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Standard & Poor's improves Royal London's rating to 'positive' outlook

Standard & Poor's (S&P), the global ratings agency, has reaffirmed Royal London's rating as A- and raised the outlook to 'positive' (previously 'stable'). The key reason given by S&P for the improved rating was Royal London's track record of strong strategic execution in recent years.

S&P states that Royal London is "well placed to compete in the UK life and pensions market" having expanded its product offering and distribution and improved the efficiency of its administration.

Commenting on Standard & Poor's announcement, Mike Yardley, Group Chief Executive of Royal London, said:

"Obviously we're very pleased that the success of our strategy, and in particular the effectiveness of its implementation, has been recognised by Standard & Poor's.

"Given the ongoing turbulence in the life and pensions sector, the improvement in S&P's outlook for Royal London to 'positive' is a strong endorsement of what we have to offer to our distribution partners and their clients as well as to our members.

"S&P has also identified the challenges that we face, in common with others in the UK life and pensions sector. Not least is the margin pressure in the pensions market, especially corporate pensions. This is something which we will continue to take a proactive lead in addressing."

Standard & Poor's states that its ratings reflect Royal London Group's "strong management and capitalisation". They also note that "management has delivered significant efficiencies, cutting the cost base in half while significantly improving service quality". In addition, Royal London "has significantly improved its capital position".

-ENDS-

For further information please contact:

Royal London

Alasdair Buchanan, Group Head of Communications

0131 456 7133

Polhill Communications

Jenette Greenwood

020 7655 0520

Editor's Notes:

Royal London Group is a specialist financial service provider. Its businesses focus on those sectors of the market which value quality propositions, operating through a number of brands:

- Scottish Life – UK pensions market
- Bright Grey – UK protection market
- Scottish Provident – UK protection market
- Royal London 360° – offshore investment markets
- RLAM – fund management
- RLAS – life and pensions administration
- Fundsdirect / Ascentric – funds supermarket; Wrap platform

Royal London also distributes life and pensions products through Santander's UK branch networks.

Royal London is the largest mutual life and pensions company in the UK with Group funds under management of £39.1 billion. Group businesses serve around 3.4 million customers and employ 2,890 people. Figures quoted are as at 31 March 2010.