

27 March 2026

## Full-Year Trading Update

### Strong financial performance and capital position mean Rothesay is well-placed for growth

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

- **New business:** In total, Rothesay generated new business premiums of £5.2bn in 2025 (2024: £15.7bn), assisting 17 pension schemes to de-risk and bringing the total volume of new business executed since 2023 to c. £33bn. In addition, Rothesay has either completed, or is exclusive on, a further c. £2bn since the start of the year.
- **Supporting DC savers:** In January 2026, Rothesay was selected to partner with Nest, the UK's largest workplace pension scheme, to co-design a bulk deferred annuity for Defined Contribution (DC) pension savers. This marks an important step forward in the provision of innovative insured solutions for the DC pensions market and will bring enhanced long-term security to Nest members and other DC pensions savers in the UK.
- **Market outlook:** A dynamic and competitive bulk annuity market driven by an ongoing desire from pension scheme trustees and corporate sponsors to transfer their risk continues to create considerable new business opportunities. Rothesay's substantial capital resources combined with the proven strength of its execution capabilities mean it remains well-placed to complete some of the largest and most innovative transactions in the market while maintaining pricing discipline and a cautious approach to risk management.
- **Solvency:** The Group's solvency position continues to be very strong, with a Solvency Capital Requirement (SCR) coverage ratio of 246% at 31st December 2025 (2024: 261%). Surplus capital of £5.4bn (2024: £5.3bn) means Rothesay is well-placed for future growth. The Group also successfully executed a \$500m Tier 1 debt issuance in 2025, further supporting its ability to transact substantial volumes of future new business.
- **Financial performance:** The Group generated adjusted operating profits of £1,039m (2024: £1,779m) and pre-tax IFRS profits of £1,205m (2024: £113m).
- **Assets:** Assets under management increased to £73.5bn (2024: £70.7bn) at 31st December 2025.
- **Liabilities:** Rothesay secures the pensions of nearly one million people and makes £4.4bn in annual payments to its policyholders.
- **Market consistent embedded value (MCEV):** Rothesay's MCEV at 31st December 2025 was £8.0bn (2024: £7.7bn). Further gains are expected as the assets relating to recent new

# Rothesay

business transactions continue to be invested in line with Rothesay's long-term investment strategy.

- **Dividend:** In 2025, Rothesay paid a dividend of £488m or 31p per share (2024: £361m or 23p per share).
- **Risk & capital management:** Rothesay's long-term investment in market-leading risk management systems, combined with its comprehensive liquidity risk management framework, supports the Group's solvency and liquidity position which remained very strong in 2025. The Group operates a cautious, long-term investment strategy which seeks to diversify and reduce exposure to a wide range of risks, generating the dependable returns that create real security for our policyholders' pensions. Rothesay participated in the PRA's Life Insurance Stress Test (LIST) 2025, which underlined the Group's robust capital position and the resilience of its balance sheet, showing a post-stress SCR coverage ratio of 213%, the highest of any of the LIST participants.
- **Investing in the UK:** Rothesay's dedicated in-house asset origination and management team made very positive progress in deploying the over £20bn of new business premiums generated across 2024 and 2025. This included significant investment in UK productive assets such as student accommodation, social housing and strategic infrastructure. In February 2026, Rothesay also launched its first wholly owned UK-based direct mortgage lender, Riverton, which will initially specialise in lifetime mortgages. In total, Rothesay has invested £43bn in companies and projects that benefit the UK and is pleased to support the Government's domestic investment agenda through the Sterling 20 and other initiatives.
- **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.
- **Customer service excellence & industry recognition:** Rothesay continues to meet the highest standards of consumer protection as set out in the Consumer Duty regulation which is embedded across the business. The Group maintained very high customer service standards during the year, with over 96% (2024: 96%) of customers rating the quality of service received as good or excellent. As part of Rothesay's commitment to continuous investment in customer service and policyholder experience, the Group launched RothesayOne, an innovative multichannel policyholder administration platform designed to meet the growing policyholder demand for self-service and digital capabilities.
- **Investing in our people:** Rothesay recruited new talent throughout the year, with employee numbers increasing to 571 (2024: 539).
- **ESG & productive investment:** Rothesay is committed to transitioning its investment portfolio to Net Zero greenhouse gas emissions by 2050 and to achieving a 50% Carbon

# Rothesay

Intensity reduction across its total investment portfolio by 2030. In 2025, the Group published its first Net Zero Transition Plan. The Group is also a signatory to the Financial Reporting Council's UK Stewardship Code.

- **Industry recognition:** Rothesay received the Risk Transfer Provider of the Year award at the Professional Pensions' UK Pensions Awards and the European Pensions Insurance Firm of the Year award at the European Pensions Awards 2025.
- **The Rothesay Foundation:** In 2025, the Rothesay Foundation grew its benefits support campaigns, expanding its award-winning partnership with Age UK and establishing a pilot with benefits specialist Kinly to simplify and speed up the benefits application process. In total, the Rothesay Foundation has now helped over 13,000 pensioners check their eligibility for unclaimed benefits, identifying approximately £62m of annualised support for pensioners in need. Building on this impact, the Rothesay Foundation committed £1.8m to launch a new campaign in 2026, partnering with Iceland Foods and Kinly to provide both benefits checks and technology-enabled support for benefit applications.

**Tom Pearce, Chief Executive Officer of Rothesay, said:** "Rothesay delivered another very positive year, with strong financial performance and value generation. We made excellent progress in investing the significant volumes of assets generated over the last two years and will continue to do this cautiously given the turbulent market backdrop. Our industry-leading risk management systems allowed us to effectively navigate a wide range of external risks and our substantial capital resources and long-term, supportive shareholders mean we are very well-placed for future growth.

2026 promises to be another exciting year for Rothesay as we invest in our capabilities across the business to drive further innovation in the pension risk transfer market and capitalise on the growing pipeline of opportunities we are seeing. As always, we will remain relentlessly focused on our core purpose of securing the future for our policyholders, protecting their pensions while providing service excellence and delivering long-term value to our shareholders."

The Group's solvency metrics as at 31<sup>st</sup> December 2025 are summarised in the table below:

	<b>Group</b>	<b>Rothesay Life Plc</b>
	£m	£m
Own funds eligible to meet SCR	9,020	9,116
SCR	3,668	3,668
Surplus above SCR	5,352	5,448
SCR coverage	246%	249%

**ENDS**

# Rothesay

## Media Contacts

**Rothesay:** Anthony Marlowe, Head of Communications & Public Affairs

0207 550 0687 or [anthony.marlowe@rothesay.com](mailto:anthony.marlowe@rothesay.com)

**Temple Bar Advisory:** Alex Child-Villiers +44 (0)7795 425580 or Sam Livingstone +44(0) 7769 655437 or [rothesay@templebaradvisory.com](mailto:rothesay@templebaradvisory.com)

## 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 £73 billion of assets under management, we secure the pensions of nearly one million people and pay out, on average, over £360 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)