net Flows

£4.1bn
(FY2024: £-1.0bn)

Operating Profit

£39m
(FY2024: £59m)

- Significant improvement in net inflows following Global Equities outflows in 2024
- Reduction in operating profit in line with expectation as we continued strategic investments
- Completed the acquisition of UK-based infrastructure asset manager Dalmore Capital
- Launched three asset-backed securities funds and our first Collateralised Loan Obligations
- Expanded our global footprint with four funds launched in Australia
- All eight UK-based funds in our £11bn Sustainable fund range adopted SDR Sustainability Focus labels

Ireland – highlights

Expanded pensions offering well-received by Irish market

New Business Sales

£488m
(FY2024: £297m)

Operating Profit

£17m
(FY2024: £10m)

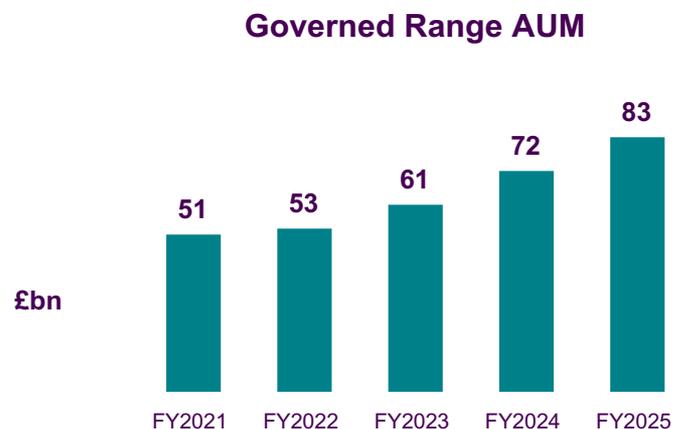
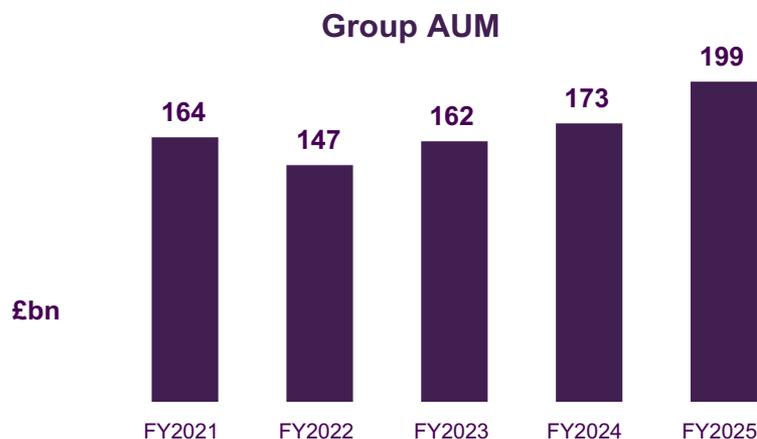
Margin

3.6%
(FY2024: 4.3%)

- New business sales up 64%
- Pensions sales more than doubled to £286m, driven by strong uptake of our regular premium Personal Retirement Savings Accounts
- Protection sales of £202m, remaining leading provider of protection products in the broker market
- Digitally enhanced our underwriting service, shortening the time taken to provide customers with cover

Assets under management

15% growth in assets under management



Flows

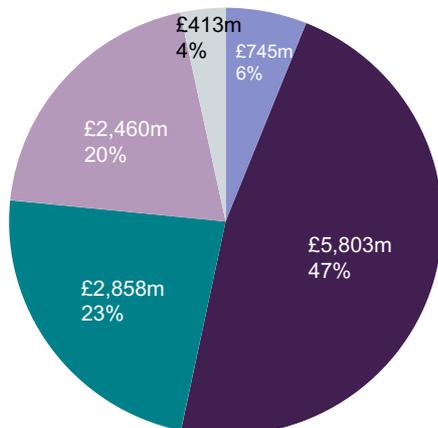
	Gross inflows		Net inflows / (outflows)	
	FY25 £m	FY24 £m	FY25 £m	FY24 £m
Asset Management	29,176	20,280	2,239	(2,432)
Life and pensions	13,313	11,545	1,866	1,395
Total	42,489	31,825	4,105	(1,037)

- Group AUM increased to £199bn
- Net inflows of £4.1bn comprised £2.2bn from Asset Management clients, underpinned by flows into liquidity funds and a new multi-asset mandate
- Life and pensions net inflows increased to £1.9bn supported by Governed Range and BPA transactions
- Flagship Governed Range AUM increased to £83bn

Balance sheet – investment portfolio

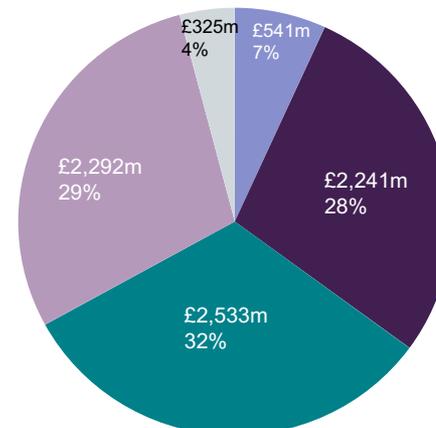
Our investment portfolio remains highly rated and well-diversified

Non-linked debt security portfolio at
31 December 2025: £12,279m



■ AAA ■ AA ■ A ■ BBB ■ BB and below (incl. NR)

Non-linked corporate bonds at
31 December 2025: £7,932m



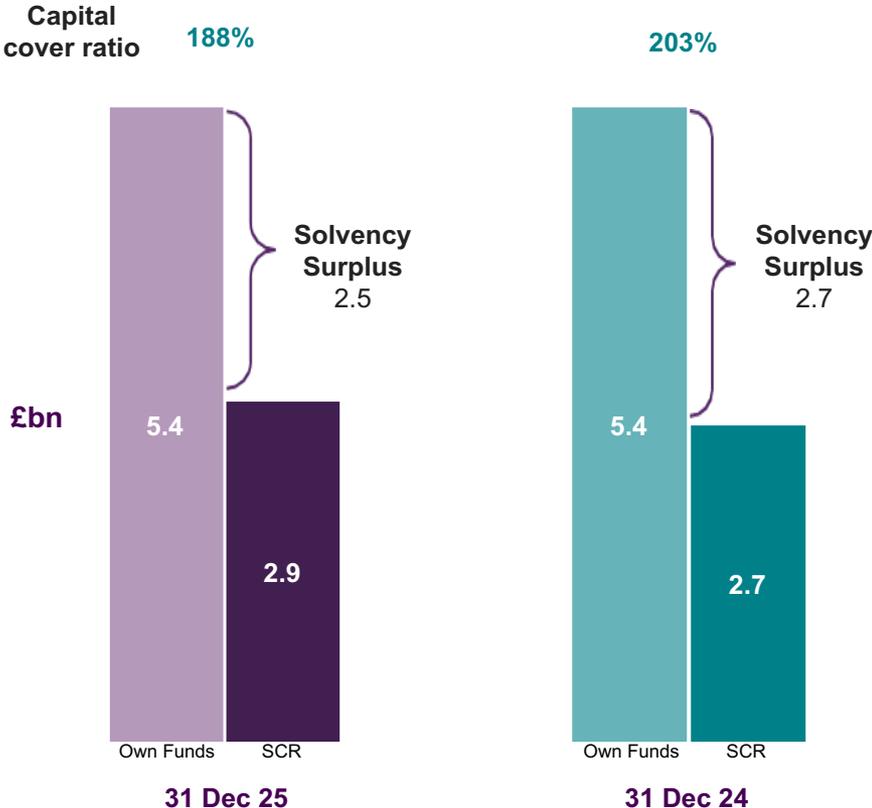
■ AAA ■ AA ■ A ■ BBB ■ BB and below (incl. NR)

- The investment portfolio increased to £139.1bn (FY24: £124.6bn) as a result of increases in fair value of equity and bond investments and positive net life and pensions flows
- No defaults in our corporate bond portfolio

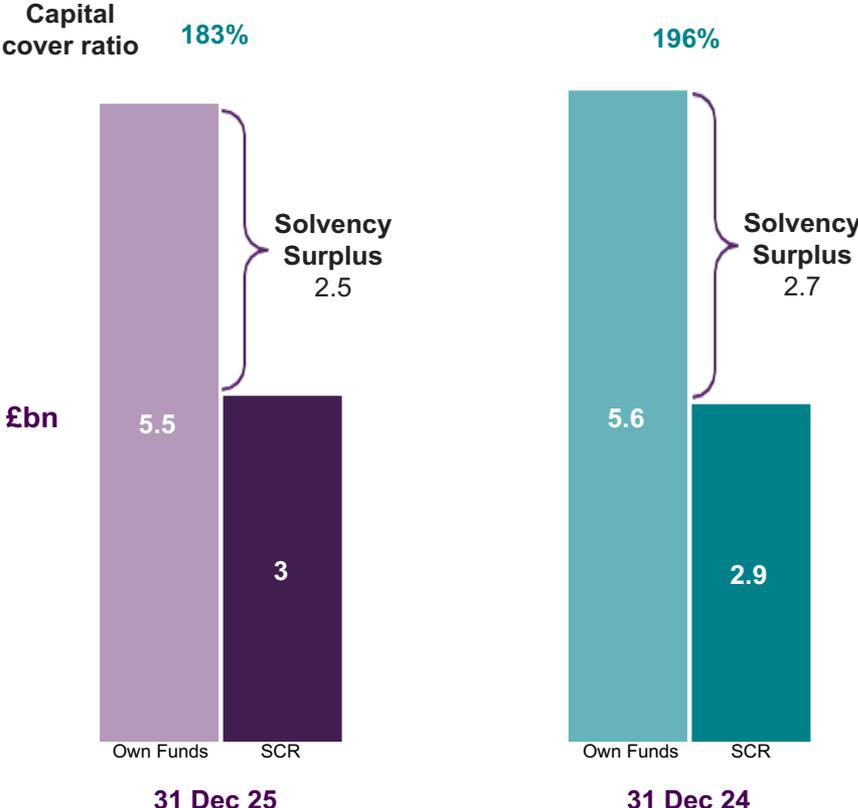
Capital

Robust capital position enables long-term decisions

Investor View

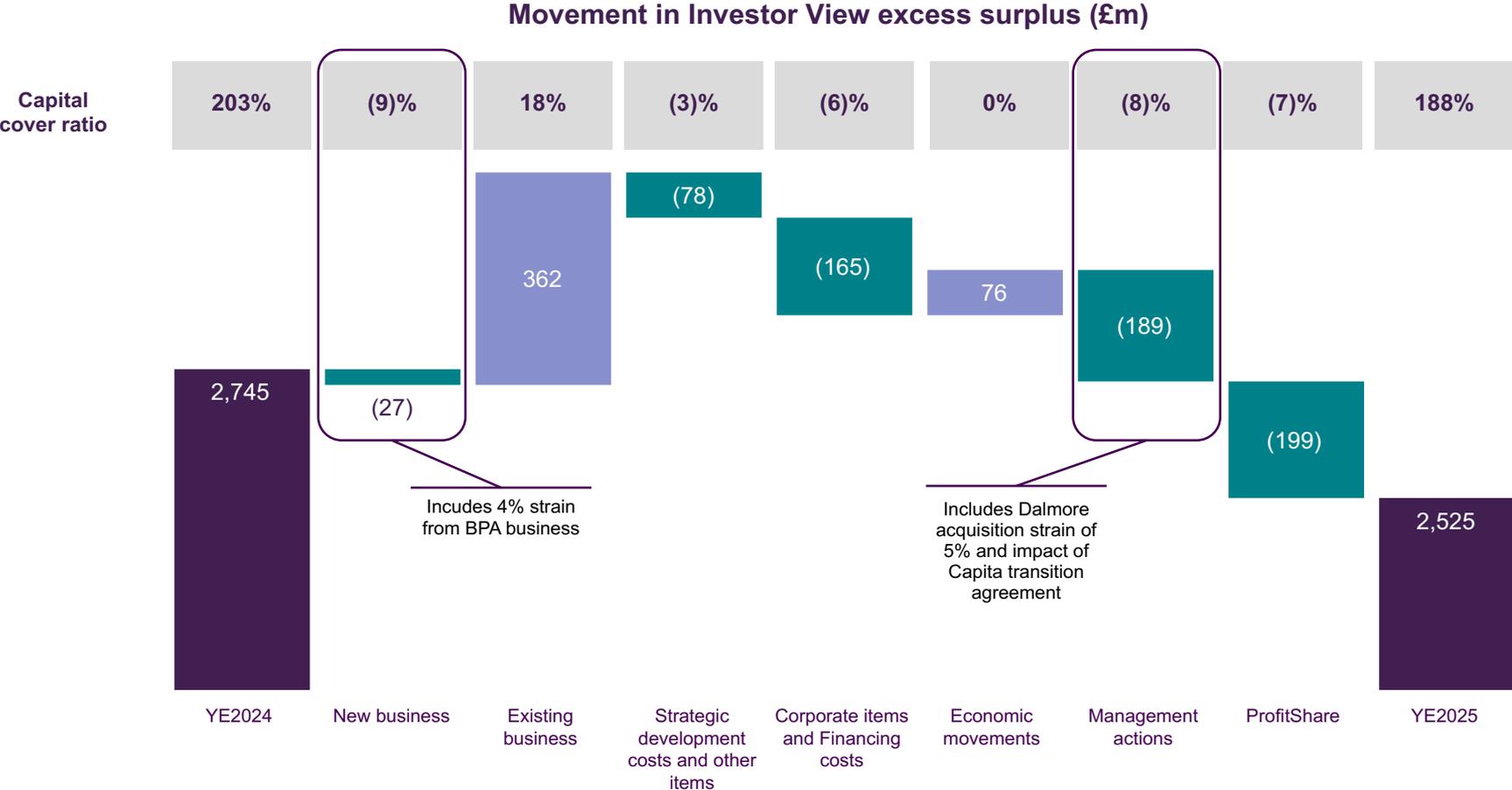


Regulatory View



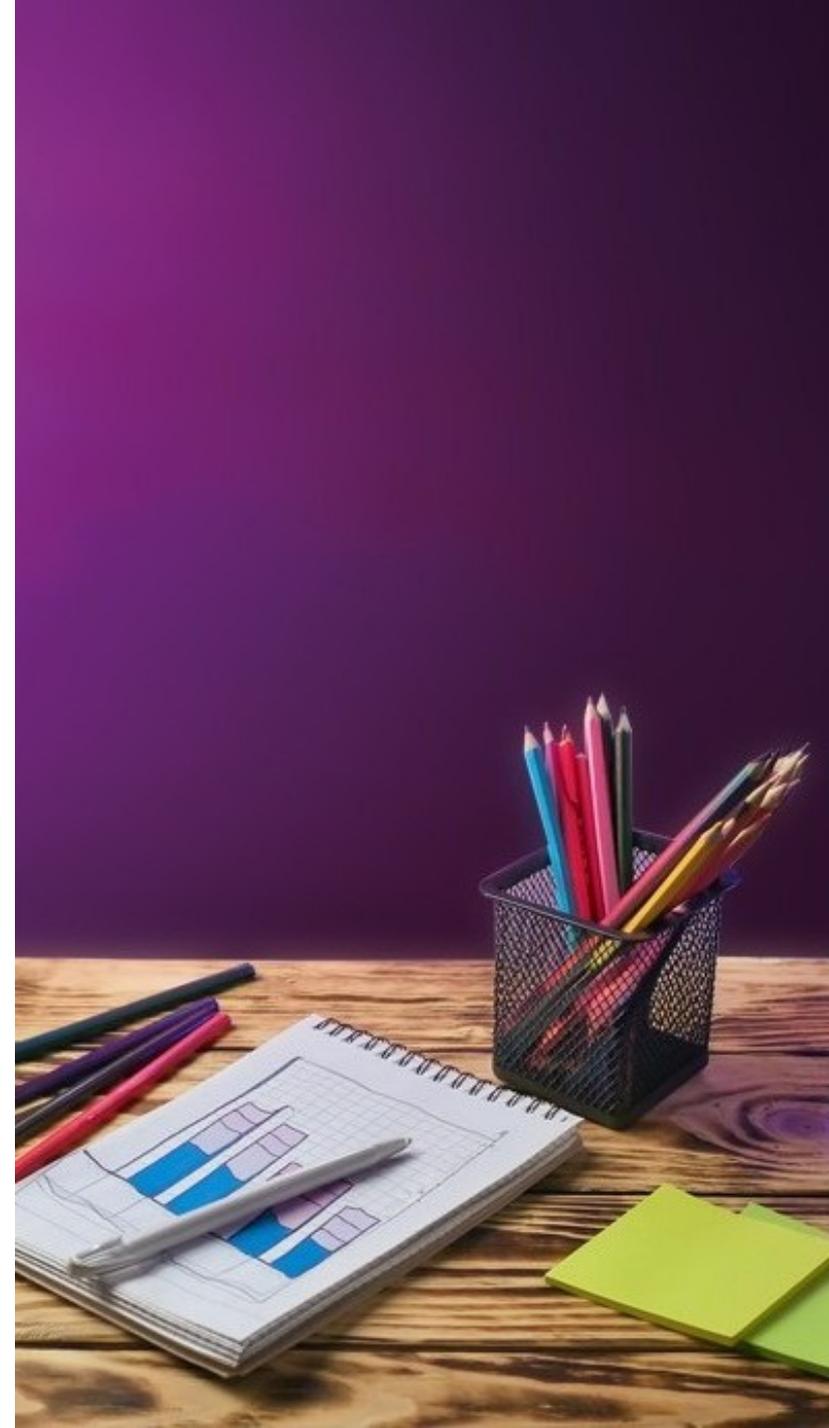
Capital – Group Investor View

Investment of capital in Dalmore and Bulk Purchase Annuities



Summary

- **Operating profit increased 18%** supported by the strength of our pensions business, higher Protection contribution and a full year of trading from our BPA proposition
- **New Business Sales up 13% to £12.2bn** reflecting an increasingly diversified business mix
- **AUM grew to £199bn** supported by net inflows of £4.1bn
- **Flagship Governed Range reached £83bn AUM**
- **Expanded our Private Assets** capabilities through new fund launches and Dalmore Capital acquisition
- **Stable balance sheet and robust capital position** enables flexibility and long-term approach to decision making



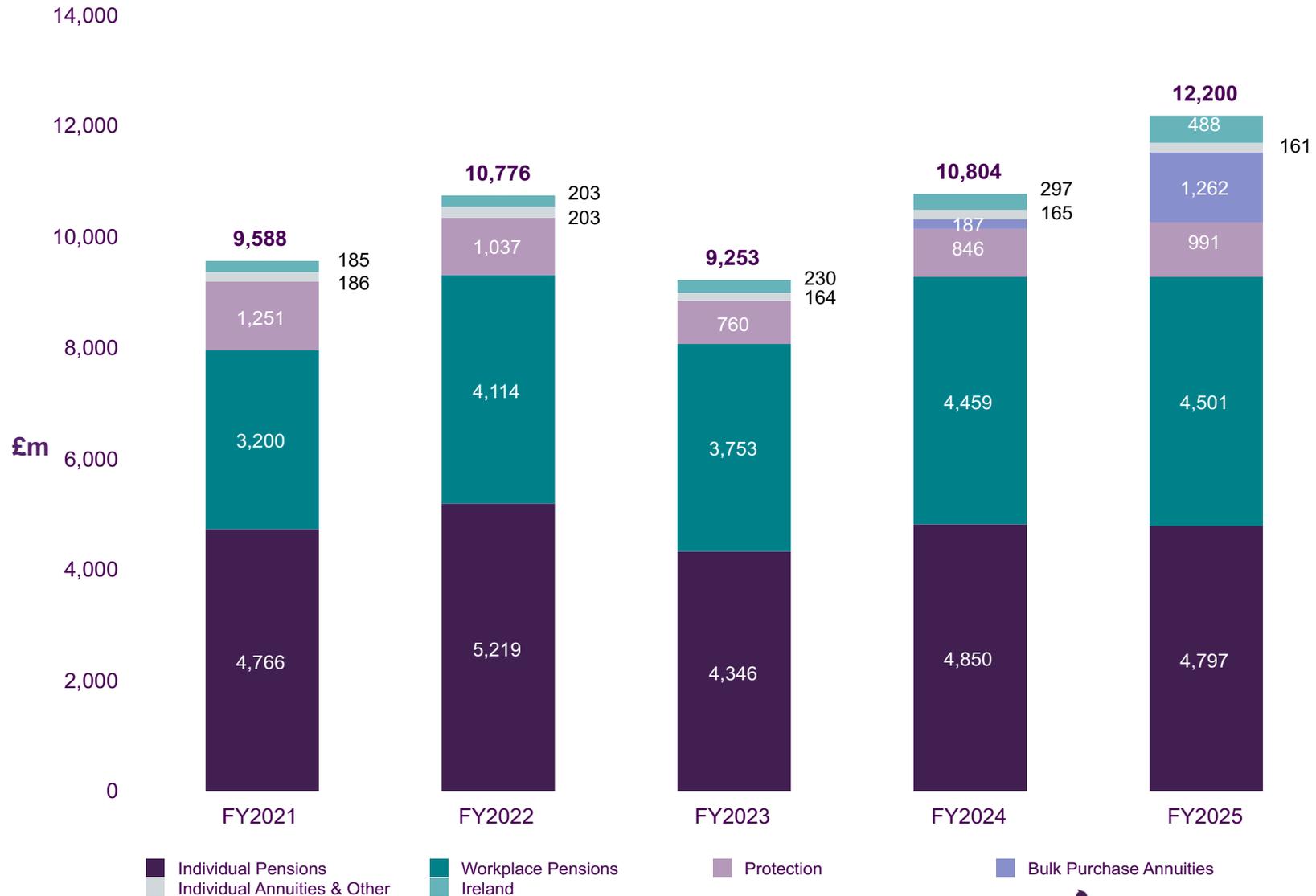


Q&A

Appendix 1 – Operating profit

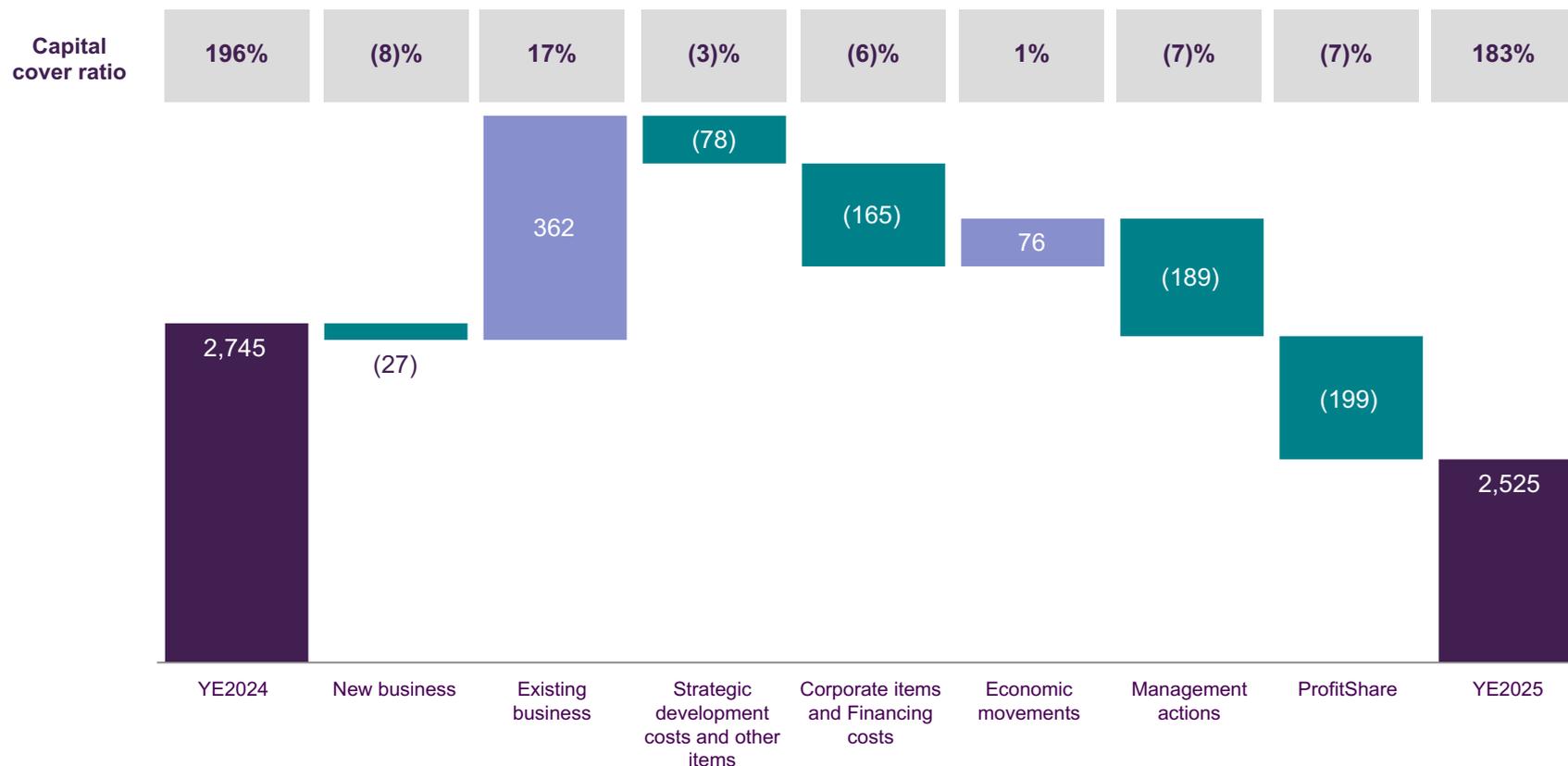
	FY 2025	FY 2024	Change	
Long-term business				
New business contribution	£281m	£209m	£72m	34%
Existing business contribution	£287m	£289m	£(2)m	(1%)
Contribution from AUM and other businesses	£74m	£81m	£(7)m	(9%)
Business development costs	£(68)m	£(54)m	£(14)m	26%
Strategic development costs	£(75)m	£(71)m	£(4)m	6%
Amortisation of intangibles	£(18)m	£(17)m	£(1)m	6%
Result from operating segments	£481m	£437m	£44m	10%
Corporate items	£(67)m	£(73)m	£6m	(8%)
Financing costs	£(87)m	£(87)m	£–m	–%
Group adjusted operating profit	£327m	£277m	£50m	18%

Appendix 2 – Life and pensions new business



Appendix 3 – Capital Group Regulatory View

Movement in Regulatory View excess surplus (£m)



Appendix 4 – Capital sensitivities

Solvency II Investor View Sensitivities

Scenario	Capital cover ratio %	Impact on solvency surplus (£bn)
Base: FY2025	188%	2.5
25% decrease in equity investments	5%	(0.1)
15% decrease in property prices	(1)%	(0.1)
100bps rise in interest rates	2%	-
100bps fall in interest rates	(3)%	-
25bps increase in Govt bond yields	(1)%	-
200bps widening in credit spreads	3%	-
20% of assets downgrading in MA portfolio	(1)%	-
15% fall in GBP exchange rates	(3)%	0.1

Solvency II Regulatory View Sensitivities

Scenario	Capital cover ratio %	Impact on solvency surplus (£bn)
Base: FY2025	183%	2.5
25% decrease in equity investments	5%	(0.1)
15% decrease in property prices	(1)%	(0.1)
100bps rise in interest rates	2%	-
100bps fall in interest rates	(4)%	-
25bps increase in Govt bond yields	(1)%	-
200bps widening in credit spreads	4%	-
20% of assets downgrading in MA portfolio	(1)%	-
15% fall in GBP exchange rates	(3)%	0.1

Appendix 5 – Fund structure

The RL Main Fund is the fund into which all the Group's new long-term savings and protection business is written.

- Total assets: £123.2bn
- Adjusted own funds*: £5.4bn



- Unit Linked
- RL Main: With-Profits
- Non Profit/Other
- Own Funds
- Matching Adjustment

- 90% of the RL Main Fund is Unit-Linked and With-Profits portfolios, where the policyholder bears the investment risk.
- The majority of the RL Main Fund's exposure to higher risk assets, such as equities and property, is held in the Unit-Linked and With-Profits portfolios.

Solvency II data at 31 December 2025
* Own Funds includes £0.2bn for RLI DAC

RL(CIS) is Royal London's closed fund, formed following the purchase of the Co-operative Insurance Society Ltd.

- Total assets: £23.2bn
- Adjusted own funds*: £1.7bn



- Unit Linked
- RL(CIS): With-Profits with GAOs
- RL(CIS): With-Profits without GAOs
- Non Profit/Other
- Own Funds

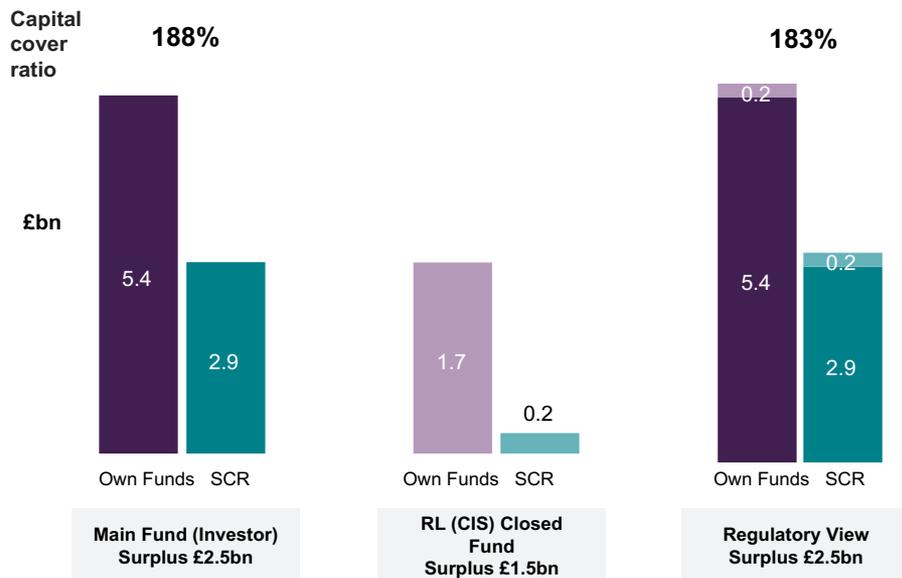
- The RL(CIS) fund is managed on a stand-alone basis, with hedging in place to maintain a stable level of solvency surplus as market conditions change.
- Circa 60% of the RL(CIS) Closed Fund is legacy With-Profits business, where the policyholder bears the investment risk. The majority of the fund's exposure to equities and property is held in the With-Profits portfolios.
- Over one third of the fund is With-Profits business with Guaranteed Annuity Options ("GAOs") that is sensitive to interest rates, prior to hedging.

Appendix 6 – Basis of Regulatory Ratio

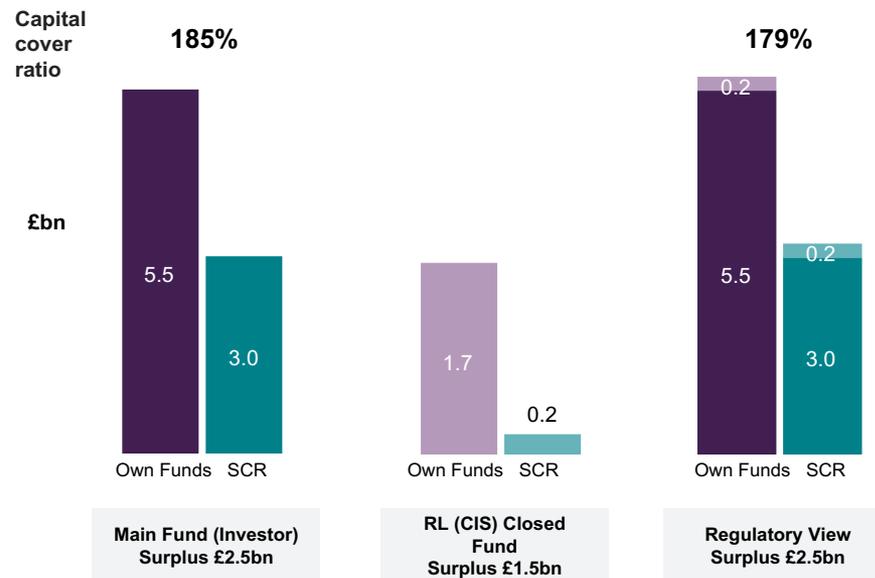
- At FY25, RL(CIS) has a solvency surplus of £1.5bn. As a closed fund, the RL(CIS) solvency surplus is ring-fenced and therefore the surplus is restricted to the value of the RL(CIS) SCR within the Regulatory View Surplus calculation (£0.2bn)
- Our approach to managing the RL(CIS) solvency surplus ensures the 'burn through' risk to the RL Main Fund is minimal

- Under a yield fall, the RL(CIS) SCR rises by £50m as the value of Guaranteed Annuity Options in the fund increase
- Hedging ensures that the solvency surplus in the RL(CIS) fund remains stable. However, the £50m increase in the RL(CIS) SCR further dilutes the Regulatory View Ratio

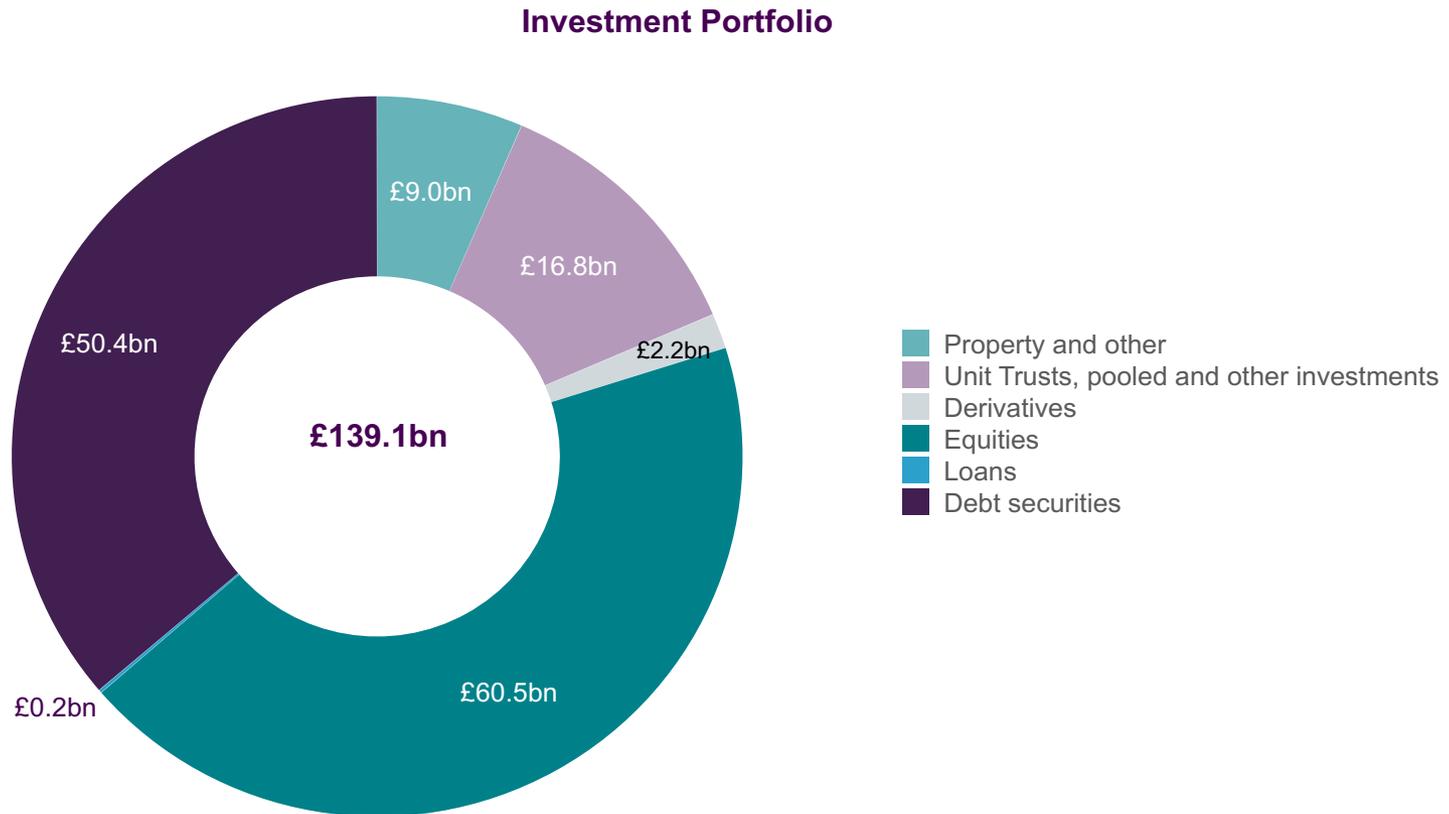
31 December 2025



Yields fall 100bps



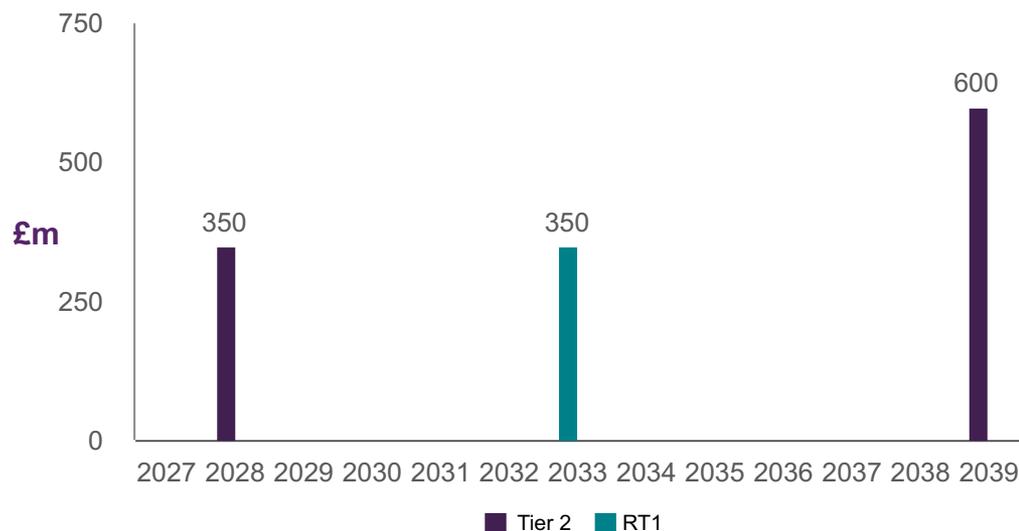
Appendix 7 – Investment portfolio



- **76%** (A rated or better non-linked debt securities)
- **67%** (A rated or better non-linked corporate bonds)
- Diversified investment portfolio

Appendix 8 – Debt maturity profile

First Call / Maturity



Solvency II debt leverage

23.3%

(FY2024 22.2%)

RLMIS credit rating

A2 / A (Stable)

Moody's / S&P

Current debt in issuance

Issue Date	Size	SII Classification	Coupon	First Call** / Maturity*	Rating (Moody's / S&P)
Nov 2015	£350m	Tier 2	6.125%	Nov 2028*	Baa1 / BBB+
Oct 2019	£600m	Tier 2	4.875%	Apr 2039**	Baa1 / BBB+
May 2023	£350m	RT1	10.125%	May 2033**	Baa3 / BBB

Footnotes

- 1 The information in this presentation relates to The Royal London Mutual Insurance Society Limited ('RLMIS' or 'the Company'), and its subsidiary undertakings, together referred to as 'Royal London' or 'the Group'.
- 2 The Group assesses its financial performance based on a number of measures, some of which are not defined or specified in accordance with relevant financial reporting frameworks such as UK GAAP or Solvency II. These measures are known as alternative performance measures (APMs). APMs are disclosed to provide further information on the performance of the Group and should be viewed as complementary to, rather than a substitute for, the measures determined according to UK GAAP and Solvency II requirements. Accordingly, these APMs may not be comparable with similarly titled measures and disclosures by other companies.
- 3 ProfitShare is a discretionary enhancement to eligible RLMIS customers with unit-linked or With-Profits policies. The allocation is considered annually and depends on a number of factors including financial performance, capital position, the risks and volatility of financial markets and the Group's outlook.
- 4 Group adjusted operating profit is an APM and is the transfer to the fund for future appropriations before other comprehensive income excluding: short-term investment return variances and economic assumption changes (economic movements); profit/(loss) arising from corporate transactions; ProfitShare; ValueShare; tax; and one-off items of an unusual nature that are not related to the underlying trading of the Group. Profits or losses arising within the closed funds are held within the respective closed fund surplus; therefore Group adjusted operating profit represents the result of the Royal London Main Fund (RL Main Fund) and the RLI DAC Open Fund. In previous periods, this metric was referred to as Group operating profit before tax and has been renamed to make clear that it is an APM; the basis of calculation is unchanged. All references to 'operating profit' and 'Group operating profit' in this document represent the APM measure 'Group adjusted operating profit'. References to 'UK', 'Asset Management' and 'Ireland' operating profit represent the relevant Result from operating segments included in the Segmental Information note to the Financial Statements.
- 5 Transfer to the fund for future appropriations represents the statutory UK GAAP measure 'Transfer to the fund for future appropriations' in the technical account within the Consolidated statement of comprehensive income.
- 6 Life and pensions new business sales is an APM and represents life and pensions business only, excluding Asset Management, other lines of business and Bulk Purchase Annuity buy-ins transacted with the Group's defined benefit pension schemes. New business sales are presented as the Present Value of New Business Premiums (PVNBP), which is the total of new single premium sales received in the period plus the discounted value, at the point of sale, of the regular premiums the Group expects to receive over the term of the new contracts sold in the period. The rate used to discount the cash flows is derived from the opening swap curve at the start of the financial period for all new business except annuities, where the rate used is the future yield (less an allowance for downgrade and default risk) on assets expected to back these annuitant liabilities over the lifetime of the contract.
- 7 Gross and net flows incorporate flows into Royal London Asset Management (RLAM) from external clients (Asset Management flows) and those generated from the Group's life and pensions business. Asset Management net flows represent external client inflows less external client outflows, including cash mandates. Life and pensions net flows represent the combined premiums and deposits received (net of reinsurance) less claims and redemptions paid (net of reinsurance). Given its nature, non-linked Protection business is not included.
- 8 Assets under management (AUM) is an APM and represent the total of assets managed by, or on behalf of, the Group, including funds managed on behalf of third parties. This includes assets where the beneficial ownership interest resides with third parties (and which are therefore not recognised in the UK GAAP balance sheet) but on which the Group earns fee revenue.
- 9 The capital cover ratio is calculated as the Group's Own Funds, being the regulatory capital under Solvency II, divided by the Solvency Capital Requirement (SCR). The 'Investor View' is an APM and equals the RL Main Fund capital position (i.e. excluding ring-fenced funds). The 'Regulatory View' solvency surplus and capital cover ratio exclude the closed funds' surplus as a restriction to Own Funds. All capital figures are stated on a Group Partial Internal Model basis.
- 10 The capital cover ratio is an APM and is calculated as the Group's Own Funds, being the regulatory capital under Solvency II, divided by the Solvency Capital Requirement (SCR). The 'Investor View' equals the RL Main Fund capital position (i.e. excluding ring-fenced funds). The 'Regulatory View' solvency surplus and capital cover ratio exclude the closed funds' surplus as a restriction to Own Funds. All capital figures are stated on a Group Partial Internal Model basis and the 2025 figure is estimated and unaudited.
- 11 Sensitivities include movements in the Transitional Measure on Technical Provisions (TMTP), which was formally recalculated at 31 December 2025. The sensitivities do not include any subsequent rebalancing of the asset portfolio.
- 12 Interest rate sensitivities assume that government and other bond yields and risk-free rates all move by the same amount. Interest rates are allowed to be negative.
- 13 The government bond yield sensitivity assumes risk-free rates and other yields remain constant. The Matching Adjustment rate and Volatility Adjustment have been reassessed in the stressed scenario.
- 14 The widening in credit spreads stress assumes a widening in all ratings and an associated increase in the discount rate for the Royal London Group Pension Scheme and Royal Liver pension schemes at 25% of the asset spread stress. The Matching Adjustment rate and Volatility Adjustment have been reassessed in the stressed scenario.
- 15 The 20% assets downgrade scenario assumes a uniform downgrade across all asset class holdings in the Matching Adjustment (MA) portfolio, with no recovery in asset holdings. The MA rate has been reassessed in the stress scenario.
- 16 Solvency II leverage ratio is the Solvency II value of the Group's outstanding debt (which is entirely subordinated liabilities) divided by the Group's Solvency II Own Funds (Regulatory View).

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Royal London may make verbal or written 'forward-looking statements' within this presentation, with respect to certain plans, its current goals and expectations relating to its future financial condition, performance, results, operating environment, strategy and objectives. Statements that are not historical facts, including statements about Royal London's beliefs and expectations and including, without limitation, statements containing the words 'may', 'will', 'should', 'continue', 'aims', 'estimates', 'projects', 'believes', 'intends', 'expects', 'plans', 'seeks' and 'anticipates', and words of similar meaning, are forward-looking statements. The statements are based on plans, estimates and projections as at the time they are made and involve unknown risks and uncertainties. These forward-looking statements are therefore not guarantees of future performance and undue reliance should not be placed on them.

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