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CHIEF EXECUTIVE  
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DIRECTOR**

# OVERVIEW OF 2017



New life and pension business - Up by **38%** to over **£12bn**



EEV operating profit before tax - Increased by **17%** to **£329m**



Funds under management - Record high of **£114bn**



Strong Capital position - **159%** regulatory capital cover

# KEY DEVELOPMENTS

Investment in the  
business

Operational  
efficiency



# EEV OPERATING PROFIT INCREASE

DRIVEN BY STRONG NEW BUSINESS



- Driving factor of pension freedoms and auto-enrolment

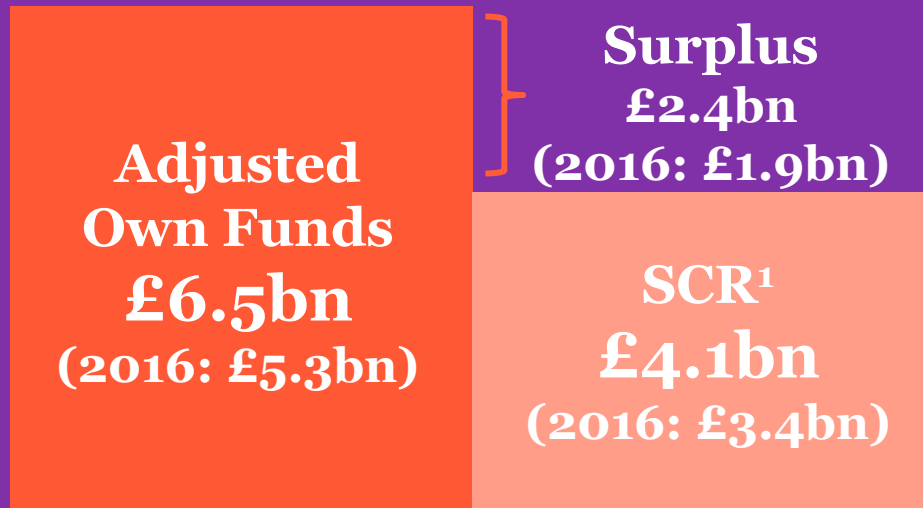
# CAPITAL STRENGTH

## REGULATORY CAPITAL VIEW

### Regulatory View

**Capital cover 159%**  
**(2016: 155%)**

- Regulatory view Surplus **£2.4bn** - Capital cover ratio **159%**.

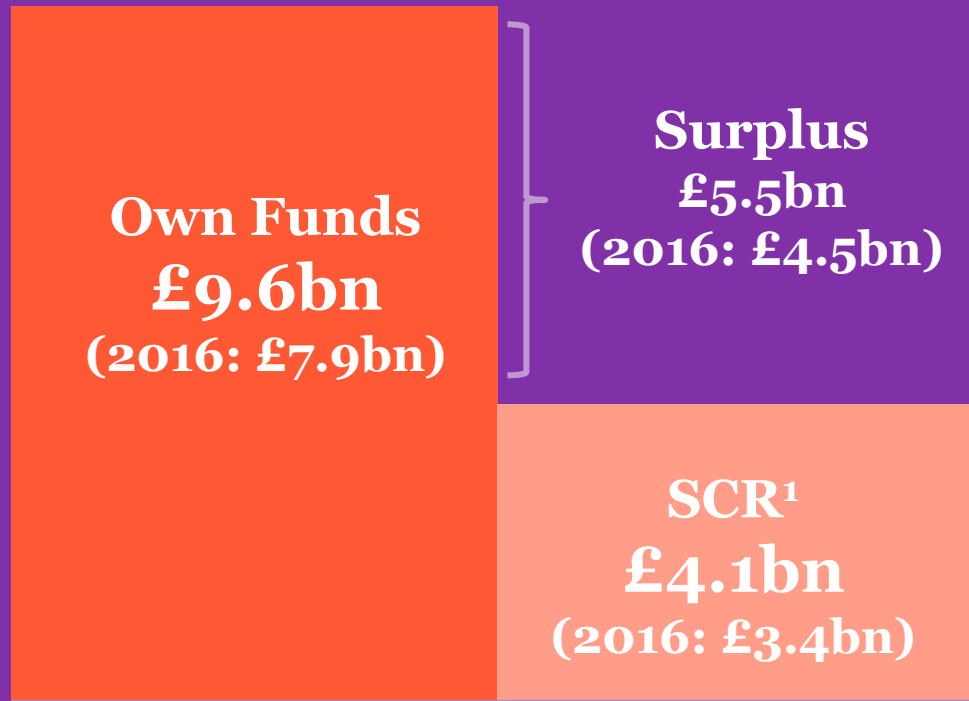


1. Solvency Capital Requirement

# CAPITAL STRENGTH

## INVESTOR CAPITAL VIEW

### Investor View



**Capital cover 235%**  
(2016: 232%)

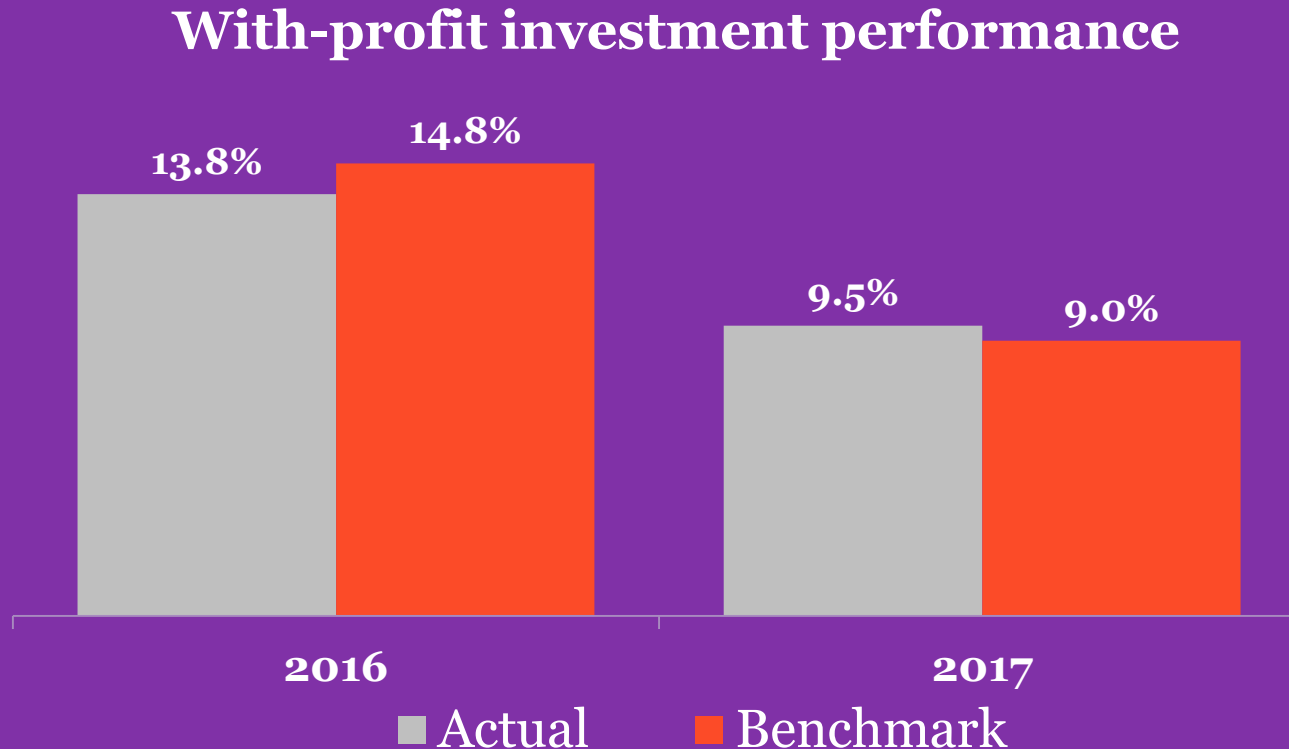
- Investor view Surplus **£5.5bn** – Capital cover ratio **235%**

1. Solvency Capital Requirement



# **RETURNING VALUE TO OUR MEMBERS AND POLICYHOLDERS**

# RETURN ON INVESTMENTS



**Unit-linked investment returns:** Over a cumulative three-year performance period the portfolios have **outperformed** their benchmark by **0.21%** on average.

- Investment returns for Royal London policyholders were **strong**, both in absolute terms and in relation to benchmarks.



# WITH-PROFIT POLICYHOLDER BONUS

Returned **good value** to our with-profit policyholders, despite interest rates remaining at historic lows.

£635m

£635m of bonuses added to with-profits policies

1.4%

ProfitShare enhancement of **1.4%** to qualifying traditional with-profits members

# SUMMARY

## Performance:

- 2017 was one of our strongest years

## Members:

- We continue to put customers and members first

## Return:

- Investment returns outperformed benchmarks

## Capital:

- Strong and efficient capital base