

23 September 2025

## Half-Year Trading Update

### Disciplined approach delivering strong financial performance in a dynamic market

Rothesay, the UK's largest pensions insurance specialist, today provides an update on its trading and financial performance for the first half of 2025.

- **New business:** Rothesay generated new business premiums of £0.3bn in the first half of 2025 (HY2024: £9.5bn, FY2024: £15.7bn). In addition, Rothesay has either completed, or is exclusive on, over £4bn of further new business in the second half of the year.
- **Market outlook:** The bulk annuity market continues to be dynamic and fast-moving, creating significant new business opportunities while driving high levels of competition. Rothesay's substantial capital resources combined with the proven strength of its execution capabilities mean the Group is strongly positioned in the market going forward. The Group will maintain its disciplined and patient approach to ensure new business returns are attractive.
- **Assets & liabilities:** Assets under management were £69.4bn (FY2024: £70.7bn) as at 30th June 2025. Rothesay secures the pensions of nearly one million people and made £2.1bn in payments to its policyholders in the first six months of 2025. The Group maintained the high level of customer service it provides for its policyholders with over 97% (FY2024: 96%) rating the quality of service received as good or excellent.
- **Solvency:** The Group's solvency position continues to be very strong, with a Solvency Capital Requirement (SCR) coverage ratio of 263% (FY2024: 261%) as at 30th June 2025. Surplus capital of £5.4bn (FY2024: £5.3bn) means that Rothesay is well-placed to capitalise on future opportunities in the market and execute substantial volumes of new business.
- **Financial performance:** The Group generated pre-tax IFRS profits of £406m (HY2024: £21m) and adjusted operating profits of £337m (HY2024: £725m) in the first six months of 2025.
- **Market consistent embedded value (MCEV):** Rothesay's MCEV increased to £8.0bn as at 30th June 2025 (FY2024: £7.7bn). Further gains are expected as the Group continues to make good progress in investing the assets relating to the £15.7bn of new business premiums generated in 2024 in accordance with its cautious, long-term investment strategy.
- **Dividend:** Rothesay has declared an interim dividend of 31p per share (HY2024: 23p per share).

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- **Risk management:** Rothesay's long-term investment in market-leading risk management systems, combined with its comprehensive liquidity risk management framework, meant that the Group's solvency and liquidity position remained very strong in the first half of 2025. The Group continues to deliver against its investment strategy which seeks to diversify exposure and reduce risk, generating the dependable returns that create real security for our policyholders' pensions. Rothesay manages its longevity risk through unfunded, collateralised longevity swaps and has not utilised any funded reinsurance.
- **Credit ratings:** Rothesay Life Plc has a Fitch Insurer Financial Strength Rating of A+ (Strong) and a Moody's Insurance Financial Strength Rating of A2. The rating outlook is stable from both.
- **Board changes:** Bruce Carnegie-Brown succeeded Naguib Kheraj as Rothesay's Chair from 1st July 2025 with Naguib stepping down from the Board on 30th June 2025 following almost 11 years of service. After nearly 18 years on Rothesay's Board, Addy Loudiadis retired from her Non-Executive position as Founder Director and stepped down from the Board on 3rd April 2025.
- **ESG & productive investment:** Rothesay's MSCI Environmental, Social and Governance (ESG) rating is AAA, the highest possible rating. The Group is committed to transitioning its investment portfolio to Net Zero greenhouse gas emissions by 2050 including a 50% Carbon Intensity reduction across its portfolio by 2030. Rothesay is also a signatory to the Financial Reporting Council's UK Stewardship Code. During the first half of 2025, Rothesay was pleased to partner with the National Wealth Fund and The Housing Finance Corporation to make a £150m commitment to a new unsecured debt facility for social housing retrofit.
- **Industry recognition:** In June 2025, Rothesay was delighted to receive the Risk Transfer Provider of the Year award at Professional Pensions' UK Pensions Awards.
- **Rothesay Foundation:** Through its campaign with Age UK, the Rothesay Foundation has helped over 9,500 older people check whether they are eligible for unclaimed benefits to date, identifying approximately £45m of annualised benefits for pensioners in need. In recognition of the impact it is delivering, the Rothesay Foundation and Age UK's campaign won the 2025 Third Sector Business Charity Award in the Banks and Financial Services category.

**Tom Pearce, Chief Executive Officer of Rothesay, said:** "Rothesay's commitment to prudent pricing discipline and a careful approach to risk management delivered strong financial performance in the first half of 2025, following a year of substantial new business volumes in 2024. Our dedicated in-house asset management team is making good progress in deploying these premiums in line with our cautious, long-term investment strategy, including investing at scale in UK productive assets through innovative partnerships with organisations like the National Wealth Fund.

The combination of our substantial capital resources, supportive long-term shareholders, and proven execution capabilities mean we continue to be very well-positioned for the exciting future

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opportunities we are seeing in a dynamic pension risk transfer market, delivering on our purpose to secure the future for our policyholders."

The Group's solvency metrics as at 30th June 2025 are summarised in the table below:

	<b>Group</b>	<b>Rothesay Life Plc</b>
	£m	£m
Own funds eligible to meet SCR	8,732	8,845
SCR	3,319	3,319
Surplus above SCR	5,413	5,526
SCR coverage	263%	266%

**ENDS**

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## Notes to Editors

### About Rothesay

Rothesay is the UK's largest pensions insurance specialist, purpose-built to protect pension schemes and their members' pensions. With over £69 billion of assets under management, we secure the pensions of nearly one million people and pay out, on average, over £350 million in pension payments each month.

Rothesay is dedicated to providing excellence in customer service alongside prudent underwriting, a conservative investment strategy and the careful management of risk. We are trusted by the pension schemes of some of the UK's best known companies to provide pension solutions, including British Airways, Cadbury's, the Civil Aviation Authority, the Co-operative Group, National Grid, NatWest, Morrisons and Telent.

Rothesay has two substantial institutional shareholders, GIC and Massachusetts Mutual Life Insurance Company ("MassMutual"), who provide the company with long-term support for its growth and development.

Rothesay refers to Rothesay Limited and its subsidiaries and is the trading name for Rothesay Life Plc, an insurance company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Firm Reference Number: 466067. Rothesay Life Plc is registered in England and Wales with company registration number: 06127279 and registered address: Rothesay Life Plc, The Post Building, 100 Museum Street, London WC1A 1PB. Further information is available at [www.rothesay.com](http://www.rothesay.com)