

Your future in safe hands

Rothesay Limited

Half year report for the six months ended 30 June 2026



Our purpose

We are dedicated to securing the future for every one of our policyholders.

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Who we are

Rothesay is the UK's largest specialist pensions insurer, purpose-built to protect pension schemes and their members' pensions. Our singular focus is to secure pension annuities for the future, providing certainty as well as service excellence for our policyholders.

We manage over

£74bn

in assets

Secure the pensions
of nearly

1 million

people

Pay-out, on average

£355m

in pension payments
each month

We are safeguarding the future for every one of our policyholders, and providing long-term value to our shareholders.

Our differentiators

Discipline

Rothesay maintains a disciplined approach in a competitive environment



Investment

Our in-house investment team continues to invest in high-quality assets in line with our long-term investment strategy



Innovation

Rothesay continually seeks new and innovative ways to support our customers and partners

Rothesay at a glance

Your future
in safe hands

Purpose-built to
protect pension
schemes and their
members' pensions

Rothesay is the largest UK specialist pensions insurer.

1st

insurance company
to be PASA Accredited for
policyholder experience

Nearly
one million
pensions protected

£74bn+
assets under
management

£355m
average monthly
pension payments

94%
of policyholders surveyed
during 2026 rated our
service "good"
or "excellent"

£2.8bn
of new business
during the first half
of 2026

We are trusted by pension schemes to provide pension solutions to some of the UK's best known companies.

BRITISH AIRWAYS

Cadbury

smiths

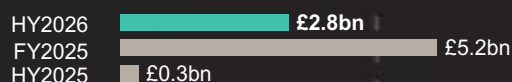


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Performance at a glance

New business premium APM¹

£2.8bn



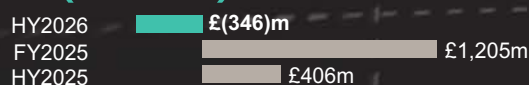
Policyholder satisfaction

94%



IFRS (loss)/profit before tax

£(346)m



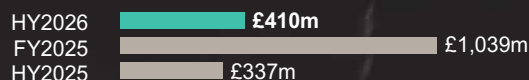
Number of policies

961,505



Adjusted operating profit APM

£410m



Assets under management APM

£74.3bn



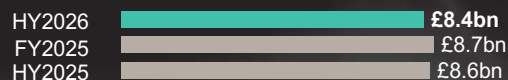
Longevity reinsured APM

91%



IFRS Economic Value (IEV) APM

£8.4bn



Group Solvency Capital Requirement (SCR) coverage APM

235%



Paid to policyholders in the period

£2.1bn



1. APM – Alternative Performance Measure; Please see page 16 for further details.
A glossary of terms used can be found on page 25.

MCEV and MCEV new business, which were previously disclosed, are no longer reported as management no longer uses them to monitor or manage the business.

Section one

Strategic report



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Every decision that we make is informed by our disciplined approach to real-time risk management, conservative investment philosophy and sophisticated technology platform. We challenge ourselves to think originally and innovatively so that our business model is best placed to meet the needs of our partners and policyholders.

Chief Executive's statement

Discipline
Investment
Innovation



Maintaining a disciplined approach to underwriting in a competitive market whilst continuing to execute with excellence.

Tom Pearce
Chief Executive Officer





Chief Executive's statement **continued**

The UK's pension risk transfer market has experienced significant growth over recent years and the first half of 2026 continued to demonstrate this momentum. Improved funding levels are making the journey to buy-out increasingly achievable for many pension schemes with competition amongst insurers driving positive outcomes for both schemes and policyholders. Within this active and dynamic new business market, robust transaction volumes have been executed so far this year and a very positive pipeline is in place for the next six months and beyond.

Over the first half of 2026, we have maintained our patient and disciplined approach to new business, ensuring appropriate returns within this competitive environment and executing with excellence the opportunities we considered attractive. So far, we have assisted 16 pension schemes to de-risk (FY2025: 17, HY2025: 6), generating £2.8bn of new business premiums (**APM**) (FY2025: £5.2bn, HY2025: £0.3bn).

In the last three years, we have completed a total of c. £36bn of new business. We have achieved this sustained multi-year performance by preparing our business to have the capital and operational capacity for schemes of all sizes that enter the market. We combine this with the ability to provide best-in-class execution capabilities and underwriting expertise, including delivering innovative solutions across all aspects of the pensions de-risking process.



Robust transaction volumes executed so far this year with a very positive pipeline for the next six months and beyond.



New business premium (**APM**)
£2.8bn
(HY2025: £0.3bn)

Group SCR coverage (**APM**)
235%
(FY2025: 246%)

Chief Executive's statement **continued**

Discipline Investment Innovation



We made excellent progress in expanding our international asset origination capabilities.



In order to meet the increasing level of de-risking demand and the specific requirements of smaller schemes (less than £100m), we launched Rothesay Radius in June this year. Rothesay Radius is our tailored solution for smaller scheme transactions that provides trustees and advisers with a direct and efficient route to obtain a quote from us and proceed to a streamlined execution process.

In the first half of the year, we were also appointed by Nest, the UK's largest workplace pension scheme, to co-design a bulk deferred annuity for Defined Contribution (DC) pension savers - a market first in the UK. Nest will purchase from Rothesay bulk deferred annuities for cohorts of members, which will pool longevity and investment risks and be a key part of Nest's trustee-managed sustainable income solution for members. We were delighted to have been chosen to design and deliver this innovative solution and believe in its potential to be transformative for the DC pension market, bringing enhanced, long-term financial security to Nest members and beyond.

Throughout the first six months of this year, our in-house asset management team has continued to invest in line with our long-term strategy which seeks to reduce exposure to unrewarded risk and provide real security for our policyholders in the future.

We remain committed to working with the Government to unlock even greater volumes of domestic capital from our sector while continuing to provide the highest levels of pension security for our policyholders.

While the majority of our investment portfolio remains in the UK, we continue to expand our international asset origination capabilities. In the United States, for instance, we have invested nearly \$1bn in high-quality commercial real estate financing opportunities since December 2025, including 550 Madison Avenue, a landmark of the Midtown skyline in New York.

Earlier this year, we launched Riverton, Rothesay's fully owned in-house mortgage lender. Riverton gives us more control over market positioning and management of good customer outcomes. We are excited to bring our dedication to customer service excellence to the UK mortgage market and help drive its future growth.

We continue to focus on embedding sustainability principles across our business in order to deliver on our central purpose: providing our policyholders with security for the future.

Chief Executive's statement **continued**

Since publishing our first Net Zero Transition Plan last year, one of our key focuses has been responding to the Prudential Regulation Authority's (PRA) latest climate supervisory statement (SS5/25), which reiterates its expectation that UK banks and insurers continue to develop their identification, assessment and management of all forms of climate risk.

We also published our 2025 Climate Report which is aligned with the Task Force on Climate-related Financial Disclosure. Further details are outlined in the business review section of this report.

Group performance

Adjusted operating profits **(APM)** for the first half of the year were £410m (FY2025: £1,039m, HY2025: £337m), with contributions from new business activity, investment of assets in line with our long-term target strategy and profits generated by Rothestay's in-force book. The IFRS pre-tax result was a loss of £346m (FY2025: profit of £1,205m, HY2025: profit of £406m) reflecting the impact of market moves, primarily due to a rise in long-term interest rates, as well as the impact of the draft Commonhold and Leasehold Reform Bill on our loans secured by cashflows from residential freehold properties, which was consistent with previously disclosed estimates.

The Group's assets under management **(APM)** increased due to the new business written in the first half of the year to £74.3bn (FY2025: £73.5bn, HY2025: £69.4bn).

IFRS Economic Value (IEV) **(APM)** at 30 June 2026 was £8.4bn (FY2025: £8.7bn, HY2025: £8.6bn). More details on our IEV can be found in the financial review on page 17.

Risk management

The first half of 2026 has continued to see volatility in financial markets due to geopolitical events as well as the ongoing uncertainty in the path of interest rates and inflation. As a business, Rothestay is designed to protect pensions through even the most difficult times and current market conditions are demonstrating once again the value of our purpose-built risk management systems. Throughout our history, Rothestay has invested in building our own in-house technology platform, allowing the business to react quickly and decisively to rapidly changing economic conditions.

The result of this allows us to provide our policyholders with the highest levels of pension security while taking advantage of opportunities in real time. For instance, the duration of our liabilities and our liability-matching assets means that Rothestay's portfolio is sensitive to long-term interest rates. Our sophisticated in-house risk management systems support timely, well-informed decision-making in a changing interest rate and wider economic environment.

Rothestay's SCR coverage **(APM)** continues to be very strong at 235% (FY2025: 246%, HY2025: 263%), well above our target operating range, despite writing large volumes of new business over recent years. This surplus capital continues to give us significant excess to write further new business and capitalise on the opportunities we are seeing in the market for the rest of this year and beyond, positioning us well for future growth.

Subsequent to the first half of the year, the Board approved an interim dividend of 23p per share and, reflecting the strong solvency capital position of the Group, a special interim dividend of 22p per share resulting in total interim dividends of 45p per share (2025: 31p per share). Pro forma Group SCR coverage after both dividends would have been 211% as at 30 June 2026, remaining well above the top end of the target operating range.

Our policyholders

Providing nearly one million people with a safe and secure pension is at the heart of what we do and we pride ourselves on the level of service we deliver to policyholders throughout their end-to-end journeys. I am glad to report that we maintained high service standards during the first half of 2026, with over 94% (FY2025: 96%, HY2025: 97%) of those surveyed rating the quality of service received as good or excellent.

Chief Executive's statement continued

Discipline Investment Innovation

RothestayOne, our innovative policyholder administration platform, continues to progress with the successful transition of Rothestay policyholders to the service. We plan to roll out the platform to thousands of additional policyholders over the next 12 months as well as introduce additional online functionality that will help position us for future growth. RothestayOne remains integral to our commitment to enhance the policyholder experience through digital innovation and seamless service.

Board changes

From 30 June, following their retirements from MassMutual and GIC respectively, Tim Corbett and Robin Jarratt have both stepped down from the Board as Shareholder Directors. They have both been on the Board for over 12 years following MassMutual and GIC's initial investments in Rothestay. They have provided a wealth of knowledge and expertise during their time on the Board and I would like to express my huge thanks to both and wish them the best for the future.

I am delighted to welcome Jacqueline Chen and Jonathan Ferrugia who join the Board as Shareholder Directors for MassMutual and GIC, respectively, from 1 July 2026.

ECB partnership: Title Partner of Test Cricket

2026 marks Rothestay's third year of our multi-year partnership with the England and Wales Cricket Board (ECB), the national governing body of cricket. Through the partnership, Rothestay became an Official Partner of England Cricket and the Official Title Partner of Men's and Women's Test Cricket. Rothestay is also the title sponsor of the County Championship. This year Rothestay branding featured prominently at the first ever England Women's Test Match at Lord's, a key step towards our aim to support the ECB in making cricket a game for everyone.

Chief Executive's statement **continued**

Charitable donations

We encourage our employees to support charities personal to them through our matched giving policy. We match all employee donations 1:1 up to £1,000, and to further support charity giving we currently offer an additional £1,000 allowance which is matched 4:1. Therefore the total amount that charities could receive from Rothsay including an employee donation is £7,000 per employee per year.

The Rothsay Foundation has continued to build on the momentum of recent years to deliver meaningful and practical support to older people living in deprivation across the UK.

Along with a number of other ongoing initiatives it supports to help the vulnerable elderly, the Rothsay Foundation has launched the Benefits Boost campaign with Iceland Foods.

Backed by a £1.8m commitment from the Foundation, the campaign aims to identify and offer support to 7,500 of Iceland Foods older customers who are eligible for unclaimed benefits, by providing free benefits checks and application form assistance, with the potential to unlock more than £37m for these participants.

To date, through its campaigns, the Foundation has helped over 20,000 older people check whether they are eligible for unclaimed benefits, identifying approximately £86m of annualised benefits for older people in need.

Looking forward

A busy and competitive pension risk transfer market is generating exciting new business opportunities with positive outcomes for schemes and their members, as insurers continue to invest and compete in providing innovative de-risking solutions.

Rothsay is ideally placed to take advantage of this market opportunity, with a significant capital surplus backed by our two long-term, supportive shareholders. Our track record of innovating and investing to meet the growing and developing demand for bespoke solutions across all parts of the pensions de-risking process, and for schemes of all sizes, means we are able to capitalise on the growth opportunities in our market while maintaining pricing discipline to ensure returns are attractive.

We expect this unique combination of our capital position, execution capabilities and shareholder support will allow us to continue to grow our assets under management over the next few years, with the new business pipeline in 2026 and beyond continuing to look very promising.

As always, throughout this growth, we will remain relentlessly focused on our core purpose of securing the future for our policyholders, protecting their pensions while investing in service excellence, and delivering long-term value to our shareholders.



Tom Pearce
Chief Executive Officer
14 August 2026



Business review

New business

As funding for many pension schemes has improved, de-risking has become increasingly affordable leading to a buoyant market and a positive future pipeline of new business opportunities, including with a number of very large pension schemes for whom de-risking is now increasingly feasible. Given our financial strength and track record of executing large complex transactions, we are well positioned for such developments.

At the same time though, the increase in schemes' appetite to de-risk is being met by a corresponding increase in the insurance market's capacity and capabilities to meet this demand and write record levels of business. This dynamic is driving competition and innovation amongst insurers, with positive outcomes for schemes and the pipeline looking strong for the next 9-12 months.

Over the first half of 2026, we maintained our disciplined approach to new business, remaining patient in this competitive market environment to ensure that returns are attractive. We have assisted 16 pension schemes to de-risk (FY2025: 17, HY2025: 6), generating £2.8bn of new business premiums (**APM**) (FY2025: £5.2bn, HY2025: £0.3bn).

Investment activity

Our in-house team is responsible for the management of Rothesay's £74.3bn asset portfolio. Assets are sought which match our liability cashflows and provide an appropriate risk-adjusted return. Rothesay operates a cautious investment strategy which seeks to diversify exposure and actively manage risk. Rothesay's investment portfolio is focused on highly rated assets with over half of our rated assets having a rating of AAA or AA.

The portfolio can be divided into three broad categories:

- **Cash and government bonds** – This part of the portfolio is available for future investment and to meet collateral calls and cash requirements and also backs some of our very long-dated cashflows.
- **Corporate bonds and infrastructure debt** – We also invest in a diversified portfolio of corporate bonds, including regulated infrastructure such as energy and transportation.
- **Secure, illiquid assets** – These assets include loans secured against property, mortgages and other secured lending. They are attractive because investors are rewarded for illiquidity rather than credit risk. Structural features such as collateral, covenants and other security features mean that recoveries in the event of default are maximised and credit risk minimised.

Our £26bn holding of corporate and infrastructure bonds is invested in high-quality investment grade issuers and, of those, only £0.6bn is rated BBB- (FY2025: £0.7bn, HY2025: £0.6bn). Rothesay holds only £18m of sub-investment grade bonds (FY2025: £30m, HY2025: £27m).

As at 30 June 2026, our total lifetime mortgage portfolio has increased to £6.9bn (FY2025: £6.8bn, HY2025: £6.6bn) or 9% of assets under management (FY2025: 9%, HY2025: 10%). We continue to be conservative in underwriting lifetime mortgages, with newly originated lifetime mortgages having an average loan-to-value ratio of 28% (FY2025: 29%, HY2025: 29%).

We also fund long-term fixed rate mortgages in the UK, Netherlands and France, with our long-term fixed rate mortgage portfolio valued at £5.1bn as at 30 June 2026 (FY2025: £5.5bn, HY2025: £2.3bn).

We have continued to expand our international asset origination capabilities by investing nearly \$1 billion in high-quality commercial real estate opportunities in the United States since December 2025 including:

- **Hilton Anatole** - a \$450m, 10-year mortgage loan on a 1,617 room Hilton managed hotel in Dallas, Texas.
- **550 Madison Avenue** - a \$400m, 5-year mortgage loan on a 37-storey landmark office tower in Midtown Manhattan.

Business review **continued**

Responsible investment and Pathway to Net Zero

The in-house investment team, alongside dedicated sustainability analysts, consider material sustainability factors as part of the wider risk management assessment at the point of purchase or acquisition via pension risk transfers, as well as throughout the duration of the investment.

We are transitioning our investment portfolio to Net Zero greenhouse gas emissions by 2050. Fundamental to achieving this is our ability to model decarbonisation pathways for issuers and sectors out to 2050. Our Transition Plan represents the cornerstone for our climate strategy over the coming years, with progress towards our goals, including our interim 2030 Carbon Intensity targets, reported annually.

A focus in the first half of 2026 has been responding to the Prudential Regulation Authority's (PRA) latest climate supervisory statement (SS5/25), which reiterates its expectation that UK banks and insurers continue to develop their identification, assessment and management of all relevant forms of climate risk.

We are a signatory to the FRC's UK Stewardship Code 2020 and publish an annual Stewardship Report. We are also a signatory to the UN Principles for Responsible Investing, a supporter of the Task Force on Climate-related Financial Disclosures as well as the Climate Financial Risk Forum and an adopter of the Sustainability Reporting Standard for Social Housing.

For more information, please see our 2025 Climate Report which is aligned with the Task Force on Climate-related Financial Disclosures and can be downloaded from our website at: www.rothesay.com/about-us/environmental-social-governance/our-reports-and-governance

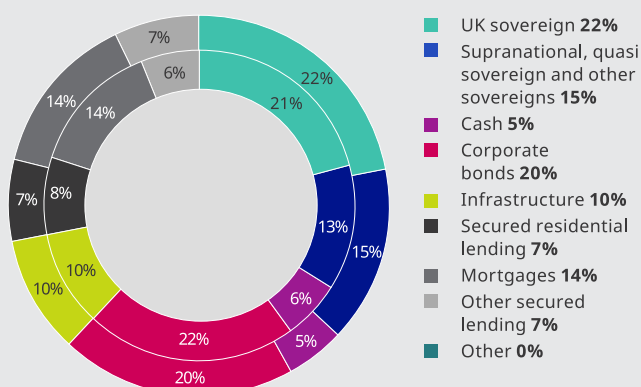
Operations and policyholder service

As noted in the Chief Executive's statement, during the first half of 2026, over 94% (FY2025: 96%, HY2025: 97%) of policyholders rated the quality of service they received as good or excellent. Complaint levels remain low, of which only 0.33 complaints per 1,000 policyholders were upheld following a thorough investigation (FY2025: 0.66 complaints per 1,000, HY2025: 0.41 complaints per 1,000). We continue to focus on fulfilling our Consumer Duty obligations by achieving good outcomes for customers across their end-to-end journeys.

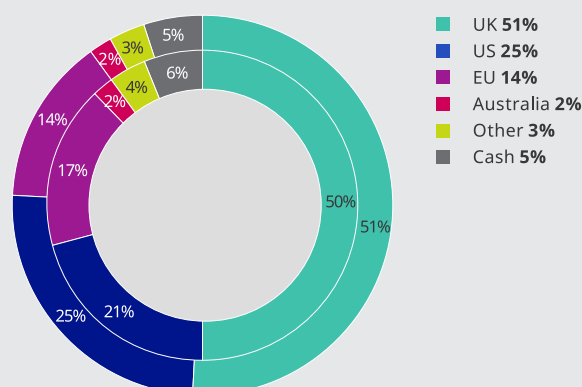
The following charts provide a breakdown of our financial assets excluding derivatives at 30 June 2026 and 31 December 2025 by sector and geography.

Outer circle: HY2026
Inner circle: FY2025

Our investments (%)



International diversification (%)



Financial review



We have maintained our disciplined approach to new business to ensure returns are attractive.

Graham Butcher
Chief Financial Officer



Financial review **continued**

Financial performance

Adjusted operating profits **(APM)** for the first half of 2026 were £410m (FY2025: £1,039m, HY2025: £337m). These profits were mainly driven by new business and the performance of the in-force book. Operating profitability was higher in the first half of 2026 relative to the first half of 2025 due to higher new business volumes transacted during the period.

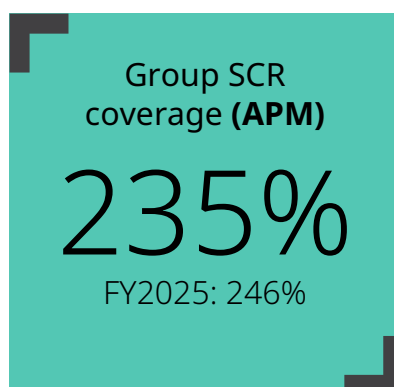
Adjusted operating profits **(APM)** were reduced by economic losses and borrowing costs, leading to IFRS pre-tax losses of £(346)m (FY2025: profits of £1,205m, HY2025: profits of £406m).

The financial performance analysis shown in the table below provides an explanation of the way in which (losses)/profits have been generated.

Profits generated on the in-force book **(APM)** were £341m (FY2025: £975m, HY2025: £339m). These profits mainly arose from investment returns on surplus assets, outperformance in relation to new investments made in the year relative to those assumed in new business underwriting and the release of the risk adjustment as in-force business runs off.

Economic losses during 2026 were primarily driven by the increase in interest rates since 31 December 2025, as well as a £313m write down to the value of loans held by Rothesay whose cashflows are linked to residential freehold properties. This write-down reflects the anticipated impacts of the Government's Leasehold Reform Bill, which was announced in draft form in January.

Financial performance (Alternative analysis of profit generation) (APM)	HY2026 £m	FY2025 £m	HY2025 £m
New business profit	77	197	11
Performance of the in-force book	341	975	339
Non-economic assumption changes and model refinement	18	(38)	(8)
Acquisition expenses	(26)	(95)	(5)
Adjusted operating profit before tax	410	1,039	337
Economic (losses)/gains	(674)	397	156
Asset/(liability) for future new business acquisition costs	—	—	20
Borrowing costs	(89)	(170)	(85)
Decrease/(Increase) in Contractual Service Margin (CSM)	7	(61)	(22)
IFRS (loss)/profit before tax	(346)	1,205	406



Financial review continued

Assets under management (APM)

Assets under management (APM) can be derived by adjusting the total assets for reinsurance, payables, derivatives, collateralised financing and deferred tax assets. Assets under management (APM) have increased from £73.5bn at 31 December 2025 to £74.3bn as at 30 June 2026, primarily driven by new business written during the year partially offset by market movements.

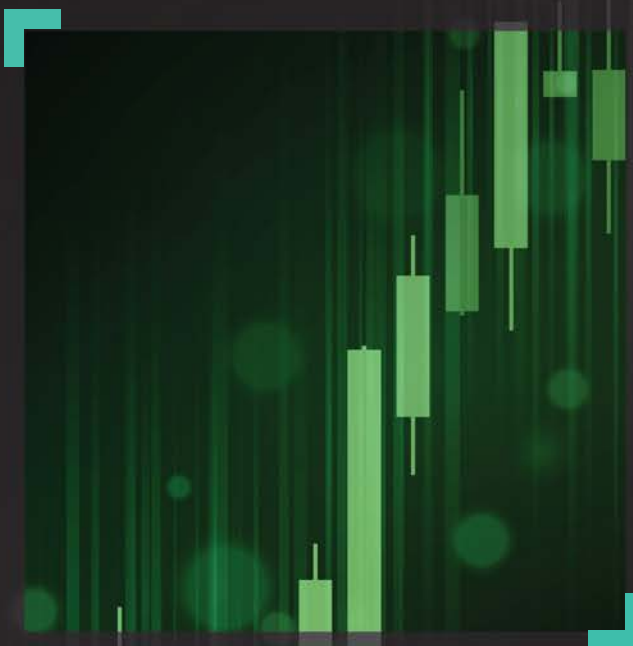
Insurance liabilities

Insurance contract liabilities, which consist of the best estimate liabilities, the risk adjustment and the Contractual Service Margin (CSM), increased from £66.6bn as at 31 December 2025 to £67.5bn as at 30 June 2026. Like the move in assets under management, this increase was also primarily driven by the additional liabilities taken on as part of 2026 new business.

Alternative Performance Measures

Rothesay's strategy is focused on protecting the security of policyholder benefits, growth through writing value-driven new business and, ultimately, delivering sustainable shareholder value.

In the opinion of the Directors, both the prescribed IFRS results, as well as a number of Alternative Performance Measures (APMs), are necessary to fully reflect long-term value or changes to capital requirements. Rothesay therefore includes within these results a number of APMs which focus on value generation and capital strength to reflect the performance of Rothesay. Rothesay uses the symbol **APM** to highlight APMs throughout the financial statements. Further information on Rothesay's APMs can be found on page 23.



“ We have continued to make excellent progress investing assets received in line with our long-term investment strategy. ”

Graham Butcher
Chief Financial Officer

Financial review **continued**

IFRS Equity Value

Rothesay Limited's IFRS total equity value decreased by £277m over 2026 from £4,588m to £4,311m, primarily driven by IFRS losses of £(346)m, an associated income tax credit of £83m and a £(16)m impact from Restricted Tier 1 coupons paid during 2026.

Change in IFRS total equity	HY2026 £m	FY2025 £m	HY2025 £m
Total equity at start of period	4,588	4,215	4,215
(Loss)/Profit before tax	(346)	1,205	406
Income tax (expense)/credit	83	(303)	(102)
Other comprehensive income (net of tax)	—	(6)	(4)
Restricted Tier 1 sterling note coupons (net of tax)	(16)	(35)	(16)
Dividend Payment	—	(488)	—
Other equity movements	2	—	(3)
Total equity at end of period	4,311	4,588	4,496

IFRS Economic Value (APM)

The IFRS Economic Value (IEV) measures the value of Rothesay's business in a way that is consistent with IFRS principles, but set at a best estimate confidence level rather than including the explicit margins which exist on an accounting basis. It provides a useful way of measuring the value which is expected to be generated by Rothesay's in-force book.

The following table provides a bridge from IFRS Group Equity to IEV. The IEV reduction during the first half of 2026 of £276m was predominantly driven by the change in IFRS total equity, as detailed above.

Reconciliation of IFRS equity to IFRS Economic Value	HY2026 £m	FY2025 £m	HY2025 £m
Rothesay Limited IFRS total equity	4,311	4,588	4,496
Less Restricted Tier 1 sterling notes treated as equity under IFRS	(793)	(793)	(793)
Less accrued interest on Restricted Tier 1 sterling notes (net of tax)	(9)	(9)	(9)
Remove CSM and risk adjustment (net of tax)	4,819	4,831	4,788
Plus differences between fair values and accounting valuations	2	6	(11)
Plus own debt valuation differences to reflect market moves since issuance	119	102	125
IFRS Economic Value (IEV)	8,449	8,725	8,596

The US\$ RT1 debt of \$900m (FY2025: \$900m, HY2025: \$400m) is not shown as an adjustment from IEV as it is treated as a liability under IFRS, whereas the GBP RT1 issued is included in equity under IFRS.

Risk and capital management

Rothsay is well positioned for growth due to a strong capital position.

Rothsay's capital management framework is designed to meet the following objectives:

- To ensure that our liabilities to policyholders are met in a full and timely manner.
- To provide long-term confidence in Rothesay.
- To satisfy our regulatory obligations.
- To match the profile of our assets and liabilities, taking account of the risk inherent in the business.
- To allocate capital efficiently to support new business growth.
- To retain financial flexibility by maintaining strong liquidity.
- To provide an appropriate return to shareholders.

Rothsay aims to maintain solvency coverage in the range of 140% to 160% of the regulatory solvency capital requirement (SCR) **(APM)**. We started 2026 with capital surplus well above our target operating range, however as we write new business the solvency coverage is expected to move closer to our target operating range.

We operate a dynamic capital management framework which reflects the sensitivity of different performance measures. Our access to real-time solvency information and balance sheet sensitivities allows us to tailor our hedging strategy to manage the trade-offs between the solvency capital position and the economic value of the business in such a way as to protect the long-term value of the business.

As at 30 June 2026, Rothesay had a Group SCR coverage ratio **(APM)** of 235% (FY2025: 246%, HY2025: 263%), meaning that we still have material excess capital available to support further new business.

The Board approved the payment of an interim dividend of 23p per share and a special interim dividend of 22p per share on 14 August 2026. Had the dividends been recognised on 30 June 2026 then SCR coverage at Group and RLP would have reduced by 24% on a pro forma basis.

Solvency position of the Group and RLP	Group			RLP		
	HY2026 £m	FY2025 £m	HY2025 £m	HY2026 £m	FY2025 £m	HY2025 £m
Tier 1 capital unrestricted	5,373	5,819	6,093	5,487	5,915	6,206
Tier 1 capital restricted	1,367	1,367	980	1,367	1,367	980
Tier 2 capital	1,482	1,499	1,732	1,482	1,499	1,732
Tier 3 capital	499	491	482	499	491	482
Own Funds available to meet SCR	8,721	9,176	9,287	8,835	9,272	9,400
Ineligible capital	(191)	(156)	(555)	(167)	(156)	(555)
Own Funds (APM) eligible to meet SCR	8,530	9,020	8,732	8,668	9,116	8,845
SCR	(3,629)	(3,668)	(3,319)	(3,629)	(3,668)	(3,319)
Surplus above SCR	4,901	5,352	5,413	5,039	5,448	5,526
SCR coverage (APM)	235%	246%	263%	239%	249%	266%
SCR coverage without transitionals	228%	241%	256%	232%	244%	259%

Section two

Financial Statements

> In this section

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> The financial statements set out the consolidated results for Rothsay Limited and its subsidiaries for the period ended 30 June 2026.

Condensed consolidated statement of comprehensive income

For the period ended 30 June 2026

	HY2026 £m	FY2025 £m	HY2025 £m
Insurance revenue	2,290	4,675	2,270
Insurance service expense	(1,911)	(3,966)	(1,928)
Net expense from reinsurance contracts held	(66)	(128)	(75)
Insurance service result	313	581	267
Total investment return	466	3,685	997
Finance expense for insurance contracts issued	(524)	(2,090)	(278)
Finance expense for reinsurance contracts held	(51)	(37)	(103)
Net insurance finance result	(575)	(2,127)	(381)
Net insurance and investment result	204	2,139	883
Operating expenses	(128)	(210)	(125)
Finance costs	(422)	(724)	(352)
(Loss)/Profit before tax	(346)	1,205	406
Income tax credit/(expense)	83	(303)	(102)
(Loss)/Profit for the period/year	(263)	902	304

	HY2026 £m	FY2025 £m	HY2025 £m
(Loss)/profit for the financial period/year	(263)	902	304
Currency translation:			
Losses from translation of foreign operations	—	—	(2)
Cash flow hedges:			
Fair value losses during the period/year	—	(6)	(2)
Total comprehensive (loss)/income for the period/year	(263)	896	300

All income and expenses are related to continuing operations.

Condensed consolidated statement of financial position

As at 30 June 2026

	HY2026 £m	FY2025 £m	HY2025 £m
Assets			
Property, plant and equipment	72	64	57
Lease – right-of-use assets	59	62	60
Financial investments	128,845	124,450	114,597
Investment properties	139	146	—
Deferred tax assets	483	523	555
Reinsurance contract assets	397	391	258
Accrued interest and prepayments	1,142	1,190	983
Receivables	5,233	3,539	4,472
Cash and cash equivalents	301	277	251
Assets held for sale	—	—	3
Total assets	136,671	130,642	121,236
Equity and liabilities			
Equity			
Share capital	3	3	3
Share premium	681	681	681
Tier 1 notes	793	793	793
Employee scheme treasury shares and share-based payment reserve	(148)	(149)	(151)
Other reserves	131	131	133
Profit and loss reserve	2,851	3,129	3,037
Total equity	4,311	4,588	4,496
Liabilities			
Insurance contract liabilities	67,505	66,646	62,477
Reinsurance contract liabilities	218	200	273
Payables and financial investment liabilities	61,525	56,183	51,057
Lease liabilities	73	75	72
Borrowings	2,714	2,699	2,569
Accruals	325	251	292
Total liabilities	132,360	126,054	116,740
Total equity and liabilities	136,671	130,642	121,236

The financial statements on pages 20 to 21 were approved by the Board of Directors on 14 August 2026 and signed on its behalf by:



Tom Pearce
Chief Executive Officer
14 August 2026
Company number 08668809

Overview of reporting base

The financial results of Rothesay for the six months ended 30 June 2026 have been prepared and approved by the Directors. The financial results are unaudited and have not been prepared in accordance with IAS 34, 'Interim Financial Reporting'.

The financial results for the year ended 31 December 2025 were approved by the Board of Directors on 13 February 2026 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

The financial results do not include any of the notes included in the annual financial report. Accordingly, this report should be read in conjunction with the annual report and accounts for the year ended 31 December 2025, which have been prepared in accordance with the requirements of the Companies Act 2006 and UK-adopted International Financial Reporting Standards.

The financial results of Rothesay are presented in sterling (£) rounded to the nearest million (£m) except where otherwise stated.

Alternative Performance Measures

As noted on page 16, throughout the financial statements Rothsay has used a variety of measures to provide stakeholders with the necessary information on the performance and financial position of Rothsay. The calculation of each **APM** is consistent with previous periods unless stated otherwise.

These measures are included in the monthly management information circulated and discussed by the Board.

Measure	Definition	Rationale for inclusion
New business premium	The present value of premiums paid or due to be paid on new business transacted during the year, as well as adjustments to new business premiums from prior years.	New business premiums are a key indicator of the growth of the business.
Solvency capital requirement (SCR) coverage	Under Solvency II, the capital required to withstand a 1-in-200-year event.	Rothsay is a regulated entity under the Solvency II framework and therefore uses a number of APMs that are derived from Solvency II measures. Provides a measure of risk exposures of Rothsay.
Own Funds	Available capital under the Solvency II regime. Represents the capital in excess of technical provisions.	Provides a measure of regulatory capital.
IFRS Economic Value (IEV)	The risk-adjusted value of the in-force business, allowing for the unwind of IFRS margins and cost of capital. IEV measures the value of Rothsay's business in a way which is consistent with IFRS Principles, but set at a best estimate confidence level rather than including the explicit margins which exist on an accounting basis. It provides a useful way of measuring the value which is expected to be generated by Rothsay's in-force book.	Provides a reflection of value which aligns with the long-term value of the Group. The table on page 17 shows a reconciliation between the IFRS total equity and IFRS Economic Value.
Longevity reinsurance %	The longevity percentage provides an indication of the extent to which Rothsay is protected from fluctuations in longevity through reinsurance.	Demonstrates how Rothsay has mitigated exposure to longevity fluctuations through reinsurance.
Assets under management	Derived by adjusting total assets for reinsurance, payables, derivatives, collateralised financing and deferred tax assets.	By netting down the derivative gross up, Rothsay provides a more meaningful value for the assets managed and a useful measure of the size of business.
New business profit	New business premium transacted during the period, less the related increase in best estimate liabilities (BEL) and risk adjustment (RA). After deduction of allocated acquisition expenses, this is equal to the increase in CSM as a result of new business including new reinsurance.	This is one of the metrics used by Rothsay when underwriting new business.
New business acquisition expenses	New business acquisition expenses are the expenses allocated to the execution of new business.	This is one of the metrics used by Rothsay when underwriting new business.

Alternative Performance Measures **continued**

Measure	Definition	Rationale for inclusion
Performance of in-force book	This represents the profit that can be attributed to: • differences in actual investment returns compared to those assumed; • the release of the risk adjustment as the business runs off and members exercise their options; • the release of credit default allowances; • the impact of actual demographic experience versus assumptions; • the investment return on surplus assets; and • offset by non-attributable expenses.	Our alternative allocation of profit seeks to provide an explanation of the way in which profits have been generated by considering the movement in assets alongside the movement in liabilities.
Non-economic assumption changes	The effect of non-economic assumption changes on BEL and RA net of reinsurance.	Our alternative allocation of profit seeks to provide an explanation of the way in which profits have been generated by considering the movement in assets alongside the movement in liabilities.
Adjusted operating profit before tax	Operating profit before tax adjusted to reflect the way in which profits have been generated by considering the movement in assets alongside the movement in liabilities.	Included to provide a measure of operating profits which reflects how the Group is measured internally.
Borrowing costs	Interest payable on borrowings.	Included to provide a measure of borrowing costs.
Economic (losses)/gains	Change in asset valuation due to changes in economic conditions less the effect of economic assumption changes on net insurance liabilities. Changes in economic conditions include movements in interest rates, inflation, exchange rates, credit spreads, credit default allowances, actual defaults and property prices. The release of credit default allowances over time is included in the performance of the in-force book.	Our alternative allocation of profit seeks to provide an explanation of the way in which profits have been generated by considering the movement in assets alongside the movement in liabilities.

Glossary of terms

Adjusted operating profit before tax	See Alternative Performance Measures.
Alternative Performance Measures	Rothsay's strategy is focused on protecting the security of policyholder benefits, growth through writing value-driven new business and, ultimately, delivering sustainable shareholder value. In the opinion of the Directors, both the prescribed IFRS results, as well as a number of Alternative Performance Measures, are necessary to fully reflect long-term value or changes to capital requirements. Rothsay therefore includes within these results a number of Alternative Performance Measures which focus on value generation and capital strength to reflect the performance of Rothsay.
Annuity	A series of regular payments made to an individual until their death. Payments may be indexed.
Assets under management	See Alternative Performance Measures.
Borrowing costs	See Alternative Performance Measures.
Bulk annuity	A bulk annuity, sometimes referred to as a bulk purchase annuity, is a contract between a defined benefit pension scheme and an insurance company, whereby an insurance company insures some or all of the annuities being paid by the pension scheme.
Carbon intensity	A measure of emissions that allows for comparison between entities of different size. It is measured in tCO ₂ e/million USD of revenue annually.
CO₂e	Carbon dioxide equivalent – greenhouse gases (GHGs) all have varying warming potentials and therefore in order to report one metric, other GHGs are converted to CO ₂ equivalent.
Contractual service margin (CSM)	Defined within the IFRS 17 standard as unearned profit on a group of contracts that relate to future service to be provided. The CSM is included within Insurance contract liabilities.
Corporate bonds and other corporate debt	These are debt securities issued by corporations which are not guaranteed by governments.
Credit risk	The risk of loss or of adverse change in the financial situation resulting from fluctuations in the credit standing of issuers of securities, counterparties and any debtors.
Currency translation	Gains and losses incurred when translating the overseas subsidiaries into the sterling consolidated balance sheet.
Customers	The combination of both mortgage and pension customers.
Deferred annuities	Annuities or pensions due to be paid from a future date or when the policyholder reaches a specified age.
Economic (losses)/gains	See Alternative Performance Measures.
Fair value	Amount that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
Finance costs	Represent interest payable on financial liabilities, lease liabilities and borrowings.
Fixed rate mortgages	Residential mortgages where the interest rate payable is fixed at outset for the whole term of the mortgage.
IFRS Economic Value (IEV)	See Alternative Performance Measures.
In-force	An insurance policy or contract reflected on records that has not expired, matured or otherwise been surrendered or terminated.

Glossary of terms **continued**

Infrastructure	Investments in infrastructure such as energy and transportation.
Insurance finance income or expenses	Comprises the change in the carrying amount of the group of insurance contracts arising from: (a) the effect of the time value of money and changes in the time value of money; and (b) the effect of changes in assumption that relate to financial risk.
Insurance revenue	Under IFRS 17, the amount charged for insurance coverage when it is earned rather than when it is paid.
Insurance service result	Under IFRS 17, the insurance revenue less the insurance service expense, i.e. the insurance profit made on the provision of insurance coverage.
International Financial Reporting Standards (IFRS)	Accounting standards that are applied in preparing Rothsay's consolidated financial statements.
Investment return	Comprises all interest income on financial investments at fair value through profit and loss, realised investment gains and losses and movements in unrealised gains and losses, as well as expenses directly related to investments executed during the year.
Lifetime mortgages	Mortgages extended to older individuals (aged 55 and over) against their residential property at low loan-to-value percentage. Unlike a typical residential mortgage, no interest is paid monthly by the individual. Instead, the interest is simply added to the principal loan amount with the loan only repayable on death or entry into long-term care of the last remaining homeowner.
Longevity reinsurance (%)	See Alternative Performance Measures.
Net zero	A state in which the GHGs going into the atmosphere (anthropogenic emissions) are balanced by their removal out of the atmosphere (carbon sinks/removal).
New business	New insurance contracts and reinsurance inwards sold during the year. Includes business acquired through purchase of companies.
New business acquisition expenses	See Alternative Performance Measures.
New business premium	See Alternative Performance Measures.
New business profit	See Alternative Performance Measures.
Non-economic assumption changes	See Alternative Performance Measures.
Own Funds	See Alternative Performance Measures.
Performance of in-force book	See Alternative Performance Measures.
Pillar 1	Under Solvency II, represents the solvency capital requirement calculated using a standard formula or (partial) internal model.
Pillar 2	Under Solvency II, represents the required risk management principles and practices relating to the risk and capital estimates covered by Pillar 1.
Policyholders	Rothsay generally uses the term policyholder, and number of policies, to refer to the individual immediate and deferred annuitants whose benefits are insured by Rothsay. This includes where insurance is provided under a bulk annuity (where the contract is with the pension scheme), a reinsurance policy (where the contract is with the insurance company), as well as individuals who hold an insurance policy directly with Rothsay.

Glossary of terms **continued**

Policyholder satisfaction	Feedback surveys are sent to all policyholders following interaction with them (apart from complaints and bereavements). Rothesay prides itself on the quality of the service and the satisfaction survey provides a measure of the quality of the service.
Reinsurance	Protection sold to or purchased from another insurance company.
Responsible Investment	The integration of sustainability considerations into investment management processes and ownership practices in the belief that these factors can have an impact on financial performance.
Risk adjustment	Defined within IFRS 17 as the compensation that Rothesay requires for bearing the non-financial uncertainty in the (re)insurance contract liabilities.
Risk margin	Under Solvency II, the cost of transferring non-hedgeable risks.
RL	Rothesay Limited.
RLP	Rothesay Life Plc, the Group's regulated life company.
Solvency capital requirement (SCR) coverage	See Alternative Performance Measures.
Solvency II	The solvency regime applicable from 1 January 2016. Under Solvency II, Rothesay is required to hold the greater of the capital required under the new Solvency II Pillar 1 framework and the capital required under Rothesay's own economic capital model Solvency II Pillar 2.
Sustainability risks	An Environmental, Social or Governance (ESG) event or impact that could cause a negative impact including financial and reputational.
Technical Provisions	The sum of the best estimate of liabilities allowing for reinsurance inwards and a risk margin.
Transition plan	A transition plan sets out an organisation's approach for how it will align all its activities to Net Zero.
Transitional solvency relief/Transitionals	Applies to Solvency II and phases in the risk margin over a 16-year period and increases capital available during the transitional period.

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