

Royal London to share £199m with eligible customers**Barry O'Dwyer, Group Chief Executive Officer, commented:**

"We recorded another strong performance in 2025 with operating profit^a up 18%, reflecting the positive momentum across our business. This was supported by our first full year in the bulk purchase annuities market, where we secured a series of key transactions as trustees and advisers valued the stability and long-term commitment that a mutual can offer.

"Workplace Pensions are core to our business, providing 2.2 million customers with access to our flagship Governed Range investment portfolios. Our continued success and long-term focus as a mutual on customers are enabling us to invest £100m over the next three years to enhance our Workplace Pensions offer, allowing us to support an increasing number of employees with their retirement savings.

"We're owned by our customers and, when we do well, they share in our success. In April, we will share £199m with eligible customers through ProfitShare, bringing the total shared since 2007 to over £2bn – a tangible demonstration of mutuality in action.

"We continue to focus on helping customers to make informed choices to build lasting financial resilience. In 2025, we saw an increasing number of advisers choosing Royal London to meet customers' protection needs and we broadened our savings offering for our Individual and Workplace Pensions customers with the launch of our new Stocks and Shares ISA, which, like our pensions, qualifies for ProfitShare."

Highlights

- Our flagship Governed Range, where most of our pensions customers are invested, attracted net inflows of £2.6bn (2024: £3.2bn), with assets under management (AUM) reaching £83bn (2024: £72bn).
- Launched a Stocks and Shares ISA, expanding our investment offering and providing Individual and Workplace Pensions customers with greater choice for their medium to long-term savings.
- Protection new business sales rose 17% to £991m (2024: £846m), driven by enhancements to our proposition and increasing market share in a buoyant market.
- Customer satisfaction⁵ continues to rise, with 44% of customers rating Royal London 9 or 10 out of 10, up 12 points since the measure was introduced in 2020, and 70% now rate us 7 or higher.
- Our Bulk Purchase Annuity (BPA) buy-in business performed particularly strongly in our first full year of trading, with 18 completed transactions and £1.3bn of premiums.
- Expanded our Private Asset capabilities both through new fund launches and the acquisition of Dalmore Capital, extending the ability for Governed Range customers to access the potential benefits of diversified returns from private assets such as property and infrastructure.
- 80% (2024: 81%) of actively managed funds outperformed their three-year benchmark⁴ on an equally weighted basis and 51% (2024: 60%) outperformed on an AUM-weighted basis.
- Our Irish business delivered Protection and Pensions new business sales of £488m, up 64%.
- Contributed £3.5m towards social impact initiatives in 2025, including extending our partnership with Turn2us, a charity working to address financial insecurity across the UK, by another three years.

^a 'Operating profit' represents the APM measure 'Group adjusted operating profit'

Financials

		Year ended 31 December 2025	Year ended 31 December 2024
Performance	Group adjusted operating profit ⁶	£327m	£277m
	Transfer to the fund for future appropriations (FFA) ⁷	£167m	£167m
	ProfitShare ³	£199m	£181m
New business	Life and pensions new business sales ⁸	£12,200m	£10,804m
Inflows/(outflows)	Gross inflows ⁹	£42,489m	£31,825m
	Net inflows/(outflows) ⁹	£4,105m	£(1,037)m
		31 December 2025	31 December 2024
Funds	Assets under management ¹⁰	£199bn	£173bn
Capital¹¹ (Solvency II)	Regulatory View solvency surplus	£2.5bn	£2.7bn
	Regulatory View capital cover ratio	183%	196%
	Investor View solvency surplus	£2.5bn	£2.7bn
	Investor View capital cover ratio	188%	203%

- Group adjusted operating profit⁶ grew by 18% to £327m (2024: £277m) supported by the strength of our Pensions business, higher Protection contribution and a full year of trading from our BPA proposition.
- Transfer to the FFA⁷ of £167m (2024: £167m) included positive economic movements of £176m and the allocation of ProfitShare and is stated after a £51m one-off charge to reflect the expected impact of transitioning a number of legacy servicing arrangements from the Capita plc group over the next five years.
- Life and pensions new business sales⁸ were up 13% to £12,200m (2024: £10,804m) with our Pensions business continuing to deliver good new business flows and growth supported by a £1.1bn increase from BPA.
- Gross inflows⁹ rose to £42.5bn (2024: £31.8bn), with net inflows⁹ of £4.1bn (2024: £1.0bn net outflows) boosted by flows into liquidity funds and a new £4.6bn multi asset mandate with St. James's Place.
- Assets under management¹⁰ increased to a record £199bn (31 December 2024: £173bn) including £6bn from Dalmore Capital.
- Robust capital position supported investment in the business, with Investor View and Regulatory View¹¹ ratios of 188% (31 December 2024: 203%) and 183% (31 December 2024: 196%) after a 5% impact from the acquisition of Dalmore Capital and a 4% capital strain from writing BPA business.

Financial results conference call

Royal London will hold a conference call to present its 2025 Financial Results on Friday, 6 March 2026 at 08:30. Interested parties can register [here](#). A copy of the presentation to investors is available on the [Group's website](#).

For further information please contact:

Lora Coventry, Senior PR Strategy Manager (lora.coventry@royallondon.com / 07919 170673)

About Royal London

Royal London is the UK's largest mutual life, pensions and investment company and in the top 30 mutuals globally^b. Working with advisers and customers, we provide long-term savings, protection and asset management products and services. Our Purpose – 'Protecting today, investing in tomorrow. Together we are mutually responsible.' – drives us and defines the impact we want to have.

Financial calendar:

- 6 March 2026 – Financial Results for 2025 and conference call
- 27 May 2026 – RL Finance Bonds No. 6. plc subordinated debt interest payment date
- 2 June 2026 – Annual General Meeting
- 5 August 2026 – Interim Financial Results for 2026 and conference call
- 7 October 2026 – RL Finance Bonds No. 4 plc subordinated debt interest payment date
- 13 November 2026 – RL Finance Bonds No. 3 plc subordinated debt interest payment date
- 25 November 2026 – RL Finance Bonds No. 6 plc subordinated debt interest payment date

^b Based on total 2022 premium income. International Cooperative and Mutual Insurance Federation Global 500 Report, 2024

Notes to editors

1. The information in this announcement 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. Investment performance has been calculated for funds with a defined external benchmark on an equally weighted basis, by measuring the number of in-scope funds outperforming their three-year benchmark divided by the total number of in-scope funds and, on an AUM weighted basis, by using a weighted average of active assets under management. Benchmarks differ by fund and reflect their mix of assets to ensure direct comparison. Passive funds are excluded from this calculation as, whilst they have a place as part of a balanced portfolio, they represent a minority of our AUM as Royal London believes in the long-term value added by active management.
5. The Royal London Customer Value Statement (CVS) model tracks seven key pillars of importance across nearly 3,000 Royal London customers twice a year: Communicate, Membership, Resolution, Be Personal, Pay Out, Investment and Reputation. The results are reported by each factor and through an overarching CVS weighted index that represents the percentage of customers rating the company 9 or 10 out of 10 overall.
6. 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); loss arising from acquisitions and other 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.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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.

Review of the Year

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.

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 pension 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.

As a major workplace pensions provider, we are pleased to be a signatory to the Mansion House Accord. This is a voluntary initiative that encourages workplace pensions providers to increase investment in UK private assets, and we will do so where it is in our customers' best interests. We have also announced our backing for the Sterling 20 initiative, a UK-wide plan to drive regional growth and investment in infrastructure.

Within our portfolios we already allocate substantial investments to UK real estate and expect to increase our allocation to other private asset classes over time. Our acquisition of infrastructure asset manager Dalmore Capital, which we completed in November, supports this strategy and will help to broaden the selection of assets being invested in the Governed Range. Dalmore Capital specialises in infrastructure investments, primarily within the UK – including utilities, transport and energy networks – and has strong environmental and socially positive credentials across its portfolio.

Alongside our acquisition of Dalmore Capital, 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 pensions 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. These include our existing partnerships with Cancer Research UK and Turn2us – a charity working to tackle financial insecurity in the UK – and our new partnership with Groundwork, focused on a fairer, greener future for people, communities and nature. Levelling the playing field for women in sport continues to be the objective of our partnership with The British & Irish Lions. 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.

The importance we place on environmental, social and governance (ESG) principles is evident in our climate commitments, and our approach to responsible investment and stewardship. We remain committed to reducing emissions from our investment portfolio and operations, and our Climate Transition Plan, published in June, outlines our progress and the actions we are taking.

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.

UK

Market overview

The pensions market continued to grow in 2025 supported by resilient levels of employment and saving through workplace pensions. The industry continues to see increasing levels of pension consolidation as more customers bring their pension savings together when changing employer or approaching retirement. With many working age people not on track for an adequate level of retirement income, the overall rate of saving remains an industry concern. Fiscal uncertainty, particularly in the run-up to the Autumn Budget, has also meant that more customers have accessed their pension savings early.

The individual protection market grew strongly through a rebound in mortgage lending and increased demand for propositions supporting customers impacted by proposed changes to inheritance tax. These changes have increased demand for our whole-of-life products as advisers continue to support customers' estate planning needs.

The advice gap remains a challenge, with cost, accessibility, and awareness continuing to limit access to financial advice. In response, the FCA has finalised its framework governing the provision of a new regulated form of advice called Targeted Support, designed to help more consumers make informed financial decisions. These proposals represent a significant opportunity to give advice to millions more people who do not want to, or are unable to, pay for individual advice. Consumer Duty remained a central focus. While advisers continue to welcome its principles more broadly, the increased regulatory burden has led some firms to reduce their client base to ensure they maintain service quality and compliance with the standards.

Business performance

Our Workplace and Individual Pensions business maintained sales levels year-on-year. We delivered significant sales increases and market share growth in Protection and also in our BPA business in its first full year of trading. This new business growth supported an increase in UK operating profit to £425m (2024: £368m), demonstrating our increasingly diversified business model.

Continued investment in digital services improved experiences for our customers and advisers, with the number of customers logging into our mobile app at least once in the last 12 months increasing from 393,000 to 505,000. Our Retirement Planner service won Best Retirement Initiative at the 2025 Professional Adviser Awards, and our work to automate manual customer processes is helping to deliver better customer outcomes within our servicing teams. As more individuals are taking an active role in managing their savings, these improvements helped to deliver an 8% increase in the number of workplace pensions transferring to Royal London in 2025.

Supporting customers to understand their savings, income and protection options remains a key focus. We enhanced our mobile app to give customers a simpler, more personalised customer experience, with clearer content and new visual and audio guides. We also expanded our Workplace customer engagement programmes to support employees who are joining their employer's pension scheme, considering transferring a pension, or preparing for retirement.

We measure the impact our service enhancements have on customer satisfaction through our Customer Value Statement (CVS) score, across seven aspects that are important to customers (Communicate, Membership, Resolution, Be Personal, Pay Out, Investment and Reputation). Since 2020, when the measure was introduced, we have seen a 12 percentage point rise, to 44%, in customers who scored Royal London as 9 or 10 out of 10 across the seven measures, with 70% of customers now scoring us 7 or higher.

Pensions

Workplace Pensions new business sales in 2025 were in line with 2024 at £4.5bn following a significant increase in sales in recent years. We welcomed a further 230,000 Workplace members during the year (2024: 240,000), taking the total to 2.2m (2024: 2.1m). Supported by further enhancements to our digital transfer hub and a consolidation awareness campaign, we saw a growing number of customers transferring their pension savings to Royal London. We expanded our client management capabilities to support larger employers in managing their pension schemes. Gross Workplace Pensions flows increased by 10% reflecting our growing book of workplace schemes as well as the impact of wage inflation, although we continue to see more customers transferring their savings to alternative providers as they consolidate their pension pots. We want to support an ever-increasing number of employers to provide quality retirement savings solutions and so, over the next three years, we will be investing £100m to enhance our Workplace Pensions offering, allowing us to support an increasing number of employees with their retirement savings.

Our flagship Governed Range, where most pension customers are invested, attracted net inflows of £2.6bn in 2025, with AUM at 31 December 2025 growing by 15% to £83bn (31 December 2024: £72bn). Our Workplace AUM grew 23% over 2025 to £38bn reflecting strong net inflows of £2.8bn and market growth.

In 2025 we launched new governance and insight tools to empower employers. We introduced a range of education sessions, delivered by our pensions experts, to help employees engage with their pension and build financial resilience. We also enhanced our video benefits statements to include expanded content promoting our mobile app and financial wellbeing support to improve accessibility for visually impaired customers.

New business sales from Individual Pensions were stable at £4.8bn (2024: £4.9bn). We saw further growth in non-advised business to £833m (2024: £643m) as more customers chose to move into retirement with Royal London. We streamlined services for advisers through improved connectivity to multiple back-office systems, including becoming an early adopter of the digital Letter of Authority service. Overall Individual Pensions gross flows were in line with last year. Net outflows of £0.4bn reflected higher withdrawal activity, particularly in the second half of the year, influenced in part by customers responding to Budget speculation.

Innovations in mobile app functionality and retirement planning tools helped over 36,000 Workplace and Individual Pensions customers make informed decisions, while our service teams were recognised for excellence by regaining a five-star rating for Pensions at the Financial Adviser Service Awards. We retained our five-star Investment Provider rating for the 12th consecutive year.

We broadened our savings offering for our Individual and Workplace Pensions customers by successfully launching our Stocks and Shares ISA in September. This is designed to be simple for individuals to access via our mobile app or website and easy for employers to offer alongside our workplace pension. The expansion of our savings offering reflects our commitment to helping customers to save for their future and feel more secure today. Take-up has been positive so far with over 1,800 customers already opening an ISA account.

Protection

Protection new business sales increased 17% to £991m (2024: £846m). Growth was driven by further momentum in Mortgage related business and high net-worth business, benefitting from our proposition which supports estate planning needs where demand has increased following the 2024 Budget. This includes strong performance in our 'Joint Life Second Death' term product, which was launched in late 2024 alongside our Whole-of-Life offering. The strength of our proposition, service and distribution support has been recognised through multiple industry awards. We continue to evolve and improve our Protection offering, expanding customer choice, supporting our distribution partners and enhancing our digital capability. We have redesigned our adviser website, allowing advisers to see real-time policy changes, and supporting retention activity.

Delivering good customer outcomes remains at the heart of our approach. 532,000 customers are now registered with our online service and nearly a quarter of a million customers actively use it to access their information and better understand their plans and options. 98% of protection claims were paid out during 2025, providing £771m to over 57,000 UK customers and their families.

Royal London engaged with the FCA on its Pure Protection Market Study into whether the market is delivering fair value and good outcomes for consumers, providing input to emphasise the importance of reaching more customers, transparency, customer value, and market integrity. We continue to work with industry bodies such as the ABI to ensure this leads to meaningful improvements for customers, advisers and providers and enables as many people as possible get the cover they need.

Annuities and Later Life

2025 marked our first full year in the BPA market, following our entry in September 2024. During the year we completed 18 buy-in transactions with external pension schemes, covering over 7,800 individuals' benefits and £1.3bn of premiums. These transactions ranged in size from £7m up to our £275m transaction with the Grant Thornton Pensions Fund in May. We have now completed transactions with eight professional trustee firms and 10 different advisory firms, demonstrating the wide appeal of the only mutual-led offering in this market.

We continue to expect a significant flow of BPA to come to market over the coming years, but the addition of new private equity capital will increase competition. Our BPA offering is benefitting from the Private Assets capabilities we are building in our Asset Management business, as we are now able to source a broader range of private asset classes, such as infrastructure debt and income producing real estate, with attractive risk-adjusted returns. We are well positioned to meet the needs of trustees and pension scheme members in our target range of small and mid-sized schemes, but we will continue to exercise pricing discipline in a rapidly changing market.

In addition to the transactions with external schemes, we also completed a £362m partial buy-in with the Royal London Group Pension Scheme in August. This second tranche, which follows on from last year's initial buy-in, means that we have now insured the benefits of more than 6,500 members of this scheme.

Our Individual Annuities proposition is available to Longstanding customers invested in the RL (CIS) With-Profits Fund with pension policies that have guaranteed annuity rates. The total new business volumes over 2025 were £123m (2024: £165m), reflecting the continuing impact of higher interest rates on annuity take-up rates and premium levels.

Following the rebrand of Responsible Lending Limited to Royal London Equity Release in 2024, we have now completed the integration of the business into our core operating model and processes. We launched a new online 'quote and apply' service, with over 1,000 advisers now registered, and introduced a drawdown option and lower early repayment charges for our Royal London-funded proposition. Our advice service, Royal London Equity Release Advisers, has continued to expand in 2025, with over 2,000 customers receiving specialist advice on their later life lending options. The service offers access to specialist whole-of-market advisers for equity release and other later-life lending products, such as retirement interest-only mortgages.

Longstanding customers

During 2025, our focus has been on delivering good outcomes for our Longstanding customers (customers of products that are no longer open to new business). We have taken steps to re-engage with 51,000 Industrial Branch customers, resulting in 5,700 policy benefits being claimed. In addition, we reduced annual charges by £1.2m on Unit Linked policies, benefitting 43,000 customers.

We aim to distribute the estate of the closed RL (CIS) With-Profits Fund (CIS Fund) to relevant policyholders fairly over time. Since our acquisition of the CIS business in 2013, distributions to eligible Longstanding customers from the CIS Fund estate have steadily increased, highlighting our continued focus on managing risks. In April 2025, with-profits policyholders benefitted from a 5% enhancement to their asset shares, increasing the potential for them to receive higher payouts in the future.

In December 2025 we entered into an agreement to bring in-house the administration of a significant number of Longstanding customer policies which are currently outsourced to the Capita plc group (Capita). The move reflects our commitment to ensuring long-term service quality for our customers, with the transition of services being carried out in phases over the next five years.

Looking ahead

Continued investment in our core propositions will create further opportunities to enhance customer outcomes. We plan to expand the integration of Private Asset capabilities within our Governed Range, increasing diversification options for customers. Our planned major investment in our Workplace Pensions proposition over the next three years will support more employers with a high-quality solution, further improving the experience for members. In addition, we expect to enter into the first of our BPA buy-in to buy-out conversions.

We remain committed to championing the value of impartial financial advice and supporting advisers in delivering positive outcomes for their customers. At the same time, we recognise that full, personalised advice is not accessible or affordable for everyone. To address this, we will continue to invest in high-quality financial guidance and embed this support across our digital tools and customer experiences. The introduction of Targeted Support should broaden access to advice for many more customers. By strengthening our digital guidance capabilities and deepening partnerships with advisers, we aim to help more customers build long-term financial resilience.

Asset Management

Market overview

Global equity markets delivered positive returns in 2025 despite periods of volatility. Global markets began the year positively, although US equities initially lagged while other regions outperformed. Concerns over the new US administration's tariffs, initiatives from the Department of Government Efficiency, and the release of a Chinese AI large language model by DeepSeek, dented the narrative of US exceptionalism in the early part of the year. Confidence subsequently returned, with performance into the second half of 2025 increasingly dominated by US equities, particularly large tech firm stocks. By the end of the year, major global indices had reached new all-time highs, reflecting robust investor sentiment and resilience across markets, although some investors are rotating toward money market funds as a defensive move amid bubble fears.

Bond markets also experienced heightened volatility during the year. Despite this, sterling credit markets delivered positive returns, primarily driven by income. Corporate bonds initially underperformed relative to government bonds, but over the year benefitted from strong investor demand and modest declines in underlying government bond yields, resulting in positive annual returns.

Responsible investing has faced renewed scrutiny amid political debate, concerns about greenwashing, and the short-term outperformance of sectors such as defence and tobacco compared to traditionally sustainable industries. In contrast to this, some firms have gained mandates from ESG-focused investors who are divesting from managers perceived to be retreating from sustainability commitments, creating an opportunity we are well positioned to benefit from.

Business performance

Asset Management operating profit decreased to £39m in 2025 (2024: £59m). This reflects our continued strategic investment in Private Assets and Property, which we expected to reduce profitability as we build our capabilities. It also includes the impact on fee revenues from the effect of Global Equity and Sustainable outflows across 2024 and 2025 and actions taken to reduce costs to mitigate the overall impact on profitability.

Our Private Assets business continues to build momentum and we have now launched two public and one private asset-backed securities funds. These asset-backed strategies, alongside our growing Private Placements activity and the first elements of our Commercial Real Estate Finance capability, strengthen our ability to source a broader range of assets with attractive risk-adjusted returns to support new business inflows as well as the development of our BPA business. To accelerate growth and enhance our capabilities in Private Assets, we completed the acquisition of Dalmore Capital, a leading UK-based infrastructure asset manager, in November. The acquisition broadens our investment proposition and enables the ability to offer retail savers access to the potential long-term returns from private assets through our Governed Range.

We delivered significant investment and product developments in 2025. We launched our first Collateralised Loan Obligation (CLO) at the end of 2025 and our second in February this year. We expanded our global footprint, making our first hire in Australia and launching four funds in the country. Our short-term money market fund surpassed £10bn AUM during the year, and we also launched a Healthcare REIT demonstrating the ongoing development of our Property business.

Flows and funds

Strong investment performance is fundamental to sustaining long-term growth and client confidence. Investment performance of actively managed funds⁴ remains competitive with 80% (2024: 81%) of funds outperforming their three-year benchmark on an equally weighted basis. On an AUM weighted basis over the three years, 51% (2024: 60%) outperformed their benchmark. Peer rankings are positive for key open-ended investment companies (OEICs), with 85% (2024: 64%) of funds in the top two quartiles over the three-year period.

The Group's AUM grew to £199.2bn (2024: £173.4bn) driven by positive market movements of £16.1bn, net inflows of £4.1bn and the acquisition of Dalmore Capital which contributed £5.6bn. Overall net inflows for the year of £4.1bn (2024: net outflows of £1.0bn) comprised £2.2bn of net inflows from Asset Management clients and a further £1.9bn from customers in the life and pensions business of the Group.

Asset Management net inflows were underpinned by a £4.6bn multi asset solutions mandate win from St. James's Place and flows into our liquidity funds, partially offset by reduced Global Equities outflows in the year of £2.3bn (2024: £4.3bn), following the departure of several members of the team in 2024, and £1.2bn from Sustainable funds.

Life and pensions net inflows increased to £1.9bn (2024: £1.4bn) supported by BPA transactions and positive net pensions flows.

Responsible investment

Our Asset Management business takes a distinctive approach to active management. As part of a customer-owned mutual, we are free from the pressures of short-term shareholder expectations. Our priority is our clients, and we focus on delivering long-term investment outcomes. Responsible investing is at the heart of what we do because we believe that companies with strong governance and sound management practices make better investments over time. During 2025, our Asset Management business completed 658 engagements with investee companies and voted at nearly 4,400 company meetings.

Acting as trusted stewards of our clients' assets has always been central to our Purpose and will remain so in the future. This commitment aligns closely with Royal London's strategic objectives, which naturally reinforce a strong responsible investment philosophy.

We believe that integrating responsible investment principles not only benefits society, it also enhances returns for our investors. Recognising the opportunities in this space, we are continually evolving our approach - investing in our people and infrastructure to play our part in building a more sustainable world. In April 2025 all eight UK-based funds in our £11bn Sustainable fund range adopted a Sustainability Focus label under the FCA's Sustainable Disclosure Requirements (SDR). This milestone highlights our experience and long-term track record in sustainable investing and underscores our commitment to help investors navigate the evolving regulatory landscape. The Sustainability Focus label demonstrates to clients how sustainability considerations are consistently integrated in our investment decisions, helping them to make informed decisions. Underlying everything we do is our commitment to transparency and the belief that interconnectedness – between our clients, society, and the environment – creates stronger, more resilient outcomes for all.

Looking ahead

We will continue to enhance our proposition through product innovation, leveraging modern fund structures such as Exchange Traded Funds and CLOs to meet an increasingly diverse set of client needs. At the same time, we are harnessing our Private Assets expertise to generate new revenues as well as reinforcing our Royal London customer propositions, including the Governed Range and the BPA business.

Our aim is to be an asset manager that puts clients at the heart of everything we do. To deliver on this promise we are partnering with leading technology and service providers to deliver a first-class client experience, with a unified client interface, on a scalable operating platform. We also continue to strengthen our organisational commitment to responsible investing, supporting our Purpose outcomes of helping build financial resilience and playing our part in moving fairly to a sustainable world.

Ireland

Market overview

The Irish pensions and protection markets continued to show strong growth in 2025, supported by a resilient economy and stable employment, which helped to sustain customer confidence in long-term financial planning. Modified Domestic Demand – a core measure of underlying Irish economic activity – grew by approximately 4% during the year.

Financial brokers remain the leading influence on customers' financial product choices and are our sole distribution channel in Ireland. Brokers hold the largest share of the market and play a vital role in delivering high-quality advice and a broad range of options to customers. We continue to work closely with brokers to support their businesses – providing tools, technical guidance and service enhancements to help them meet evolving customer needs and deliver good long-term outcomes.

Business performance

In 2025, new business sales grew 64% to £488m. This strong growth was across both Protection and Pensions and resulted in an Ireland operating profit of £17m (2024: £10m).

Royal London Ireland remains the leading provider of protection products in the broker market, and our position as pensions provider continues to grow, driven by our strong product proposition and consistently high service standards. We were recognised for the eighth consecutive year by Brokers Ireland for the service we deliver to brokers and their customers.

Customer service remains central to our proposition. Our Trustpilot reviews consistently averaged five stars throughout 2025, reflecting our focus on clear communication and customer support. Towards the end of the year, we launched a nationwide advertising campaign highlighting our five-star Trustpilot score across radio, print, out-of-home and social media. The campaign conveyed our pride in delivering consistent excellent customer service and encouraged people to engage with their financial broker.

Protection

Sales of our Protection products grew to £202m (2024: £188m) reflecting our continued focus on maintaining our strong Protection position and helping customers and their families protect and build their financial resilience. Sales of our core Protection products have increased year-on-year with significant growth in Serious Illness volumes in particular following product enhancements introduced in late 2024.

Financial brokers continued to rate Royal London Ireland as the best provider for protection products in 2025. Our competitive value for customers and claims ethos were factors contributing to this award.

This year, we introduced a further digital enhancement to our underwriting service. This offers a faster and more secure option for customers' general practitioners to provide medical reports, so that customers can get the cover they need quickly and with confidence.

In 2025, we paid out 99% of claims – totalling £50m to 4,800 customers and their families in Ireland – providing vital support when it mattered most. In addition, with our Helping Hand support service, customers have access to specialist nurses, counselling and practical help, offering care that goes beyond financial protection.

Pensions

Our Pensions new business sales more than doubled to £286m for the year (2024: £109m) as we saw more financial brokers choosing to recommend our pension products – giving customers even more choice across Approved Retirement Funds, Personal Retirement Bonds and Personal Retirement Savings Accounts (PRSAs) to help secure their futures. This growth is reflective of our first full year providing PRSAs, which launched in November 2024, with our regular premium PRSA already our most popular product.

We introduced an online suitability tool and sustainable investing resources, making it easier for brokers and customers to match sustainable investing goals, risks and values with more confidence. We celebrated four years since our Multi Asset funds launched in the Irish market, and also reclassified our Multi Asset Funds as Article 8 under the Sustainable Finance Disclosure Regulation (SFDR), to improve transparency, so customers can see how their investments align with environmental and social standards.

In April 2025, we announced our third ValueShare award – another way we share our success – giving eligible customers a boost of 0.13% to their policies. This feature is unique in the Irish market and is demonstrative of our mutual mindset.

Looking ahead

We are investing in digital tools and systems to enhance our offering to customers and brokers, and to continue to offer compelling products that meet their needs. We remain a firm advocate of the benefits of impartial financial advice in helping customers to build and secure their financial resilience and are focused on delivering the best possible outcomes for customers and brokers.

With the Irish government's auto-enrolment initiative, MyFutureFund, which launched in January 2026, more people will have access to pensions – an important step towards wider pension coverage. With this increased focus on pensions, the role that financial brokers play becomes more important than ever, helping to provide the necessary advice to employers and employees and to explore other product options that may better suit individual needs within the existing pension taxation regime.

Financial Review

Group operating profit^c for the year ended 31 December 2025 increased by 18% to £327m (2024: £277m). Our Pensions business is the largest contributor to our results which has been supported by strong growth in Workplace Pensions over recent years. Having launched our Stocks and Shares ISA, we are now focused on how we support millions more customers with their retirement savings and will be investing £100m over the next three years in our Workplace proposition. The increasing breadth of products we offer has driven the growth in 2025 operating profit with higher new business contribution from our Protection business and the first full year of trading from our BPA proposition, launched in the second half of 2024.

Assets under management rose to a record £199bn, supported by market growth and the acquisition of Dalmore Capital. As expected, the contribution from our Asset Management business decreased as a consequence of our continued investment in new capabilities to support future growth, combined with the full year impact of net outflows from our Global Equities strategies across 2024 and 2025.

ProfitShare for the year totalled £199m (2024: £181m), with allocation rates consistent with previous years. This reflects our ongoing commitment to sharing returns with eligible customers, helping to enhance the long-term value of their savings.

The transfer to the fund for future appropriations (FFA) of £167m (2024: £167m) includes additional items not recognised in operating profit, including a one-off charge of £51m to reflect the expected impact of transitioning a number of legacy servicing arrangements to Royal London from Capita over the next five years, ProfitShare allocations and tax charges, partially offset by positive economic movements during the year.

Our capital position remains robust with an estimated Solvency II Investor View capital cover ratio of 188% (31 December 2024: 203%). Over 2025 we have used our capital position to support the acquisition of Dalmore Capital and to write new BPA business during the year. The estimated Solvency II Regulatory View capital cover ratio decreased to 183% (31 December 2024: 196%).

Group adjusted operating profit

The following table shows Group operating profit^c for the year ended 31 December 2025. Further details of the Group's segmental reporting is included in note 2 of the Financial Statements.

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

^c References to 'Group operating profit' represent the APM measure 'Group adjusted operating profit'

New business contribution

New business contribution increased to £281m (2024: £209m), including £45m from the first full year of trading in our BPA business. New business margin for the year improved to 2.3% (2024: 1.9%). Performance was particularly strong in our Protection business, reflecting growth in sales to the high net-worth segment, with the favourable product mix supporting the growth in margins. While new business sales on a present value of new business premiums (PVNBP) basis in our pension products were flat year on year, new business contribution reduced, reflecting changing new business mix and higher relative costs.

	New business contribution		PVNBP		New business margin	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 %	2024 %
Individual Pensions	55	66	4,797	4,850	1.1	1.4
Workplace Pensions	80	85	4,501	4,459	1.8	1.9
Protection	77	27	991	846	7.7	3.2
Bulk Purchase Annuities	45	7	1,262	187	3.6	4.0
Individual Annuities and other	7	11	161	165	4.2	6.6
UK	264	196	11,712	10,507	2.2	1.9
Ireland	17	13	488	297	3.6	4.3
Total	281	209	12,200	10,804	2.3	1.9

UK

Individual Pensions new business sales were £4,797m (2024: £4,850m). The reduction in volumes year on year reflected lower levels of advised business across both accumulation and drawdown, although we saw growth in our non-advised Income Release proposition. The changing mix and the impact of lower charges for customers with smaller pension pots led to new business margins decreasing to 1.1% (2024: 1.4%), with new business contribution reducing to £55m (2024: £66m) as a result.

Workplace Pensions new business sales rose slightly to £4,501m (2024: £4,459m). We saw 3% growth in both transfers and new entrants into existing schemes supported by continued enhancements to our digital transfer hub and broader developments in our Workplace proposition. New scheme sales volumes were lower, primarily as a result of two larger scheme wins in 2024. The changing mix of new business and higher relative costs resulted in new business contribution and margin decreasing to £80m (2024: £85m) and 1.8% (2024: 1.9%) respectively.

Protection new business sales grew by 17% to £991m. Growth was driven by increased demand for Whole-of-Life and 'Joint Life Second Death' term products, particularly among high-net-worth customers focusing on estate planning following Budget changes to inheritance tax announced in late 2024. This shift to higher-case sizes and resulting favourable product mix improved new business margin to 7.7% (2024: 3.2%), with new business contribution rising to £77m (2024: £27m).

Following our launch into the BPA market during the second half of 2024, we successfully transacted with a further 18 new external pension schemes in 2025, generating new business sales of £1,262m (2024: £187m) at a new business margin of 3.6% (2024: 4.0%).

Individual Annuities and other new business sales were £161m (2024: £165m), including £38m relating to our newly launched Stocks and Shares ISA. Individual Annuities sales fell due to lower take-up of guaranteed annuity rates in a higher interest rate environment. New business contribution decreased to £7m (2024: £11m) with margins also lower at 4.2% (2024: 6.6%).

Ireland

New business sales grew to £488m (2024: £297m), primarily through increased Pensions sales of £286m (2024: £109m) following the launch of our regular premium Personal Retirement Savings Account product in late 2024. Protection new business sales rose to £202m (2024: £188m) due to increased volumes in serious illness and income protection. New business contribution increased to £17m (2024: £13m), while new business margin decreased to 3.6% (2024: 4.3%) reflecting the increasing proportion of Pensions sales within overall volumes.

Existing business contribution

Existing business contribution increased to £287m (2024: £289m), summarised in the table below.

	2025 £m	2024 £m	Change £m
Expected return	283	255	28
Experience variances and assumption changes	47	(9)	56
Modelling and other changes	(43)	43	(86)
Total	287	289	(2)

Expected return for the year increased by £28m to £283m, mainly due to a half percentage-point increase in the risk-free rate compared to the rate applied in 2024.

Experience variances and assumption changes represented a gain of £47m (2024: £9m charge). This includes the positive impact of higher than expected Workplace Pensions premiums received during the year and a charge for persistency assumption changes, particularly with respect to the assumed level of pension transfers as customers consolidate their pension pots.

Modelling and other changes represented a charge of £43m (2024: £43m gain) as part of ongoing refinements to ensure that our actuarial models remain as reliable as possible.

Contribution from AUM and other businesses

Contribution from AUM and other businesses decreased to £74m (2024: £81m), primarily due to expected reductions in the contribution from our Asset Management business. This followed investment in new capabilities to support future growth including in Private Assets and Property, and a reduction in margins following outflows on Global Equities and Sustainable funds across 2024 and 2025.

Business development costs

Business development costs increased to £68m (2024: £54m) as we continued to strengthen our propositions in our UK and Asset Management businesses. In the UK, costs of £46m (2024: £38m) included those to enhance our digital services, including our mobile app and website, and to improve our customer experience. Asset Management costs of £22m (2024: £16m) were incurred as we continued to develop data and technology to enhance client service and reporting, alongside investment in new capabilities such as Private Assets and CLOs.

Strategic development costs

Strategic development costs of £75m (2024: £71m) reflect the costs of ongoing longer-term investment we are making across our businesses. £73m relates to the UK business as we launched our Stocks and Shares ISA, further developed our BPA capabilities ahead of our first buy-out in 2026, and enhancements to our digital advice tools in preparation for the launch of Targeted Support in 2026. Costs in our Asset Management and Ireland segments reduced following the completion of their respective key projects during 2024.

Amortisation of intangibles

Amortisation of intangibles of £18m (2024: £17m) relates to capitalised software assets.

Corporate items and financing costs

The net charge for Corporate items of £67m (2024: £73m) includes costs arising from strengthening the Group's operational resilience, investing in our data capabilities, responding to regulatory change and items relating to the Group's defined benefit pension schemes.

Financing costs of £87m (2024: £87m) primarily represent the interest payable on the Group's subordinated debt.

Reconciliation of Group adjusted operating profit to transfer to the FFA

The transfer to the FFA of £167m (2024: £167m) was lower than our operating profit primarily due to ProfitShare allocations and tax.

	2025 £m	2024 £m	Change £m
Group adjusted operating profit	327	277	50
Economic movements	176	179	(3)
Loss arising from acquisitions and other corporate transactions	(43)	(15)	(28)
ProfitShare	(199)	(181)	(18)
Profit before tax and before transfer to the fund for future appropriations	261	260	1
Tax attributable to long-term business	(94)	(93)	(1)
Transfer to the fund for future appropriations	167	167	-

Economic movements

Economic movements include £180m (2024: £66m charge) of short-term investment return variances from our longer-term expected return assumptions on the surplus assets of the RL Main Fund, for which the overall return was 8.9% during 2025 (2024: 5.1%). It also includes a £70m gain (2024: £258m gain) from changes to economic assumptions used to value liabilities, primarily due to changes in risk-free rates. The remaining charge of £74m (2024: £13m charge) comprises other economic-related modelling and other changes.

Loss arising from acquisitions and other corporate transactions

The loss arising from acquisitions and other corporate transactions comprises amortisation of goodwill and acquisition-related intangible assets, adjustments in respect of prior acquisitions and a one-off charge to reflect the expected impact of transitioning a number of legacy servicing arrangements to Royal London from Capita over the next five years.

During the year the Group purchased Dalmore Capital, a UK-based infrastructure asset manager, for an initial cash consideration of £103m plus deferred consideration of up to £35m. Goodwill and intangible assets totalling £151m were recognised as part of the transaction which is now being amortised.

In December 2025, the Group reached an agreement with Capita to bring in-house the administration of longstanding customer policies currently outsourced to Capita. The transition of services will be carried out in phases over the next five years. Pursuant to the agreement, Royal London received approximately 4.96% of Capita plc's issued share capital, subject to customary lock-up arrangements during the migration, with a further three payments of £10m each to be received in stages on the first, second and third anniversary of the migration completion. Included within the loss arising from acquisitions and other corporate transactions is a charge of £51m for the estimated costs of migrating operations and the impact on insurance contract liabilities for the change in post-migration servicing costs resulting from the agreement, partially offset by the recognition of the present value of Capita plc shares transferred and future completion milestone payments to be paid by Capita.

ProfitShare

ProfitShare represents an allocation of part of the Group's profits by means of a discretionary enhancement to asset shares and unit fund values of eligible policies of UK customers. Also included is ValueShare, which provides a discretionary enhancement to unit fund values for eligible policies of customers in Ireland.

ProfitShare allocation rates for 2025 were maintained, with total ProfitShare for the year increasing to an estimated £199m (2024: £181m). The enhancements from ProfitShare were 1.2% or 0.3% for eligible With-Profits policies (2024: 1.2% and 0.3% respectively) and 0.15% for eligible unit-linked policies (2024: 0.15%).

Balance sheet

Over the course of 2025, our total investment portfolio^d increased in value to £139.1bn (31 December 2024: £124.6bn), as a result of increases in fair value, primarily in equity and bond asset classes, and positive net life and pensions flows. At 31 December 2025, £3,416m of assets were ring-fenced (31 December 2024: £1,748m) in the Matching Adjustment (MA) portfolio. The MA portfolio of assets grows as we write more BPA business. It includes a mix of corporate bonds, gilts, cash, commercial real estate loans, income producing real estate and infrastructure debt.

^d The investment portfolio is the total of 'Investments' and 'Assets held to cover linked liabilities' in the Group Balance sheet

Our financial investment portfolio remains well diversified across a number of financial instrument classes, with the majority invested in equity securities and fixed income assets.

A significant portion of our debt securities portfolio is in assets with a credit rating of 'A' or above. In our non-linked portfolio, 77% (31 December 2024: 78%) of our non-linked debt securities and 67% (31 December 2024: 69%) of our non-linked corporate bonds had a credit rating of 'A' or better at 31 December 2025. There have been no defaults in our corporate bond portfolio.

Assets under management

Assets under management (AUM) increased to £199bn (31 December 2024: £173bn) including £6bn from the acquisition of Dalmore Capital and positive market movements of £16bn.

	Gross inflows		Net inflows/(outflows)	
	2025 £m	2024 £m	2025 £m	2024 £m
Asset Management	29,176	20,280	2,239	(2,432)
Pensions	11,127	10,383	2,627	3,213
Annuities	1,799	754	1,646	663
Longstanding customers and other life and pensions	387	408	(2,407)	(2,481)
Life and pensions	13,313	11,545	1,866	1,395
Total	42,489	31,825	4,105	(1,037)

Asset Management represents flows from external clients into our Asset Management business. These improved to a £2.2bn net inflow (2024: £2.4bn net outflow) which included a £4.6bn multi asset mandate from St. James's Place. Net outflows from other strategies totalled £2.4bn including net outflows of £2.3bn in Global Equities and £1.2bn from Sustainable funds partly offset by net inflows into our liquidity funds.

Life and pensions represents flows generated from our Life and Pensions business. These increased to £1.9bn (2024: £1.4bn), driven by positive Workplace Pensions net inflows and the BPA buy-in policies transacted with external pension schemes and the Royal London Group Pension Scheme (RLGPS) in the year. Longstanding customers and other life and pensions flows were a net outflow of £2.4bn (2024: £2.5bn), primarily reflecting the run-off of products that are no longer open to new business.

Pension schemes

The Group operates three defined benefit pension schemes. The net surplus of the three schemes at 31 December 2025 was £134m (31 December 2024: £164m). The largest scheme, RLGPS, had a surplus of £78m as at 31 December 2025 (31 December 2024: £108m). The scheme remains well funded, with high levels of hedging within the scheme and relatively low allocations to growth assets.

On 18 August 2025 the trustees of the RLGPS Scheme transacted a second BPA buy-in policy with RLMIS, with approximately 40% of the liabilities related to the scheme now being covered by buy-in policies.

The Group's two other schemes operate for former Royal Liver employees. The Royal Liver UK and Royal Liver Ireland schemes are similarly well funded and had surpluses as at 31 December 2025 of £21m and £35m respectively (31 December 2024: £23m and £33m).

Strength of our capital base

The strength of our capital base is essential to our business, both to ensure we have the capital to fund further growth and to give peace of mind to our customers that we can meet our commitments to them.

Managing our capital base effectively is a key priority for us. In common with others in the industry, we present two views of our capital position: an Investor View for analysts and investors in our subordinated debt; and a Regulatory View where the closed funds' surplus is excluded as a restriction to Own Funds.

We review our capital management framework regularly, although we would not expect the ranges within which we manage our capital to change frequently. On an Investor View basis, we manage the solvency coverage ratio (the investor ratio) within an acceptable range, the lower end of which is 165%. In the ordinary course of business, we expect to operate with an investor ratio above 180%, although the ratio may fall below that level for a period as a result of investing for long-term growth or as a result of market events.. Given the business is managed for the benefit of its members and customers on a long-term basis, the level of the investor ratio of the business may also be higher to provide flexibility for future investment in the business. We expect the Regulatory View solvency coverage ratio to be above 150%.

Key metrics	31 December 2025 (estimated)	31 December 2024
Regulatory View solvency surplus	£2,525m	£2,745m
Regulatory View capital cover ratio	183%	196%
Investor View solvency surplus	£2,525m	£2,745m
Investor View capital cover ratio	188%	203%

The reduction in both Regulatory and Investor View cover ratios reflects our ongoing investment in the business including a 5% impact from the acquisition of Dalmore Capital and a 4% capital strain from writing BPA business, as well as the impact of the transition agreement reached with Capita. We expect the investor ratio to continue to reduce gradually over the short term as we write more BPA business and continue to invest in additional capabilities.

The Group's Solvency Capital Requirement reflects the diversified nature of our market and insurance risk exposures. In particular, longevity risk written through our Annuities businesses diversifies well with other risks of the in-force book of business.

We continue to broaden the range of illiquid assets we invest in within the Matching Adjustment Portfolio and entered into a new private placement credit mandate with RLAM during the year. We also successfully gained regulatory approvals for infrastructure debt and income-producing real estate debt assets, broadening the scope of illiquid debt assets available for investment.

Within the UK, Royal London has one closed fund, the RL(CIS) Fund. The capital and liquidity position of this closed fund is managed on a standalone basis. The fund continues to be well capitalised with the residual estate being distributed to policyholders over time.

We continue to monitor closely our capital position given market volatility and wider global economic pressures. Scenario testing performed as part of our regular capital management activities demonstrates that our capital position continues to be robust under a number of severe but plausible market scenarios.

The estimated Solvency II leverage ratio^e is 23% (31 December 2024: 22%), with the level of outstanding debt unchanged over the year.

Sensitivity analysis of Group Solvency II capital position

Our capital position is sensitive to changes in economic and non-economic assumptions. The 'Solvency II Investor View sensitivities' table below sets out a sensitivity analysis of the estimated capital cover ratio and solvency surplus based on possible different scenarios. The results of the sensitivity analysis show that the Group capital position is not materially impacted even in the event of significant external market volatility.

The 2025 Single Group Solvency and Financial Condition Report will be published on our website by April 2026.

Scenario ^f	Investor View capital cover ratio (%)	Impact on solvency surplus (£bn)
Base scenario: 31 December 2025	188	2.5
25% decrease in equity investments	5	(0.1)
15% decrease in property prices	(1)	(0.1)
100bps rise in interest rates ^g	2	-
100bps fall in interest rates ^g	(3)	-
25bps increase in government bond yields ^h	(1)	-
200bps widening in credit spreads ⁱ	3	-
20% of assets downgrading in MA Portfolio ^j	(1)	-
15% fall in GBP exchange rates	(3)	0.1
PRA Life Insurance Stress Test (LIST) 2025 ^k	(1)	(0.4)

^e 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 estimated Solvency II Own Funds (Regulatory View)

^f 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.

^g 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.

^h 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.

ⁱ 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.

^j 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.

^k Relates to the results of stage 3 of the Financial markets (core) stress scenario from the PRA LIST 2025 exercise.

Rating agencies

Two leading agencies, Standard & Poor's (S&P) and Moody's, regularly issue ratings on us. We carry an 'A' rating from S&P Global Ratings with a stable outlook and an 'A2' rating with Moody's, also with a stable outlook.

Tax

We are a major taxpayer and recognise that taxation is an essential way for businesses and individuals to contribute to society.

We are subject to various taxes, including corporate taxes, employment taxes on salaries and indirect taxes such as VAT. The corporation tax that the Company pays is a proxy for policyholder tax liabilities, paid on behalf of certain life assurance policyholders. For these life policies, tax is charged on taxable income, less expenses, and is largely driven by market movements. This tax is paid directly to HMRC by the Company as corporation tax on behalf of policyholders.

For pension policies, returns to the policyholder accumulate without incurring a similar corporation tax charge. This is part of the UK government's strategy of incentivising saving for retirement. Tax is paid directly by the pension policyholder when they receive their pension.

In 2025, the total tax contribution of the Group was £701m (2024: £651m). This is made up of £151m (2024: £132m) incurred directly by the Group and that impact our results, and £550m (2024: £519m) administered by the Group and collected from others for onward payment to HMRC and other tax authorities. During the year there was a net repayment of UK corporation tax of £7m. This repayment has been excluded from the numbers above. The numbers above also exclude transition and withholding taxes suffered by investment funds that are not consolidated.

Principal risks and uncertainties

The principal risks and uncertainties facing the Group are set out in the 'Principal risks and uncertainties' section of the Strategic Report within Royal London's 2025 Annual Report and Accounts (ARA) (royallondon.com/about-us/our-performance/investor-relations/).

The risks and uncertainties continue to be monitored and managed through our risk management system, including those related to the economy and Royal London's key markets, the risks associated with climate change and cyber security, and the political and regulatory environment.

Forward-looking statements

Royal London may make verbal or written 'forward-looking statements' within this announcement, 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.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, some of which will be beyond Royal London's control. Royal London believes factors could cause actual financial condition, performance or other indicated results to differ materially from those indicated in forward-looking statements in the report. Potential factors include but are not limited to: geopolitical conditions; the impact of international unrest and conflicts; UK and Ireland economic and business conditions; future market-related risks such as high interest rates; and the performance of financial markets generally; the policies and actions of governmental and regulatory authorities (for example, new government initiatives); the impact of competition; the effect on Royal London's business and results from, in particular, mortality and morbidity trends, lapse rates; and the timing, impact and other uncertainties of future mergers or combinations within relevant industries. These and other important factors may, for example, result in changes to assumptions used for determining results of operations or re-estimations of reserves for future policy benefits.

As a result, Royal London's future financial condition, performance and results may differ materially from the plans, estimates and projections set forth in Royal London's forward-looking statements. Royal London undertakes no obligation to update the forward-looking statements in this announcement or any other forward-looking statements Royal London may make. Forward-looking statements in this announcement are current only at the date on which such statements are made. This announcement has been prepared for the members of Royal London and no one else. None of Royal London, its advisers or its employees accept or assume responsibility to any other person and any such responsibility or liability is expressly disclaimed to the extent not prohibited by law. The Royal London Mutual Insurance Society Limited is registered in England and Wales (99064) at 80 Fenchurch Street, London, EC3M 4BY. www.royallondon.com

Financial Statements

Consolidated statement of comprehensive income

for the year ended 31 December 2025

	Group	
Technical account – long-term business	2025 £m	2024 £m
Gross premiums written	2,997	1,851
Outwards reinsurance premiums	(583)	(358)
Earned premiums, net of reinsurance	2,414	1,493
Investment income	5,697	4,643
Unrealised gains on investments	7,711	5,046
Other income	786	728
Total income	16,608	11,910
Claims paid		
Gross claims paid	(3,365)	(3,318)
Reinsurers' share	756	616
Change in provisions for claims		
Gross amount	(19)	11
Reinsurers' share	(34)	46
Claims incurred, net of reinsurance	(2,662)	(2,645)
Change in long-term business provision, net of reinsurance		
Gross amount	(1,503)	268
Reinsurers' share	(290)	12
	(1,793)	280
Change in technical provision for linked liabilities, net of reinsurance	(10,732)	(8,247)
Change in technical provisions, net of reinsurance	(12,525)	(7,967)
Change in non-participating value of in-force business	299	309
Net operating expenses	(720)	(652)
Investment expenses and charges	(456)	(409)
Other charges	(283)	(286)
Total operating expenses	(1,459)	(1,347)
Profit before tax and before transfer to the fund for future appropriations	261	260
Tax attributable to long-term business	(94)	(93)
Transfer to the fund for future appropriations	167	167
Balance on technical account – long-term business	-	-
Other comprehensive income, net of tax:		
Remeasurement of defined benefit pension schemes	(28)	(7)
Foreign exchange rate movements on translation of Group entities	13	(10)
Deduction from the fund for future appropriations	(15)	(17)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	-	-

As a mutual company, all earnings are retained for the benefit of participating policyholders and are carried forward within the fund for future appropriations. Accordingly, the total comprehensive income for the year is always £nil after the transfer to or deduction from the fund for future appropriations.

Balance sheets

as at 31 December 2025

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
ASSETS				
Intangible assets				
Goodwill	90	33	14	17
Negative goodwill	(20)	(25)	(2)	(3)
	70	8	12	14
Other intangible assets	210	134	103	109
	280	142	115	123
Non-participating value of in-force business	3,383	3,085	3,378	3,085
Investments				
Land and buildings	36	75	36	75
Investments in Group undertakings and participating interests	-	-	14,451	14,040
Other financial investments	35,071	33,275	21,421	19,884
	35,107	33,350	35,908	33,999
Assets held to cover linked liabilities	104,017	91,279	103,620	91,113
Reinsurers' share of technical provisions				
Long-term business provision	2,967	3,278	2,920	3,231
Claims outstanding	156	141	140	124
Technical provisions for linked liabilities	(66)	(57)	(66)	(57)
	3,057	3,362	2,994	3,298
Debtors				
Debtors arising out of direct insurance operations	57	21	54	19
Debtors arising out of reinsurance operations	57	61	46	46
Other debtors	3,375	3,280	3,246	3,161
	3,489	3,362	3,346	3,226
Other assets				
Deferred taxation	7	3	-	-
Tangible fixed assets	28	25	-	-
Cash at bank and in hand	454	499	275	282
	489	527	275	282
Prepayments and accrued income				
Deferred acquisition costs on investment contracts	49	50	27	42
Other prepayments and accrued income	77	62	2	1
	126	112	29	43
Pension scheme asset	134	164	134	164
Total assets	150,082	135,383	149,799	135,333

Balance sheets continued

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
LIABILITIES				
Subordinated liabilities	1,286	1,284	1,286	1,284
Fund for future appropriations	4,408	4,256	4,808	4,529
Technical provisions				
Long-term business provision	32,306	30,906	32,435	31,001
Claims outstanding	428	404	384	365
	32,734	31,310	32,819	31,366
Technical provisions for linked liabilities	103,804	91,072	103,407	90,906
Provisions for other risks				
Deferred taxation	214	107	197	109
Other provisions	177	176	148	172
	391	283	345	281
Creditors				
Creditors arising out of direct insurance operations	292	300	271	280
Creditors arising out of reinsurance operations	1,494	1,540	1,482	1,530
Amounts owed to credit institutions	61	27	60	27
Other creditors including taxation and social security	5,430	5,123	5,321	5,118
	7,277	6,990	7,134	6,955
Accruals and deferred income	182	188	-	12
Total liabilities	150,082	135,383	149,799	135,333

Notes to the Financial Statements

1. Basis of preparation

The Financial Statements of the Group have been prepared in accordance with the recognition and measurement requirements of UK accounting standards, including Financial Reporting Standard (FRS) 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' and FRS 103, 'Insurance Contracts'.

The accounting policies applied in the Financial Statements are the same as those applied in the Group's 2025 ARA. The full UK GAAP accounting policies can be found in the Group's 2025 ARA on the Royal London website (royallondon.com/about-us/our-performance/investor-relations/).

The Results Announcement for the year ended 31 December 2025 does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial information in this Results Announcement has been derived from the Group Financial Statements within the Group's 2025 ARA. The Group's 2024 ARA has been filed with the Registrar of Companies, and the 2025 ARA will be filed in due course. The results on a UK GAAP basis for the full year 2025 and 2024 have been audited by KPMG LLP (KPMG). Both their reports were (i) unqualified, (ii) did not include a reference to any matters to which they drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The Financial Statements have been prepared on a going concern basis under the historical cost convention, as modified by the inclusion of certain assets and liabilities at fair value as permitted or required by FRS 102.

The Group regularly performs sensitivities and stress testing on a range of severe but plausible scenarios. Stress testing has been performed on the capital position for severe adverse economic and demographic impacts arising over the short to medium term, and on the liquidity position for severe adverse economic impacts over the short term. The most adverse scenarios contain severe but plausible assumptions including adverse economic and insurance risk impacts, prolonged effects from cost of living pressures and subdued financial markets, significant third party failure and the effects of climate change on economic and insurance risks. There are a range of management actions, both in the RL Main Fund and the closed RL (CIS) With-Profits Fund, available to the directors in stress scenarios which could be considered if there were a deterioration in the capital and/or liquidity position of the Group, to restore the position back within risk appetite.

Sufficient liquidity is available to settle liabilities as they fall due and the capital and liquidity positions remain sufficient to cover capital requirements and liquidity requirements respectively in all scenarios tested.

Having considered these matters and after making appropriate enquiries, the directors are satisfied that the Group has adequate resources to continue to operate as a going concern for a period of at least 12 months from the date of approval of the Financial Statements. For this reason, they consider it appropriate to continue to adopt the going concern basis in preparing the Financial Statements. The directors have also concluded that there are no material uncertainties over the Group's ability to adopt the going concern basis of accounting.

2. Segmental information

Operating segments

The operating segments reflect the level within the Group at which key strategic and resource allocation decisions are made and the way in which operating performance is reported internally to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company's Board of Directors.

The activities of each operating segment are described below:

UK

The UK business provides propositions to customers, employers and pension scheme trustees, primarily through intermediaries. Products offered include workplace and individual pensions, as well as protection products, ISA savings, bulk purchase annuities and other later life offerings.

Asset Management

The Asset Management business provides investment propositions to Royal London's life and pensions customers and to external institutional and wholesale clients, primarily through intermediaries.

Ireland

The Ireland business provides propositions to customers through brokers. Products offered include individual pensions and protection products.

Group adjusted operating profit

A key measure used by the Company's Board of Directors to monitor performance is Group adjusted operating profit, which is classed as an Alternative Performance Measure. The Company's Board of Directors consider that this facilitates comparison of the Group's performance over reporting periods as it provides a measure of the underlying trading of the Group.

Group adjusted operating profit excludes short-term investment return variances. Expected return therefore represents the longer-term investment return expected to be generated by the net assets of the Royal London Main Fund based on our opening economic assumptions applied to assets held at the start of the year. Any differences between the expected and actual investment return are shown outside of Group adjusted operating profit within Economic movements.

The results by segment, forming part of the Group's adjusted operating profit, are shown in the following table.

	Group – 2025			
	UK £m	Asset Management £m	Ireland £m	Total £m
Long-term business				
New business contribution	264	-	17	281
Existing business contribution	285	-	2	287
Contribution from AUM and other businesses	7	67	-	74
Business development costs	(46)	(22)	-	(68)
Strategic development costs	(73)	-	(2)	(75)
Amortisation of intangibles	(12)	(6)	-	(18)
Result from operating segments	425	39	17	481
Corporate items				(67)
Financing costs				(87)
Group adjusted operating profit				327

	Group – 2024			
	UK £m	Asset Management £m	Ireland £m	Total £m
Long-term business				
New business contribution	196	-	13	209
Existing business contribution	287	-	2	289
Contribution from AUM and other businesses	(8)	89	-	81
Business development costs	(38)	(16)	-	(54)
Strategic development costs	(58)	(8)	(5)	(71)
Amortisation of intangibles	(11)	(6)	-	(17)
Result from operating segments	368	59	10	437
Corporate items				(73)
Financing costs				(87)
Group adjusted operating profit				277