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Chesnara plc (CSN.L)

("Chesnara" or "the Company")

CONTINUED STRATEGIC DELIVERY DRIVING GROWTH IN CASH GENERATION, FUTURE VALUE AND DIVIDENDS

Chesnara reports its 2024 full year results. Key highlights are:

- Cash Generation[1] of £60m (FY 2023[1]: £52m) grew by 14%, providing strong coverage of 1.60x (FY 2023: 1.45x) against the full year dividend;
- Solvency Coverage Ratio of 203% (FY 2023: 205%) remained significantly above the upper-end of the Group's operating range of 140% - 160%, providing significant flexibility to allocate capital to M&A and other investment opportunities;
- Economic Value (EcV) Earnings of £69m (FY 2023: £59m) grew by 17% supporting growth in the Group's EcV per share to 352p (FY 2023: 348p) after dividend payments;
- IFRS pre-tax profits increased to £21m (FY 2023[2]: £2m); with IFRS pre-tax Contractual Services Margin (CSM) growing to £176m (FY 2023[2]: £157m), increasing the store of future value from the Group's insurance portfolio;
- New Business Contribution was stable at £9m (FY 2023: £10m);
- Ongoing M&A momentum with announcement of Canada Life portfolio transfer in December 2024, adding £11m of EcV which was £3m higher than previously announced;
- The Board is recommending a 3% increase in the final dividend to 16.1p per share. Total dividend for FY 2024 of 24.7p per share.

Commenting on the results, Steve Murray, Group CEO, said:
"We have again delivered a strong set of financial results with increased Cash Generation, positive organic EcV Earnings and a robust solvency position. This financial performance has allowed us to extend our track record of uninterrupted full year dividend growth to 20 years, unrivalled across listed UK and European insurers. Our people have also continued to deliver on our major operational programmes and our second portfolio acquisition from Canada Life again demonstrates our ability to grow through M&A and deliver very attractive returns for shareholders. Our M&A pipeline remains positive, and we continue to have significant firepower to deploy on opportunities."

A full year results presentation is being held at 10:00am on 27 March 2025 - participants can register here.

Further details on the financial results are as follows:

2024 FULL YEAR FINANCIAL AND STRATEGIC HIGHLIGHTS

STRONG CASH GENERATION AND 20 YEARS OF FULL YEAR DIVIDEND GROWTH

- Group Commercial Cash Generation(1) of £60m in FY 2024 (FY 2023: £52m), driven by favourable market conditions, cost efficiencies and other management actions undertaken during the year.
- The Board has proposed a 2024 final dividend of 16.1p per share (2024 total dividend of 24.7p), a 3% increase compared to 2023, extending the period of uninterrupted dividend growth to 20 years.
- The Group's 20-year full year dividend growth track record is unrivalled across UK and European Listed insurers with Chesnara's business model delivering sustainable returns to shareholders, with c£502m of cumulative dividends paid over the 20-year period.

FINANCIAL RESILIENCE AND FLEXIBILITY IN FINANCING FUTURE M&A

- Solvency II Coverage Ratio of 203% at FY 2024 (FY 2023: 205%), materially above the upper end of the Group's operating range of between 140 - 160%.
- Group Centre liquidity of £109m (FY 2023: £124m), with expected further divisional dividends of £57m during 2025. This combined with the Group's Revolving Credit Facility, provides £200m of immediately available resources to fund future acquisitions.
- Leverage ratio[3] of 31% at FY 2024, broadly in line with prior year (FY 2023[2]: 30%).

DELIVERING LONG TERM VALUE

- Acquisition of a portfolio of unit-linked bonds and legacy pensions from Canada Life announced in December 2024, increasing EcV by £11m in FY 2024, a £3m improvement on the expected day one gain and net of £2m consideration paid for the business. This was the second acquisition from Canada Life, with the Part VII transfer and migration of the Canada Life protection portfolio acquired in May 2023 onto our new strategic platform with SS&C completing in February 2025.
- Increased EcV of £531m as at FY 2024 (FY 2023: £525m), with strong growth in EcV Earnings of £69m (FY 2023: £59m) partly offset by the payment of dividends and the negative impact of foreign exchange rates over the period.
- Stable New Business Contribution[4] of £9m over FY 2024 (FY 2023: £10m).
- Increased IFRS pre-tax profits of £21m in FY 2024 (FY 2023[2]: £2m), driven by higher CSM releases, favourable investment returns and lower Group Centre costs.
- IFRS Capital Base[2] of £449m at FY 2024 (FY 2023[2]: £479m) with increased CSM and pre-tax Profits, offset by FX movements and the shareholder dividend.
- Process to merge our Dutch divisions is underway, with actions already taken to generate pre-merger cost savings and potential for future synergies.

DIVIDEND DETAILS

- The recommended final dividend of 16.1p per share is expected to be paid on 20 May 2025. The ordinary shares will be quoted ex-dividend on the London Stock Exchange as of 3 April 2025. The record date for eligibility for payment will be 4 April 2025.

ANALYST AND INVESTOR PRESENTATION

- A presentation for analysts and investors will be held at 10.00am on 27th March 2025 at the offices of RBC Capital Markets, 100 Bishopsgate, London, EC2N 4AA, which will be available to join online and subsequently be posted to the corporate website at www.chesnara.co.uk.
- To join the webcast, please register using the following link here.

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Notes to Editors

Chesnara (CSN.L) is a European life and pensions consolidator listed on the London Stock Exchange. It administers just under one million policies and operates as Countrywide Assured in the UK, as The Waard Group and Scildon in the Netherlands, and as Movestic in Sweden. Following a three-pillar strategy, Chesnara's primary responsibility is the efficient administration of its customers' life and savings policies, ensuring good customer outcomes and providing a secure and compliant environment to protect policyholder interests. It also adds value by writing focused, profitable new business in the UK, Sweden and the Netherlands and by undertaking value-adding acquisitions of either companies or portfolios. Consistent delivery of the Company strategy has enabled Chesnara to increase its dividend for 20 years in succession. Further details are available on the Company's website (www.chesnara.co.uk).

Notes

Note 1 ***Commercial Cash Generation*** (referred to as Cash Generation) represents the surplus cash that the group has generated in the period and is used as a measure of assessing how much dividend potential has been generated, subject to ensuring other constraints are managed. It is largely a function of the movement in the solvency position, excluding the impact of technical adjustments, representing the group's view of the commercial cash generated by the business. Note, the 2024 result includes the day one impact of the most recent Canada Life acquisition, and the 2023 comparator has also been restated to include the day one impact of the acquisitions completed in 2023.

Note 2 ***IFRS restatement*** The IFRS prior year comparatives have been restated following a change in the accounting methodology applied to the portfolio transfer into the UK from Canada Life Ltd. Further details are set out in Note A2 in the IFRS Financial Statements.

IFRS Capital Base is the sum of IFRS Net Equity and CSM (net of tax and reinsurance).

Note 3 The ***Leverage ratio*** is a financial measure that demonstrates the degree to which the company is funded by debt financing versus equity capital, presented as a ratio. It is defined as 'debt' divided by 'net equity plus debt plus net of tax and reinsurance CSM', as measured under IFRS. As per note 2, the FY 2023 IFRS results were restated which has also resulted in a restated Leverage ratio for FY 2023.

Note 4 ***New Business Contribution*** is a more commercially relevant measure of new business profit than that recognised directly under the Solvency II regime, allowing for a modest level of return, over and above risk-free, and exclusion of the incremental risk margin Solvency II assigns to new business. This provides a fair commercial reflection of the value added by new business operations.

The Board approved this statement on 26 March 2025.

2024 FINANCIAL HIGHLIGHTS

COMMERCIAL CASH GENERATION [1]
£60M

2023: £52M

SOLVENCY COVERAGE RATIO [6*]
203%

205%

31 DECEMBER 2023: 205%

ASSETS UNDER ADMINISTRATION (AuA) 2

£14BN Δ

31 DECEMBER 2023: £11BN

Δ *Includes impact of Canada Life portfolio acquisition, expected to Part VII and migrate during 2025*

ECONOMIC VALUE 3

£531M

31 DECEMBER 2023 £525M

ECONOMIC VALUE EARNINGS 4

£69M

2023: £59M

NEW BUSINESS CONTRIBUTION 5

£9M

2023: £10M

IFRS

£21M - IFRS PRE-TAX PROFIT

2023: £2M**

£449M - IFRS CAPITAL BASE

2023: £479M

These financial highlights include the use of Alternative Performance Measures (APMs) that are not required to be reported under International Financial Reporting Standards.

1 - Cash Generation is calculated as the movement in the group's surplus Own Funds above the group's internally required capital, as determined by applying the group's prudent Capital Management Policy, which has Solvency II rules at its heart. Commercial Cash Generation is used as a measure of assessing how much dividend potential has been generated, subject to ensuring other constraints are managed. It excludes the impact of technical adjustments and modelling changes; representing the Group's view of the commercial cash generated by the business. The 2023 comparator is shown as inclusive of day one acquisition impacts.

2 - Assets Under Administration (AuA) represents the sum of all financial assets on the IFRS balance sheet. Note - this measure was previously referred to as 'Funds under Management' (FuM). There has been no change to the basis of calculation.

3 - Economic Value (EcV) is a financial metric derived from Solvency II. It provides a market consistent assessment of the value of existing insurance businesses, plus adjusted net asset value of the non-insurance business within the Group.

4 - Economic Value earnings are a measure of the value generated in the period, recognising the longer-term nature of the Group's insurance and investment contracts.

5 - New Business Contribution represents the best estimate of cash flows expected to emerge from new business written in the period. It is deemed to be a more commercially relevant and market consistent measurement of the value generated through the writing of new business, in comparison to the restrictions imposed under the Solvency II regime Note - this measure was previously referred to as 'commercial new business'. There has been no change to the basis of calculation.

6 - Solvency is a fundamental financial measure which is of paramount importance to investors and policyholders. It represents the relationship between the value of the business as measured on a Solvency II basis and the capital the business is required to hold - the Solvency Capital Requirement (SCR). Solvency can be reported as an absolute surplus value or as a ratio.

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* *On 31 December 2024 the PRA's restatement of Solvency II assimilated law came into force. Throughout the document we refer to the new regime as Solvency II, in line with the name of the prudential regime in PRA policy material.*

***The IFRS prior year comparatives have been restated following a change in the accounting methodology applied to the portfolio transfer into the UK from Canada Life Ltd. Further details are set out in the Note A3 in the 'IFRS Financial Statements.*

CHAIR'S STATEMENT

"The Group has delivered strong Commercial Cash Generation and value growth, including through a further UK acquisition, supporting a proposed 3% increase in our full year dividend, our 20th year of consecutive dividend increases."

LUKE SAVAGE, CHAIR

Increase in the full year dividend by 3%

I am pleased to report that we are proposing that our shareholders will receive a total dividend of 24.69p per share, an increase of 3% on the prior year, and the 20th consecutive year that we have increased the full year dividend.

Cash generation and financial strength

Our proposed dividend is underpinned by strong levels of cash generation and financial stability again in 2024, despite a continued backdrop of volatile geopolitical and macro-economic factors.

Each of our operating divisions contributed to the Group's Commercial Cash Generation of £60m, an increase of 14% compared to the same period in 2023 and against a total dividend cost of £37m.

Our Solvency II coverage ratio of 203% remained stable throughout 2024 and remains significantly above our normal operating range of 140% - 160%. The Group's diversified business model and our risk-based approach to financial management is fundamental to providing financial security to our customers. Our strong and resilient balance sheet continues to provide us with considerable strategic flexibility to invest in our businesses and pursue further M&A opportunities as they arise.

Operational delivery

Across the Group, our operating divisions continue to perform strongly in support of the Group's key strategic priorities.

In the UK, we announced our second portfolio acquisition from Canada Life UK - a closed portfolio of onshore bond and pensions products. We are pleased to continue our relationship with Canada Life following our acquisition of their UK life insurance policies and this latest transaction illustrates our ability to add scale and provide attractive returns to our UK business.

The transfer of the earlier Canada Life UK Life insurance portfolio acquisition to our new outsource partner, SS&C, completed successfully in February 2025, marking a significant milestone for this programme.

The operational activities to transfer existing UK insurance portfolios to SS&C are also progressing, with plans to migrate the remaining in scope books within its portfolio over the next 18 to 24 months, including the recently announced deal with Canada Life.

In the Netherlands, we announced our intention to merge our Scildon and Waard businesses (subject to approval by De Nederlandsche Bank). The proposed legal merger is expected to take place in mid-2025 with further integration significantly simplifying our operating model in the Netherlands, alongside ongoing initiatives to upgrade the IT estate and improve customer and broker experiences.

In Sweden, we have seen strong growth in our custodian business as we continue to build new partnerships and further-diversify our distribution model. Overall new business sales momentum remains strong, benefiting from ongoing enhancements to our product offerings and the digitisation of our service offerings.

It has been another year of significant delivery across the Group and as ever, I want to thank staff for their continued efforts and dedication.

Our people

Over 2024, we maintained our focus on ensuring that the Group benefits from a broad range of skills and expertise on our Boards.

In April, we appointed Tom Howard as our Group CFO and Executive Director on the Chesnara Board and at the same time, we announced that Mark Hesketh was stepping off the Chesnara Board to allow his appointment as Chair of our UK life company, Countrywide Assured plc.

We also confirmed that as Jane Dale will have served her third successive three-year term, she will not be seeking re-election at our Annual General Meeting in May 2025, in line with UK Corporate Governance Code for listed companies. Jane, who has also been Chair of the Audit & Risk Committee, will have served 9 years as a non-executive director of the Group and has made an immense contribution to Chesnara's success over this period. On behalf of the board, I want to thank Jane for her dedication to Chesnara and she leaves with our best wishes for the future.

At the same time, I am delighted to announce that we have appointed Gail Tucker to the Chesnara Board. Gail brings a wealth of experience to Chesnara, particularly in the UK and European listed life insurance sector and I want to welcome her to Chesnara and very much look forward to working with her. Gail will chair the Chesnara Audit and Risk Committee and, subject to regulatory approval, will also join the CA Board where she will also chair their Audit and Risk Committee.

Purpose

At Chesnara, we help to protect customers and their dependants by providing life, health, and disability cover or savings and pensions solutions to meet future financial needs. These are very often customers that have come to us through acquisition, and we are committed to ensuring that they remain positively supported by us.

We have always managed our business in a responsible way and have a strong sense of acting in a fair manner, giving full regard to the relative interests of all stakeholders.

Maintaining our strong capital position and delivering strong and sustainable financial returns will always remain of key importance. It underpins our desire to offer compelling returns to our shareholders, to meet our debt investor coupon payments and importantly, to ensure our customers can be confident in the ongoing financial strength of our business.

As a purpose-driven organisation, we continue to balance our responsibilities across the 3Ps - Profit, People and Planet. Sustainability is a key part of the strategy of the Group, and we are progressing well against our objectives. Sustainability is a key input into decision-making across the Group and all of our people completed mandatory sustainability training in 2024. Ongoing delivery of this training is now a key part of our people's broader learning journeys and professional development.

A key pillar of our commitments is to deliver a just transition to become a net zero group. During 2024, we announced our initial interim 2030 emission reduction target. By 2030, our target is to reduce the scope 1 and 2 emissions of the in-scope assets by 50% from a baseline of 2023. In-scope assets are corporate bonds and listed equity, which we can control or influence. All assets, alongside our operational activities, remain in scope of our 2050 net zero target. During 2024, we have seen a reduction of 13% in the calculated normalised emissions for our full portfolio against our 2023 baseline, together with a 25% reduction in our operational emissions, meaning we are on track to achieve our target. Absolute scope 3 emissions from our investments have increased during the year and so we also continued to engage with our key asset managers and partners in our value chain to be able to understand their own net zero journeys and identify areas of focus.

As a recent signatory to the Principles for Responsible Investment, and as a member of bodies such as the United Nations

Global Compact, UK Sustainable Investment and Finance Association and the Institutional Investors Group on Climate Change, we continue to engage on initiatives that create solid foundations for longer term change together with shorter-term actions that will begin to make a real-world positive impact.

Our Annual Sustainability Report (available on the Chesnara plc website) provides further details of our sustainability commitments, long-term targets and the activities underpinning our sustainability strategy.

Outlook

Our financial results in 2024 demonstrate that our diversified business model continues to deliver strong levels of Cash Generation, value growth and positive shareholder returns.

Our outlook for M&A remains positive and we have a strong capital base and ambition to support further acquisitions.

Luke Savage,
Chair
26 March 2025

CHIEF EXECUTIVE OFFICER'S REPORT

"Our strong financial performance and additional UK acquisition in 2024 underpin our positive outlook for 2025 and beyond."

STEVE MURRAY, CEO

We have again remained disciplined in driving delivery against our three areas of strategic focus namely:

1. Running our in-force insurance and pensions books efficiently and effectively;
2. Seeking out and delivering value enhancing M&A opportunities; and
3. Writing focused, profitable new business where we are satisfied an appropriate return can be made.

We have just under 1 million policies across the Group and our people take pride in the responsibility that comes with delivering for our policyholders every single day.

This focus helped us deliver a strong financial result for the year with Commercial Cash Generation of £60m, continued strong solvency of 203% and incremental EcV of £69m. And as Luke highlighted, this has supported us proposing an increase in the full year dividend of 3% to 24.69 pence per share.

Operational delivery has continued

We have continued to make positive progress delivering the ambitious change agenda we set ourselves and that will help ensure we have modern and sustainable operating platforms right across the Group.

In the UK, work on our transition and transformation (T&T) programme, which will lead to the transfer of our various UK books of business to SS&C's more modern policy administration system, continues to progress well. Our first migration was successfully completed in February 2025. And we successfully met the UK Consumer Duty deadline for closed books in July 2024 and are making positive progress implementing our fully funded plan. As part of this activity, we have made further positive changes for a number of our UK customers and there has been no material financial impact on the Group from any of the changes we are making here. It was also pleasing to secure our second transaction with Canada Life UK in December 2024. The Part VII transfer of policies from our first deal with Canada Life completed in Q1 2025.

In the Netherlands, our teams have been working hard on the new DORA (Digital Operational Resilience Act) regulation and associated work required to meet this new standard. We have also begun the preparation work to bring our two Dutch businesses together to create bigger scale and more sustainable business. This merger, which is planned for July 2025 and remains subject to local regulatory approvals, should also enable us to drive further synergies above and beyond some of the local restructuring work that was completed in December 2024. Regulatory submissions have now been completed and we have consolidated our teams based in Hilversum into one single location in December 2024.

And in Sweden, our teams also worked hard on implementing the new DORA regulations, in advance of the January 2025 deadline. Further work has been completed to enable us to more effectively promote and sell our risk product offerings as well as enabling better integration with broker firms. The leadership team has also been strengthened in the year with joiners in our custodian business, operations and IT.

Creating a more sustainable Chesnara

We continue to make progress against our three sustainability commitments on our journey to transition to become a sustainable Chesnara. We strongly believe we have a responsibility to consider the needs of all our stakeholders, balancing people, planet and profit over the long term. We actively review our sustainability strategy and priorities to ensure that we are working to address the needs of our stakeholders and managing the risks and opportunities presented by a changing world.

Our targets and key aspects of progress are:

- Net zero emissions by 2050 - in 2024, we published our initial interim 2030 decarbonisation target for a 50% intensity reduction from our 2023 baseline figures in the scope 1 and 2 emissions for our listed equity and corporate fixed income investments which we are able to influence or control. During 2024, we saw a 13% reduction in the calculated normalised scope 1 and 2 emissions from our investments and a 25% reduction in our absolute operational emissions, which are very positive movements. Absolute emissions from our investments did increase, however, driven by an increase in scope 3 emissions, which is partly due to increased assets under administration. Visibility of the causes of these movements is still limited but we are taking positive actions to reduce emissions and further detail on these is provided in our Annual Sustainability Report.

- Investments in nature and social impact solutions - during the year, we increased our investments in positive solutions and held £135m at the end of 2024, representing an increase of approximately 65% compared to 2023.

- A business where everyone feels welcome - we have continued to commit time and resource to ensuring the Group is an inclusive organisation. Activities including volunteering, internships, enhancing customer care, and focusing on employee wellbeing have been supplemented by delivering sustainability related training to all employees in the Group.

M&A continues alongside other management actions

We have proactively and diligently assessed a number of M&A opportunities across 2024. This has included our participation in multiple due diligence processes, primarily on a bilateral basis, as well as work on legal documentation. We announced another UK acquisition on 23 December and our second portfolio deal with Canada Life. Our latest deal involves the acquisition of a portfolio of c17k onshore bond and personal pensions. We expect an uplift in economic value of around £11m from the deal against the £2m of consideration paid. The first step of the deal has been executed by way of a reinsurance agreement between both parties.

We retain significant fire power for future acquisitions and can immediately deploy around £200m in support of deals. We have additional financing options available, should we have the opportunity to execute a larger value enhancing opportunity.

Alongside the extensive activity this year on M&A, we have continued to seek out other management actions to enhance Cash Generation and / or value. We extended the Group's FX hedge during the year and also extended the mass lapse reinsurance arrangements we have in the UK, both of which have reduced SCR and enhanced Cash Generation.

Positive sales momentum in Sweden and the UK with discipline maintained in the Netherlands

Overall, New Business Contribution remained broadly flat this year at £9m vs £10m in 2023.

Movestic has continued to see strong sales in both our group pension and custodian business where total sales are at their highest level for 5 years. We have continued to see transfers out at a higher level than our longer-term assumption (albeit in line with the short-term provision we made in the balance sheet in 2024). Overall, it has been a stronger year than 2023, being the first full year under Sara Lindberg's leadership, and we see further opportunities to expand our partnerships in 2025.

It was a tougher market in the Netherlands for our main term life product with overall new business materially lower compared to the same period in 2023. However, it has been pleasing to see the team maintain their disciplined approach to pricing against this more challenging market backdrop.

In the UK, we have continued to see positive flows into our intermediated onshore bond proposition and we have been engaging positively with other platforms in the market with a view to potentially expanding our distribution of this product.

Continued work to strengthen our team

Luke highlighted the additional talent that has joined the Chesnara Board including Tom Howard who joined us from Aviva in April. As a reminder, Tom has held a variety of senior roles within Aviva plc, including Director of Mergers & Acquisitions for Aviva Group and CFO for Aviva's Life and General Insurance business in Ireland. Tom brings with him an extensive European actuarial and financial reporting background. He has made a positive start to life at Chesnara and is focussed on improving our capital allocation discipline as well as helping to drive further M&A momentum.

We also announced Edwin Bekkering's appointment to the position of CFRO (Chief Financial & Risk Officer) in Scildon, following the appointment of Pauline Derkman as our new CEO 18 months ago. Edwin has extensive experience in senior finance roles in major financial institutions including at Athora, Vivat, SNS Reaal and ABN AMRO. Pauline and Edwin are also proposed as the CEO and CFRO of the planned merged business in the Netherlands.

Outlook

It has been pleasing to see continued strong cash and economic earnings generation in 2025. Whilst the volatile geopolitical and macro-economic backdrop persists, and will continue to be a material factor in all our markets, we remain confident that the Chesnara business model will continue to generate cash across a wide variety of market conditions, as it has done this year and over its history.

We also remain positive on the outlook for further M&A where we remain very active and continue to see a positive pipeline of opportunities. We believe we are well placed to execute further value accretive deals for shareholders.

Our people have continued to deliver across a number of material operational programmes and for our customers in the period. I thank them again for their efforts.

As I highlighted in the interim results, we celebrated our 20th anniversary as a listed company in May 2024. Chesnara has delivered 20 years of positive returns for shareholders and I look forward to continuing to deliver for our investors going forward. And the excellent work of our teams again this year further supports my belief that there is a lot to look forward to here at Chesnara.

Steve Murray,
Chief Executive Officer
26 March 2025

CHIEF FINANCIAL OFFICER'S REPORT

"2024 has been another year of growth for Chesnara. Our diversified business model continues to deliver strong and resilient financial performance, supporting increased returns to our shareholders"

TOM HOWARD, CFO

Overview

CASH RESULT	CAPITAL POSITION	FUTURE VALUE GENERATION	
Commercial Cash Generation **£60m** (2023: £52m)	**Solvency II Ratio** **203%**(2023: 205%)	**Economic Value** **£531m** (2023: £525m)	**AuA** **£14bn** (2023: £11bn)
Dividend Cover **1.60x** (2023: 1.45x)	**IFRS Leverage** **31%**(2023: 30%)	**IFRS Capital Base** **£449m** (2023: £479m)	
Full Year Dividend 24.69p per share, **up 3%** YoY			

I am delighted to have joined Chesnara at this exciting stage of the company's development. I have been incredibly impressed by the drive and commitment of the team and want to express my thanks to colleagues for the warm welcome they have given me since joining the Group in April 2024.

I am pleased to say that 2024 was another year of strong and resilient Cash Generation for the Group, with £60m of Commercial Cash generated, an increase of 14% compared to 2023. Each of our operating divisions contributed positively to this result, supporting strong coverage of the dividend and our debt servicing costs.

The Solvency Coverage Ratio of 203% remains comfortably above our operating range of 140% to 160% and continues to be resilient to a wide range of financial scenarios and provides the Group with significant scope to pursue M&A and other investment opportunities as they arise.

The Group continues to grow, with AuA increasing to £14bn (2023: £11bn), benefiting from positive investment returns on existing business, the addition of the Canada Life portfolio acquisition and value generated from new business written.

The Economic Value of the Group grew from £525m to £531m with positive contributions from operating activities, acquisitions and market conditions, partially offset by stronger expense and demographic assumptions.

This strong set of financial results underpin the Board's recommendation to increase the full year dividend by 3% to 24.69p per share.

Business performance

United Kingdom

Own Funds increased by £29m (2023: £51m) and SCR reduced by £5m (2023: increase of £2m), resulting in a pre-dividend solvency coverage ratio of 182% (2023: 179%). The growth in Own Funds arose primarily from the impact of positive economic conditions on the in-force book, the second acquisition from Canada Life and the writing of profitable new business over the period. The extension of existing mass-lapse reinsurance arrangements alongside existing book run off supported the reduction in SCR. The UK division held a Solvency II surplus (before foreseeable dividends) of £60m above its Boards risk appetite level (2023: £60m) and made remittances of £35m to Group Centre over 2024. IFRS Pre-Tax Profit of £28m (2023: £3m) arose from strong investment returns albeit lower than prior year and a much-improved positive insurance result in the year, with the combined effect of these broadly netting off. The prior year pre-tax profits were suppressed by a £21m impairment of AVIF (Acquired Value of In Force) related to the CASLP book.

Sweden

Solvency surplus generation of £10m arose from an increase in Own Funds of £15m (2023: £10m) offsetting an increase in SCR of £5m (2023: £13m), with a closing solvency coverage ratio (before foreseeable dividends) of 153% (2023: 153%). The increase in Own Funds and SCR were both largely driven by positive market movements, alongside an adverse consolidation impact on surplus due to depreciation of SEK against the pound and elevated levels of short-term persistency experience. The business unit held a pre dividend Solvency II surplus of £40m above its Board's risk appetite level (2023: £39m) and made remittances of £3m to Group Centre. IFRS Pre-Tax Profit of £10m (2023: £5m) arose from higher AUA generating higher fee income and fund rebates. A positive contribution from the risk business also meant that the insurance result was much improved compared to the prior year.

Netherlands

Solvency surplus generation of £3m arose from a reduction in Own Funds of £4m (2023: £32m) and a reduction in SCR of £7m (2023: £19m), with a closing solvency coverage ratio (before foreseeable dividends) of 237% (2023: 230%) noting the

£7m (2023: £15m), with a closing solvency coverage ratio (before foreseeable dividends) of 237% (2023: 230%) noting the 2023 comparators included the day one impact of the Conservatrix acquisition. Own Funds benefited from the impact of cost management actions in Scildon, but were more than offset by the impact of foreign exchange movements on consolidation. The reduction in SCR was driven primarily by lower expense risk with partial offset from higher market risk due to a lower interest rate environment. The Group's Dutch entities held a Solvency II surplus of £68m above its Board's risk appetite levels and made remittances of £7m to Group Centre (2023: £4m). IFRS Pre-Tax Profit of £5m (2023: £23m) with the reduction primarily being driven by a positive but less favourable investment return in the year compared to 2023, whilst the 2023 result also included a £7m day one gain from the Conservatrix acquisition.

Capital & cash management

Solvency II Capital Position

SII ratio FY 2023	**205%**
Capital generation	16%
Management actions	4%
Acquisitions	(3)%
SII adjustments	(7)%
Dividend payments	(12%)
SII ratio FY 2024	**203%**

At 31 December 2024, Group Solvency II surplus was £327m and the Group's Solvency II Coverage Ratio was 203% (2022: £351m and 205% respectively). The change in surplus since 31 December 2023 is driven by the positive impacts of capital generation from the Group's operating activities and market conditions in addition to management actions taken in the year offset by dividend payments, the application of Tier 2/3 valuation restrictions and foreign exchange impacts. The solvency capital requirement of £316m includes a £93m benefit from Group diversification and the benefits of the Group's foreign exchange hedging arrangements.

Cash Generation

Commercial cash generation by territory:

£m	
UK	39.6
Sweden	10.6
Netherlands	16.2
Total	**66.4**

Commercial Cash Generation of £60m (2023: £52m) comprised contributions of £66m from the operating divisions, partially offset by net surplus usage at Group Centre to fund M&A activities, debt financing costs and central overheads.

The contribution from the operating divisions of £66m (2023: £73m) benefited from favourable market conditions across our operating territories, robust new business performance and stronger operating performance relative to 2023. Group Centre surplus usage reflected Group Centre and debt servicing costs, partially offset by capital benefits from Group diversification and foreign exchange hedging facilities.

Commercial Cash Generation represents 1.60x coverage of the total 2024 dividend, demonstrating that the Group has ample resources to finance ongoing debt and dividend commitments whist maintaining a strong solvency coverage ratio.

Centre Liquidity
Group Centre held liquid resources of £109m at FY 2024, and this is expected to increase to £130m by half year 2025 following the receipt of planned Dividend Remittances from our operating divisions, net of Group Centre costs over the same period. This illustrates that we are continuing to generate sufficient cash from our operating divisions to fund our dividends, debt and Group Centre costs without impacting the Solvency Coverage Ratio.

Sensitivities

	Solvency Coverage Ratio Impact %	Solvency Surplus Impact range £m
20% sterling appreciation	33.6%	(9.0) to 0.0
20% sterling depreciation	(12.3)%	25.7 to 35.7
25% equity fall	6.4%	(63.5) to (33.5)
25% equity rise	(4.6)%	30.3 to 60.3
10% equity fall	2.6%	(21.4) to (11.4)
10% equity rise	(1.9)%	11.8 to 21.8
1% interest rate rise	6.1%	6.5 to 16.5
1% interest rate fall	(8.4)%	(29.2) to (9.2)
50bps credit spread rise	(3.6)%	(16.2) to (6.2)
25bps swap rate fall	(4.7)%	(15.8) to (5.8)
10% mass lapse	(0.2)%	(27.7) to (17.7)
1% inflation	(9.9)%	(32.7) to (22.7)
5% mortality increase	(3.6)%	(13.5) to (8.5)

The Group regularly assesses the resilience of the Solvency II coverage ratio against a range of scenarios as part of its internal risk management processes.

Market risks largely arise from foreign exchange rate movements, changes in equity valuations and movements in interest rates and inflation. Solvency surplus is most sensitive to the effect of equity movements on the value of the Group's AuA and the consequent impact on future earnings from charges levied on these AuA.

The Group reviews the matching profile of its liabilities relative to their matching assets on an ongoing basis. As a result, the impact on solvency surplus of interest rate movements is not significant. The inflation stress measures a permanent increase in inflation in all future years. This significantly increases the Group's exposure to future costs and reduces solvency surplus accordingly. It is worth noting that the sensitivities make no allowance for recovery management actions that the Group would apply in case of a prolonged stress event. These potential actions are regularly reviewed as part of the Group's ongoing risk management processes.

Demographic risks mainly comprise lapse risk from early surrenders and mortality risk on our protection and investment books. The Group manages lapse risk through a combination of active customer engagement, high levels of customer service and mass-lapse reinsurance arrangements. The Group manages mortality and longevity risk through its reinsurance arrangements and reviews the overall reinsurance programme on a regular basis.

Leverage

Leverage of 31% remained broadly unchanged as the impact of the increased CSM largely offset the decrease in IFRS equity. Our leverage ratio remains in line with our long-term preference of 30% or less and we continue to see opportunities to manage leverage in line with or below our preferred level into the longer term.

Capital Management Actions

Management actions are an important component of our strategy to maximise value from existing business. In 2024, we renewed the Group's foreign exchange derivative instrument, further reducing capital requirements relating to the risk of extreme foreign exchange movements. In our UK division, mass-lapse reinsurance arrangements were extended to provide the Group with further capital relief against the risk of extreme lapse events. Taken in aggregate, these actions increased the Group's Solvency Ratio by 5%

IFRS

IFRS Pre-Tax Profit

Group IFRS Pre-Tax Profit of £20.8m is £19.1m higher than 2023 (£1.7m) with an improved Insurance service result, a positive but lower investment result and an improvement in fee income net of expenses.

£m
FY23 Capital Base

CSM movement	26
Pre-Tax Profit	21
Other adjustments	2
FY24 Capital Base pre tax, FX & dividends	528
FX	(22)
Tax	(21)
Shareholder Dividends	(37)
FY24 Capital Base	449

IFRS Insurance Result

The insurance service result comprises the revenue and expenses from providing insurance services to policyholders and excludes economic impacts. Assumption changes only apply to the insurance service result to the extent that they relate to groups of onerous contracts in a 'loss component' position.

The insurance service result of £8.6m (2023: loss of £5.2m) comprises a relatively stable and positive contribution from the release of the CSM and the Risk Adjustment of £22.2m (2023: £23.0m). This is offset by some adverse experience primarily in the Netherlands and assumption changes on lines of onerous contracts also in the Netherlands, with these impacts being much more significant in the prior year, resulting in the overall loss.

IFRS Investment Result

The investment result comprises the economic result from all the Group's assets together with the impacts to its insurance and investment contract liabilities.

The positive investment result of £52.7m (2023: £71.7m) reflects the strong market performance in the year, although the investment returns from equities and fixed income securities did not reach the levels seen in 2023.

Fee, commission and other operating income

Fee, commission and other operating income mainly comprises the fee income generated in the UK and Sweden from unit-linked contracts measured under IFRS 9.

The income generated in the year after removing the effects of Swedish policyholder yield tax, which has an equal and opposite offset within 'Other Operating Expenses', was £73.4m (2023: £71.5m) with equity market returns in the UK and Sweden being the largest contributory factors to the result.

Other Operating Expenses and Financing costs

Other operating expenses comprises those costs incurred by the group that are not incurred from servicing insurance contracts, with such costs being reported within the insurance result.

After stripping out the impact of the policyholder yield tax noted above, the total other operating expenses and finance costs in the year was £113.9m (2023: £143.0m) with the prior year amount also being impacted by an impairment of AVIF in the UK segment of £21.0m.

IFRS Capital Base

Before allowing for the 2024 dividend, the IFRS Capital Base of £449.1m increased by £6.2m over 2024 as a result of the positive IFRS profit after tax of £3.9m, the increase in CSM net of tax of £15.2m and negative impacts going through 'other comprehensive income' or directly to shareholder equity of (£12.8m), these being mainly in respect of foreign exchange impacts.

In December 2024, the group announced that agreement had been reached with Canada Life to transfer an in-force portfolio to Chesnara's UK division. This acquisition contributed £0.7m to the increase in CSM gross of tax, however this amount reflects the profits to be earned in the reinsurance phase only, during which it will be accounted for at the reinsurance contract level under IFRS 17. Following the legal transfer of the underlying policies, IFRS 9 will then apply, as the policies are investment contracts and profits will therefore be recognised as the fee income is earned.

A further £6.8m of CSM gross of tax arose from new business in Scildon, offset by £18.9m released to the income statement. The closing CSM on the balance sheet will be earned over the coverage period of the policies to which it relates, and the expected earnings pattern is such that after 10 years more than 40% will remain to be earned.

Economic Value Earnings

£m	
EcV at FY 2023	**525**
Economic Earnings: Real World Returns	50
Operating Earnings	5
New Business	5
Acquisitions	11
Other Central and One-Off Items	(2)
EcV at FY 2024 pre FX & dividends	594
FX	(26)
Paid Dividends	(37)
EcV at FY 2024	**531**

The Economic Value of the Group represents the present value of future profits from existing business, plus the adjusted net asset value of non-insurance business within the Group. Group EcV Earnings of £69m increased by £10m (2023: £59m) with economic earnings being the largest component of Economic Value Earnings, reflecting favourable market conditions throughout 2024.

EcV Economic Earnings
Positive global equity market movements contributed strongly to the growth in the value of AuA over 2024, increasing the store of future value available from investment-linked portfolios. This was partially offset by the impact of foreign exchange movements, primarily from the strengthening of Sterling against the Euro and the Swedish Krona.

EcV Operating Earnings
EcV Operating Earnings of £10m (2023: £6m) were supported by strong contributions from the Group's Dutch businesses, and a small year-on-year increase in contribution from new business.

The contribution from the in-force portfolio and new business was partially offset by a strengthening of short-term lapse assumptions in the Group's Swedish division, mortality assumptions in the Netherlands and expense assumptions in the UK. Whilst these effects had the impact of reducing EcV Operating Earnings by £8m, this is less marked than the prior-year (2023: (£15m)), reflecting cost-containment and risk-management actions taken throughout 2024.

Other EcV Earnings
The acquisition of the Canada Life portfolio results in an up-front EcV gain of c£11m. Other non-operating items include the positive impact or risk margin releases (£23m), offsetting central financing costs (including Tier 2 coupon payments) of £11m.

Economic Value as at 31 December 2024
Before allowing for dividends of £37m, the Economic Value of the Group grew to £568m (2023: £525m)

Dividend

Our continued strong performance along with our strong and resilient solvency position has supported the directors' decision to recommend a 3% increase in the total dividend to 24.69p per share (2023: 23.97p).

Outlook

Chesnara has now delivered 20 years of consecutive dividend increases to our shareholders. Looking forward, we continue to have a strong line of sight to future Cash Generation over the medium and longer term. We have opportunities to further optimise future value generation from our existing portfolio through continued capital and investment management actions.

Our capital and liquidity resources remain strong and resilient to market movements and position us strongly to generate further sources of future value through acquisitions and investment in our operating divisions.

Tom Howard,
Chief Financial Officer
26 March 2025

STRATEGIC REPORT

OUR STRATEGY

Our strategy focuses on delivering value to customers and shareholders, mindful of the interests of other stakeholders, through our three strategic objectives, executed across our three territories.

STRATEGIC OBJECTIVES		
1. MAXIMISE THE VALUE FROM EXISTING BUSINESS	**2.** ACQUIRE LIFE AND PENSIONS BUSINESSES	**3.** ENHANCE VALUE THROUGH PROFITABLE NEW BUSINESS
Managing our existing customers fairly and efficiently is core to delivering our overall strategic aims.	Acquiring and integrating companies into our business model is key to continuing our growth journey.	Writing profitable new business supports the growth of our group and helps mitigate the natural run-off of our book.
KPIs **Cash Generation** **EcV Earnings** **Customer outcomes** **IFRS Pre Tax Profit** **IFRS Capital Base**	KPIs **Cash Generation** **EcV growth** **Customer outcomes** **Risk appetite** **IFRS Pre Tax Profit** **IFRS Capital Base**	KPIs **EcV growth** **Customer outcomes** **IFRS Pre Tax Profit** **IFRS Capital Base**

BECOMING A SUSTAINABLE CHESNARA

UNDERPINNED BY A ROBUST RISK MANAGEMENT AND GOVERNANCE FRAMEWORK

RESPONSIBLE RISK BASED MANAGEMENT FOR THE BENEFIT OF ALL OUR STAKEHOLDERS	GOOD TREATMENT OF CUSTOMERS	MAINTAIN ADEQUATE FINANCIAL RESOURCES	PROVIDE A COMPETITIVE RETURN TO OUR INVESTORS	ROBUST REGULATORY COMPLIANCE	A JUST TRANSITION TO A SUSTAINABLE GROUP

BUSINESS REVIEW | UK

The UK division manages c290k policies covering linked pension business, life insurance, endowments, annuities and some with-profit business. The division is largely closed to new business, generating future value through small levels of new business, investment returns on unit-linked policies, increments to existing policies and periodic acquisitions.

MAXIMISE VALUE FROM EXISTING BUSINESS

CAPITAL AND VALUE MANAGEMENT

- The division has continued the programme of migrating the existing books of business to SS&C Technologies as part of the long-term strategic partnership entered into in 2023. This now includes the migration and integration of the Canada Life acquisitions. In December, the UK division extended the scope of its existing mass-lapse reinsurance

Canada Life acquisitions. In December, the UK division extended the scope of its existing mass-lapse reinsurance arrangements, further reducing its associated capital requirements.

CUSTOMER OUTCOMES

- The division met the 31 July 2024 deadline for the closed-book operations to comply with the FCA's Consumer Duty regulation. This regulation sets high standards for consumer protection and focuses on ensuring firms act in a way to deliver good outcomes for customers. The division is also on track to meet the 31 March 2025 deadline for the FCA's Operational Resilience regulation.

GOVERNANCE

- The insurance business of CASLP was transferred to Countrywide Assured on 31 December 2023. CASLP Limited was de-authorised in Q3 2024, and the remaining assets were subsequently transferred to Countrywide Assured. The company was dissolved in January 2025. The division has supported the wider Group's sustainability programme over the course of the year and rolled out training for staff across the business to help embed sustainability into day-to-day decision making.

KPIs

- Commercial Cash Generation: £40m (2023: £49m)
- SII ratio (pre dividend) 182% (2023: 183%)
- SII ratio (post dividend) 135% (2023: 149%)
- EcV Earnings: £20m (2023: £38m)
- IFRS Profit Before Tax: £28m (2023: £3m, noting the 2023 result included a one-off impairment charge of £21m).
- Dividend remittances in 2024: £35m

FUTURE PRIORITIES

- Continued migration of the majority of the existing and the acquired books of business to SS&C.
- Implementation of Identified potential capital management actions.
- Finalisation of the operational resilience programme to ensure the regulatory deadline of 31 March 2025 is met.
- Continued focus on delivering good customer outcomes and maintaining strong customer service performance
- Continued engagement with our asset managers on progress towards net zero and investing in positive solutions and wider support of the Group-wide sustainability programme including focus on operations, social purpose and reporting.

ACQUIRE LIFE AND PENSIONS BUSINESSES

- In December 2024, the UK division reached agreement with Canada Life UK to acquire a closed portfolio of unit-linked bonds and legacy pension business with a total AuA of £1.5bn. This transaction is initially executed via a reinsurance agreement, with the policies expected to transfer to the Group through a Part VII insurance business transfer process following court approval.

- During 2024, work progressed on the Part VII transfer of the Canda Life individual protection business acquired in May 2023 under a reinsurance agreement. The transfer completed on 24 February 2025 following court approval.

KPIs

Acquisitions in the year have added:

- Day 1 OF: £10m
- Day 1 EcV: £11m (in excess of the expected day 1 gain as quoted in the announcement of £8m)
- AuA: £1.5bn
- Policies: 17,000

In the last three years, acquisitions have added £39m of EcV at Group level.

FUTURE PRIORITIES

- Support the Group in identifying and delivering UK acquisitions.
- Continue to deliver strong financial outcomes from past acquisitions.

ENHANCE VALUE THROUGH PROFITABLE NEW BUSINESS

- The division generated positive new business profits, through significantly increased volumes of the on-platform onshore bond. This resulted in a New Business Contribution of £m.
- Increased demand for the onshore bond is being driven in part by changes to personal tax allowances. The Autumn Budget 2024 strengthened the attractiveness of the product due to changes in capital gains tax and inheritance tax.
- The division has developed a suite of adviser-facing technical product documents and a tax tool which will go live in early 2025 and continues to work on opportunities to improve the adviser and customer proposition with platform partners.

KPIs

- APE: £13m (2023: £7m)
- New Business Contribution: £2m (2023: £2m)

FUTURE PRIORITIES

- Continue to enhance the customer and advisor proposition.
- Expand distribution of the onshore bond with existing and new platform partners.
- Work with our strategic outsource partner to leverage technology to generate administrative efficiencies.

BUSINESS REVIEW | SWEDEN

Our Swedish division consists of Movestic, a life and pensions business which is open to new business. It offers personalised unit-linked pension and savings solutions through brokers, together with custodian products via private banking partners and is well regarded within both communities.

MAXIMISE VALUE FROM EXISTING BUSINESS

CAPITAL AND VALUE MANAGEMENT

- Over 2024, the division saw growth in AuA driven by positive total net client cash flows and favourable investment markets. High transfer activity within the Swedish occupational pension segment has continued, affecting both inward and outward transfer flows. Inflows within both the unit-linked and the custodian lines grew compared to the prior year, generating a positive net client cash flow.

CUSTOMER OUTCOMES

- During 2024, Movestic released an updated version of its digital service which helps customers to plan their retirement, start withdrawing and change how they receive their occupational pension. To enable increased individual adaptation, more flexible terms for pension withdrawals were launched during the year. An additional digital service within salary sacrifice savings was launched during the year and more customers than ever signed up for individual pension advice within the "Movestic Freedom" concept.

GOVERNANCE

- Movestic's sustainability programme is aligned to the Group's strategy and commitments, forming the basis of Movestic's own sustainability work and targets. The EU commission adopted a new regulatory framework, Digital Operational Resilience Act (DORA), and over 2024, work progressed on this project to ensure compliance when it came into force. Work in the year also concluded that Movestic is outside the scope of the EU-adopted Corporate Sustainability Reporting Directive and the Global Minimum Tax regulations which were implemented in Swedish law in 2024.

KPIs

- Commercial Cash Generation £11m (2023: £nil)
- SII ratio (pre dividend) 153% (2023: 153%)
- SII ratio (post dividend) 151% (2023: 147%)
- EcV Earnings: £31m (2023: £7m)
- IFRS Profit Before Tax: £10m (2023: £5m)
- Dividend remittances in 2024: £7m (payment in Q4 2024 and Q1 2025)

FUTURE PRIORITIES

- Continue building solid and long-term sustainable value creation for customers and investor stakeholders through a diversified business model.
- [illegible]

- Continue offering modern and individually adapted high-quality solutions within pension, savings and health insurance, and expand customer-focused digital services.
- Increase the use of automation, streamline processes, and improve administrative efficiency and control.
- Ensure Group sustainability reporting processes are embedded into everyday operations
- Monitor developments in the regulatory landscape.

ACQUIRE LIFE AND PENSIONS BUSINESSES

- We have been engaging with other market participants and investment bank advisers in order to better understand potential opportunities for inorganic growth in the market.

FUTURE PRIORITIES

- Seek out opportunities to bring in additional scale through M&A.

ENHANCE VALUE THROUGH PROFITABLE NEW BUSINESS

- New Business Contribution of £5m over 2024 which is an increase on the prior year result of £3m.
- The division expanded its custodian distribution network in 2024, two new partner collaborations were launched in 2024 and a project to onboard another new partner in custodian sales is ongoing, the launch is planned for early 2025.
- To improve distribution and sales within the life and health insurance segment, the division launched a new, updated risk insurance offering, as well as new technical integrations for brokers and partners during the year.
- A new partnership for the distribution of the digital life insurance product has also been entered into over the course of the year.

KPIs

- APE: £100m (2023: £65m)
- New Business Contribution: £5m (2023: £3m)
- Occupational pension market share: 4.4% (2023: 4.4%)
- Custodian accounts market share: 12.2% (2023: 7.7%)

FUTURE PRIORITIES

- Continue to build customer value and loyalty through further enhancement of the division's offering, consisting of individually adapted pension and savings and life and health products, and associated digital services. Focus on both growing new business and retention activities.
- Continued development and enhancement of partnerships with our intermediaries within both the unit-linked and custodian business.
- Continued focus on growing the life and health insurance business to diversify and offer our customers a broader selection.

BUSINESS REVIEW | NETHERLANDS

Our Dutch businesses deliver growth through our acquisitive closed-book business, Waard, and our open-book business, Scildon, which seeks to write profitable term, investments and annuity business.

MAXIMISE VALUE FROM EXISTING BUSINESS

CAPITAL AND VALUE MANAGEMENT

- Scildon's enhancement of its IT infrastructure completed in 2024, generating operating and cost efficiencies. Scildon also conducted asset reviews to provide implement more efficient interest rate hedges, replaced short-duration government bonds with investments in money market funds to improve its overall return profile and increasing its investment in mortgage funds to improve its asset/liability matching positions. Waard also made changes to its asset mix to improve longer-term expected returns. The proposed merger of the two Dutch businesses will result in a division stronger than the sum of its parts, through scale and synergies.

CUSTOMER OUTCOMES

- Scildon has continued to make improvements to its customer offering through new products and digitalisation options, Scildon has continued to make improvements to its customer offering through new products and digitalisation options. Waard launched its digital customer portal, making it easier for customers to access their documents in digital format.

GOVERNANCE

- During 2024, the businesses progressed the implementation of the requirements of the Digital Operational Resilience Act (DORA), becoming compliant by the January 2025 implementation date. Work progressed over the year in respect of the implementation of the Corporate Sustainability Reporting Directive (CSRD), with both companies completing their double materiality assessments and gap analyses in 2024. We are considering the impact of the EU Omnibus proposals announced in February 2025, which would mean we would no longer have to implement CSRD across the group.
- In January 2024, Chesnara Holdings BV was dissolved resulting in Scildon, Waard Leven and Waard Schade becoming directly owned by Chesnara plc. Chesnara Holdings BV was de-registered in April 2024. During the year, the division prepared all of the required documents relating to the potential merger and submitted these to the local regulator for approval in January 2025.

KPIs

- Commercial Cash Generation £16m (2023: £24m)
- SII ratio (pre dividend) Waard 350% and Scildon 205% (2023: Waard 377% and Scildon 184%)
- SII ratio (post dividend): Waard 324% and Scildon 205% (2023: Waard 353% and Scildon 184%)
- EcV Earnings: £21m (2023: £41m of which £21m related to the day 1 gain from Conservatrix)
- IFRS Profit Before Tax: £5m (2023: £23m)
- Dividend remittances in 2024: £7m

FUTURE PRIORITIES

- Complete the proposed merger of the Waard and Scildon businesses (subject to regulatory approvals), enhancing the scale, efficiency and longer-term sustainability of the Group's Netherlands division
- Identify potential capital management actions, focusing on those that generate the appropriate balance of value and Cash Generation.
- Ensure customers continue to receive high-quality service throughout the change period of the merger.
- Regular engagement with customers to improve service quality, as well as enhance existing processes, infrastructure, and customer experiences.
- Consider the impact of the EU Omnibus proposals announced in February 2025 on the business's requirements under the Corporate Sustainability Reporting Directive (CSRD).
- Prepare the roadmap for investments to become net zero in 2050.

ACQUIRE LIFE AND PENSIONS BUSINESSES

- The division has continued to support the Group's acquisition strategy by assessing M&A opportunities and processes, including due diligence activity, as appropriate.

FUTURE PRIORITIES

- Continue to remain active in seeking acquisitions and have actively examined opportunities during the year
- Will continue to engage with possible vendors during 2025 on opportunities

ENHANCE VALUE THROUGH PROFITABLE NEW BUSINESS

- Scildon generated a New Business Contribution of £2m (2023: £5m) , against a backdrop of continued suppressed term market volumes and pressure on pricing. Scildon has maintained a disciplined approach to pricing, albeit at lower volumes.
- In April 2024, Scildon launched a Stop Smoking lifestyle proposition on new business reflecting its focus on expanding offerings to customers. The initiative won an award in the Customer Interest category of the Adfiz Performance Survey 2025.

KPIs

- New Business Contribution: £2m (2023:£5m)
- Term assurance market share: 10.6% (2023: 11.2%)

FUTURE PRIORITIES

- Simple focused product portfolio offering primarily sold through IFAs with digital options where preferred by customers.
- Look to offer more sustainable solutions for our unit-linked proposition.

CAPITAL MANAGEMENT | SOLVENCY II

The Group's Solvency Coverage Ratio of 203% is significantly above our operating range of 140% to 160%.

GROUP SOLVENCY 203%

SOLVENCY POSITION

£m	31 Dec 2024	31 Dec 2023
Own funds	643	684
SCR	316	333
Surplus	327	351
Solvency ratio %	203%	205%

SOLVENCY COVERAGE MOVEMENT

SII ratio FY 2023	**205%**
Capital generation	16%
Management actions	4%
Acquisitions	(3)%
SII adjustments	(7)%
Dividend payments	(12%)
SII ratio FY 2024	**203%**

Group Solvency II surplus is £327m (2023: £351m) with a solvency coverage ratio of 203% (2023: 205%), which includes the proposed final 2024 dividend of £24m and payment of the interim 2024 dividend of £13m.

Own Funds include the impact of a £32m rise in the Tier 2/3 restriction and a £10m day 1 gain from the acquisition of the policy portfolio from Canada Life. The SCR reduced in 2024, mainly due to a general fall in market and life underwriting risk, with a rise in LACDT in UK and Dutch businesses.

The numbers that follow present the divisional view of the solvency position which may differ to the position of the individual insurance company(ies) within the consolidated numbers. Note that year end 2023 figures have been restated using 31 December 2024 exchange rates in order to aid comparison at a divisional level.

UK

£m	31 Dec 2024	31 Dec 2023
Own funds (post dividend)	130	152
SCR	96	103
Buffer	19	21
Surplus	15	29
Solvency ratio %	135%	149%

The rise in surplus (pre-foreseeable dividend of £45m) to £60m (2023: £29m) includes growth in Own Funds and an SCR reduction during 2024. Key drivers of the increase in Own Funds included the portfolio acquisition from Canada Life, new business profits and economic returns (rising equities and bond income).

SWEDEN

£m	31 Dec 2024	31 Dec 2023
Own funds (post dividend)	184	159
SCR	122	108
Buffer	24	22
Surplus	37	29
Solvency ratio %	151%	147%

Surplus growth of £11m (pre-foreseeable dividend of £2.5m) was underpinned by economic factors, with unit linked equity returns driving the increase in Own Funds, offsetting adverse lapse experience. An increase in the SCR was also largely attributable to the impact of positive market conditions on the equity risk component of the SCR.

NETHERLANDS - WAARD

£m	31 Dec 2024	31 Dec 2023
Own funds (post dividend)	82	94
SCR	25	27
Buffer	9	9
Surplus	48	59
Solvency ratio %	324%	353%

The reduction in Solvency II surplus (£10m) includes the Own Funds impact of a foreseeable dividend (£7m) and a transfer of capital to Group, following liquidation of Chesnara BV. The reduction in SCR was primarily due a fall in life underwriting risks and an increase in LACDT, offsetting a rise in market risks.

NETHERLANDS - SCILDON

£m	31 Dec 2024	31 Dec 2023
Own funds (post dividend)	140	127
SCR	68	69
Buffer	51	52
Surplus	20	5
Solvency ratio %	205%	184%

Growth in Solvency II surplus arose from higher Own Funds with a broadly flat SCR over the period. Growth was driven by positive operating variances and operating assumption changes from cost management actions. An increase in LACDT outweighed rises in expense and lapse risks, resulting in a small reduction in SCR (£1m).

CAPITAL MANAGEMENT | SENSITIVITIES

The group's solvency position remains strong and we proactively evaluate the main factors that can affect our solvency.

The table that follows provides some insight into the immediate impact of certain sensitivities on the Group's Solvency Coverage Ratio and Solvency Surplus.

	Solvency Coverage Ratio Impact %	**Solvency Surplus** Impact range £m
20% sterling appreciation	33.6%	(9.0) to 0.0
20% sterling depreciation	(12.3)%	25.7 to 35.7
25% equity fall	6.4%	(63.5) to (33.5)

25% equity rise	(4.6)%	30.3 to 60.3
10% equity fall	2.6%	(21.4) to (11.4)
10% equity rise	(1.9)%	11.8 to 21.8
1% interest rate rise	6.1%	6.5 to 16.5
1% interest rate fall	(8.4)%	(29.2) to (9.2)
50bps credit spread rise	(3.6)%	(16.2) to (6.2)
25bps swap rate fall	(4.7)%	(15.8) to (5.8)
10% mass lapse	(0.2)%	(27.7) to (17.7)
1% inflation	(9.9)%	(32.7) to (22.7)
5% mortality increase	(3.6)%	(13.5) to (8.5)

Foreign exchange:
Appreciation of sterling relative to our overseas currencies reduces the value of overseas surplus with partial mitigation from the Group currency hedge.

Equity ealuations:
Lower equity valuations reduce the Group's AuA. In turn, this decreases the value of Own Funds and the associated SCR as the value of the funds exposed to market risk reduce. The reduction in SCR is limited by the impact of the Solvency II symmetrical adjustment.

Interest rates:
An interest rate fall has a more adverse effect on surplus than an interest rate rise. Group solvency is less exposed to rising interest rates as a rise in rates causes capital requirements to fall, increasing solvency.

Credit spreads:
Higher spreads reduce surplus as the rise in spreads decreases the value of Own Funds.

Swap rates:
A reduction in the swap discount rate profile reduces the Group's surplus by increasing the time-value of the projected future liabilities associated with the in-force book. This sensitivity assumes that this change applies with no change in the value of the assets backing the liabilities.

Mass lapse:
A 10% mass-lapse event drives an immediate reduction in the Group's projection of future surpluses, largely offset by the reduction in the associated SCR.

Inflation:
A permanent increase in inflation for all future years increases the Group's future expense profile, reducing Own Funds and surplus.

Mortality rates:
A 5% increase in mortality rates across the Group will reduce the future surplus projections from the in-force book, leading to lower Own Funds and a reduction in Group's surplus.

FINANCIAL REVIEW

FINANCIAL REVIEW | CASH GENERATION

COMMERCIAL CASH GENERATION £59.6M

2023: £52.4M

BASE CASH GENERATION £51.6M

2023: £31.9M

Continued strong Cash Generation was reported in 2024, with total Commercial Cash of £59.6m, benefitting from surplus generation from operating activities and positive market conditions. Cash generation is the increase in the Group's Solvency

II surplus, after allowing for 'prudent management buffers', as defined by the Group's Capital Management Policy.

	UK	SWEDEN	NETHERLANDS WAARD	NETHERLANDS SCILDON	DIVISIONAL TOTAL	GROUP CENTRE	ACQUISITIONS	TOTAL
Commercial Cash Generation	**39.6**	**10.6**	**1.6**	**14.6**	**66.4**	**0.9**	**(7.7)**	**59.6**
Symmetric adjustment	(2.8)	(2.4)	(0.1)	(0.5)	(5.8)	(0.7)		**(6.5)**
WP restriction look through	(1.5)	-	-	-	(1.5)	-		**(1.5)**
Base Cash Generation	**35.3**	**8.2**	**1.4**	**14.1**	**59.1**	**0.2**	**(7.7)**	**51.6**

UK

- The UK reported another strong year of Cash Generation, contributing £39.6m in 2024 (203: £48.5m). This was delivered through both Own Funds growth and a reduction in capital requirements. Economic conditions (mainly the positive impact of rising yields) supported both the growth in Own Funds and the reduction in SCR, predominantly lapse risk (resulting from management action on mass lapse reinsurance).

SWEDEN

- In Movestic, cash generation of £10.6m (2023: £0.3m) was stronger with economic returns on the division's unit-linked business the primary factor in Own Funds growth, exceeding a rise in SCR and underpinning the cash result. The rise in SCR was also attributable to the equity market-driven growth, with an increase in market-risk related capital requirements.

NETHERLANDS - WAARD

- Waard recorded modest Cash Generation of £1.6m (2023: £15.8m), with positive movements in both Own Funds and SCR. Own Funds growth, delivered through operating profits, was restricted due to economic losses (mainly the negative impact on bond holdings of interest rates). An increase in LACDT offset a rise in market risk, owing partly to the purchase of government bonds (with longer duration increasing interest rate SCR) and proactive re-risking through an increase in corporate bond holdings (increasing spread SCR). The divisional result also includes a material FX loss on consolidation owing to sterling appreciation versus the euro.

NETHERLANDS - SCILDON

- Scildon generated an increased cash return £14.6m for the period (2023: £8.2m). Operating profits, including management actions on cost efficiencies, were the primary driver of Own Funds growth. This action also had a positive effect on capital requirements, driving a reduction in SCR, offsetting the adverse impact of economic conditions and lower interest rates.

GROUP

- The Group Centre component of Cash Generation include Tier 2 debt coupon payments (c£10m) and other central costs.

FINANCIAL REVIEW | EcV

The Economic Value of the Group represents the present value of future profits of the existing insurance business, plus the adjusted net asset value of the non-insurance businesses within the Group.

ECONOMIC VALUE (EcV) £531.0M

2023: £524.7M

Value movement: 1 Jan 2024 to 31 Dec 2024:

£m	
EcV 31 Dec 2023	**525**
EcV Earnings	58
Acquisitions	11
Forex	(26)
Pre-dividend EcV	**567**
Dividends	(37)
EcV 31 Dec 2024	**531**

EcV Earnings:

EcV profits of £59m have been driven primarily by positive market conditions during 2024, supported by operating profits.

Acquisitions:

The Group completed the acquisition of a closed portfolio from Canada Life, the transaction delivering a day 1 EcV gain of £11m.

Foreign exchange:

The closing EcV of the Group reflects a foreign exchange loss in the period, which is a consequence of sterling appreciation against both the Swedish krona and also the euro.

Dividends:

Under EcV, dividends are recognised in the period in which they are paid. Dividends of £37m were paid during the year, representing the final dividend from 2023 and interim dividend for 2024.

EcV by segment at 31 Dec 2024 £m

£m	
UK	189
Sweden	199
Netherlands	252
Other group activities	(110)
EcV 31 Dec 2024	**531**

The above table shows that the EcV of the Group remains diversified across its different geographical markets.

EcV to Solvency II - £m

£m	
EcV 31 Dec 2024	**531**
Risk margin	(42)
Contract boundaries	4
Tier 2 debt	200
RFF & Tier 2/3 restrictions	(34)
Deferred tax asset adjustment	7
Dividends	(24)
SII Own Funds 31 Dec 2024	**643**

EcV is based on a Solvency II assessment of the value of the business but adjusted for certain items where it is deemed that Solvency II does not reflect the commercial value of the business. The above waterfall shows the key difference between EcV and SII, with explanations for each item below.

Risk margin:
Solvency II rules applying to our European businesses require a significant 'risk margin' which is held on the Solvency II balance sheet as a liability, and this is considered to be materially above a realistic cost. We therefore reduce this margin for risk for EcV valuation purposes from being based on a 6% (UK: 4%) cost of capital to a 3.25% cost of capital, risk tapering is subsequently applied in line with the parameters and approach used in the calculation of the risk margin under Solvency II in the UK.

Contract boundaries:
Solvency II rules do not allow for the recognition of future cash flows on certain in-force contracts, despite the high probability of receipt. We therefore make an adjustment to reflect the realistic value of the cash flows under EcV.

Ring-fenced fund restrictions:
Solvency II rules require a restriction to be placed on the value of surpluses that exist within certain ring-fenced funds. These restrictions are reversed for EcV valuation purposes as they are deemed to be temporary in nature.

Dividends:
The proposed final dividend of £24.3m is recognised for SII regulatory reporting purposes. It is not recognised within EcV until it is actually paid.

Tier 2:
The tier 2 debt is treated as "quasi equity" for Solvency II purposes. For EcV, consistent with IFRS, we continue to report this as debt. Under SII this debt is recognised at fair value, while for EcV this remains at book value.

Tier 3:
Under Solvency II the eligibility of Tier 3 Own Funds is restricted in accordance with regulatory rules. For EcV the Tier 3 Own Funds are recognised at a deemed realistic value.

FINANCIAL REVIEW | EcV EARNINGS

Continued strong EcV Earnings have been delivered through economic profits, new business gains and delivery of our acquisition strategy

EcV EARNINGS £69.2M

2023: £59.1M

Analysis of the EcV Earnings by source of value:

£m	31 Dec 2024	31 Dec 2023[†]
Expected movement in period	15.0	14.9
New business	5.2	4.4
Operating experience variances	(9.1)	14.9
Operating assumption changes	9.0	(25.9)
Other operating variances	(9.7)	(1.9)
Total Operating Earnings[†]	**10.4**	**6.4**
Total Economic Earnings[†]	**50.3**	**42.9**
Other non-operating variances	(11.3)	(11.9)
Central costs	(11.8)	(14.1)
Risk margin movement	22.8	1.1
Tax	(1.8)	6.3
EcV Earnings	**58.6**	**30.7**
Acquisitions	10.5	28.4
EcV Earnings inc. acquisitions	**69.2**	**59.1**

[†]Prior year comparators have been restated following a reallocation of components, with total EcV earnings remaining unchanged.

Total Operating Earnings

Total Operating Earnings:

Operating earnings of £10.4m were reported in 2024, driven by positive results in our Dutch and Swedish businesses, offsetting an operating loss in the UK.

Total Economic Earnings:

The economic result continues to be the largest component of the total EcV earnings, with a profit of £50.3m in the year. The result is in line with our reported sensitivities and is driven by the following key market movements:

Equity indices:

- FTSE All Share index increased by 5.6% (year ended 31 December 2023: increased by 3.7%)
- Swedish OMX all share index increased by 5.6% (year ended 31 December 2023: increased by 15.6%)
- The Netherlands AEX all share index increased by 7.5% (year ended 31 December 2023: increased by 13.4%)

Credit spreads:

- UK AA corporate bond yields decreased to 0.68% (31 December 2023: decreased to 0.71%)
- European AA credit spreads decreased to 0.56% (31 December 2023: increased to 0.63%)

Yields:

- 10-year UK gilt yields increased to 4.64% (31 December 2023: decreased to 3.64%)
- 10-year euro swap yield decreased to 2.37% (31 December 2023: decreased to 2.49%)

Other costs:

The result also includes Group Centre, primarily associated with the M&A strategy and development of the Group, and other non-operating items, including the release of risk margin and financing costs, such as Tier 2 debt servicing.

Analysis of the EcV result by business segment:

£m	31 Dec 2024	31 Dec 2023
UK	19.6	31.4
Sweden	30.9	6.8
Netherlands	21.4	19.5
Group and Group adjustments	(13.3)	(27.0)
Acquisitions	10.5	28.4
EcV earnings inc. acquisitions	**69.2**	**59.1**

UK

The UK's result of £19.6m was driven primarily by favourable market conditions, predominantly the long-term impact of rising yields and equities with an offset from non-recurring costs of investment in outsourcing arrangements and the business acquisitions. The result was also supported by higher year-on year new business earnings.

Sweden

Movestic result of £30.9m benefitted from favourable market conditions in Sweden and Europe. New business volumes contributed further earnings of £2.3m (on an EcV basis). The operating result was partially offset by the impact of transfers out.

Netherlands:

The Dutch businesses reported combined growth of £21.4m, with positive operating profits offsetting economic losses, primarily due to the impact of rising interest rates on the value of bond holdings. Scildon generated EcV growth of £14.0m, driven by positive operating variances, including the impact of management actions driving cost efficiencies. New business profits were muted, due to market pricing pressures and a smaller term market. In Waard, the negative impact of economic conditions on the bond portfolio, was offset by positive operating earnings and release of risk margin, delivering overall growth of £7.0m.

Group:

This component includes Group Centre personnel costs; the cost of funding the Group's acquisition strategy; debt financing costs and investment returns on Group Centre assets.

FINANCIAL REVIEW | IFRS BALANCE SHEET

The transition to IFRS 17 is now fully embedded in the reporting of the group's IFRS results and balance sheet. As at 31 December 2024, total net equity is £314.4m and the CSM, which represents unearned future profits from insurance contracts, is £175.8m (net of reinsurance and gross of tax).

HOW THE CSM HAS MOVED IN THE PERIOD

£m		
CSM (gross of tax) Dec 23		157
Adjustment to 2024 opening		1
Interest accreted		4
New business		7
Acquisition		1
Experience & assumption changes		32
CSM release		(19)
FX Impact	(7)	
CSM (gross of tax) Dec 24		**176**

The CSM represents future profits that are expected to be released to the income statement over the lifetime of the portfolio. The CSM (net of reinsurance and gross of tax) has increased by £18.9m from £156.9m to £175.8m during 2024.

Positive experience and assumption changes across the group have added £32.0m of CSM. New business in Scildon and the portfolio acquisition in the UK has also added £7.5m of CSM, reflecting the future profits arising on profitable new business added in the period. These additions are offset by the £18.9m release to profit in the period as the insurance services have been provided with other smaller net negative movements including the impact of foreign exchange and the interest accretion totalling £1.7m making up the total movement.

The CSM values are shown net of reinsurance but gross of tax. When calculating the IFRS capital base† a net of reinsurance and net of tax figure is used. The equivalent net of reinsurance and tax movement of CSM during 2024 is an increase of £15.2m.

HOW DOES IFRS COMPARE TO ECV AND SOLVENCY II?

EcV and IFRS share common principles. However, for investment contracts, expected future profits on existing policies are not recognised in the IFRS balance sheet, with profits being reported as they arise. This differs to the approach in EcV, where these future profits are fully recognised on the balance sheet, subject to contract boundaries.

LEVERAGE

Applying the Fitch gearing definition of debt divided by debt plus equity, with the equity denominator adding back the net of tax CSM liability, the leverage of the group as at 31 December 2024 was 30.9% (31 December 2023 restated: 29.5%).

FINANCIAL REVIEW | IFRS INCOME STATEMENT

IFRS PRE-TAX PROFIT £20.8M

31 DECEMBER 2023 RESTATED: £1.7M

TOTAL COMPREHENSIVE INCOME £(11.0)M

31 DECEMBER 2023 RESTATED: £10.2M

Analysis of IFRS result

	31 Dec 24 £m	Restated 31 Dec 23 £m

Net insurance service result	**8.6**	**(5.2)**
Net investment result	**52.7**	**71.7**
Fee, commission and other operating income	**104.2**	89.4
Other operating expenses	**(133.6)**	(149.9)
Financing costs	**(11.1)**	(11.0)
Profit arising on business combinations and portfolio acquisitions	**-**	6.7
Profit before income taxes	**20.8**	**1.7**
Income tax (charge)/credit	**(16.9)**	16.9
Profit for the period after tax	**3.9**	**18.6**
Foreign exchange (loss)/gain	**(15.3)**	(7.8)
Other comprehensive income	**0.4**	(0.6)
Total comprehensive income	**(11.0)**	**10.2**

Movement in IFRS capital base†		
Opening IFRS capital base	**479.4**	**469.2**
Movement in CSM (net of reinsurance and tax)	**15.2**	34.5
Total comprehensive income	**(11.0)**	10.2
Other adjustments made directly to shareholders' equity	2.1	0.9
Dividend	(36.5)	(35.4)
Closing IFRS capital base	**449.1**	**479.4**

Net insurance service result

The net insurance service result comprises the revenue and expenses from providing insurance services to policyholders and ceding insurance business to reinsurers and is in respect of current and past service only.

Assumption changes, relating to future service, are excluded from the insurance result (as they adjust the CSM), unless the CSM for a given portfolio of contracts falls below zero; thereby in a 'loss component' position. Economic impacts are also excluded from the insurance service result.

The net insurance service result of £8.6m is broken down into the following elements:

- gains from the release of risk adjustment and CSM of £22.2m (2023 restated: £23.2m). These gains represent a consistent source of future profits for the group.
- losses of £13.6m (2023 restated: £28.5m loss) caused by experience impacts and loss component effects where portfolios of contracts with no CSM have suffered adverse impacts that would otherwise be offset in the balance sheet if the CSM for those portfolios were positive.

Net investment result

The net investment result contains the investment return earned on all assets together with the financial impacts of movements in insurance and investment contract liabilities. The investment results include policyholder tax impacts in the UK of £13.9m (2023: £14.2m) and the impact of effect of locked-in discount rates has contributed a further £4.3m (2023: £12.8m), largely in respect of groups of contracts in a loss component position and therefore partly offsetting the losses noted above in the insurance service result.

Fee, commission and other operating income

The most significant item in this line is the fee income that is charged to policyholders in respect of the asset management services provided for investment contracts. There is no income in respect of insurance contracts in this line, as this is all now reported in the insurance result.

Total fee, commission and operating income in the year was £104.2m (2023: £89.4m) and was £73.4m net of Swedish policyholder yield tax (2023: £71.5m). The year-on-year values are comparable with equity market returns in the UK and Sweden, with the retention of pension business in Sweden being the largest contributory factor.

Other operating expenses

Other operating expenses consist of costs relating to the management of the group's investment contracts, non-attributable costs relating to the group's insurance contracts and other certain one-off costs such as project costs.

Other items of note are the impairment and amortisation of intangible assets in respect of investment business and the payment of yield tax relating to policyholder investment funds in Movestic, for which there is a corresponding offset within the fee income line.

After removing the impacts of policyholder yield tax (£30.8m in 2024 and £17.9m in 2023) and the impact of the AVIF impairment (£21.0m) from the prior year the other operating expenses in the year are £102.8m (2023: £111.0m).

Financing costs

This predominantly relates to the cost of servicing our Tier 2 corporate debt notes which were issued in early 2022. Further details can be found in Note C5 of the financial statements.

Profit arising on business combinations and portfolio acquisitions

The portfolio acquisition of unit-linked bond and pension business from Canada Life in December 2024 is not classed as a business combination under IFRS accounting and has therefore been accounted for as an 'asset and liability' transfer at cost, with no day 1 gain. The acquisition of the Conservatrix insurance portfolio in 2023 did meet the requirements of a business combination and the resulting day 1 gain is reported within the 2023 income statement.

Foreign exchange

The IFRS consolidated result of the group reflects a foreign exchange loss of £15.3m in the period, a consequence of sterling appreciation, against both the Euro and the Swedish krona. The loss is partly offset by a £4.0m gain from foreign exchange rate hedges, reported within the investment result.

Other comprehensive income

This represents the impact of movements in the valuation of land and buildings held in our Dutch division.

Income tax

Income tax consists of both current and deferred taxes.

The income tax expense of £16.9m in 2024 predominately arises from a UK deferred tax charge, driven by the investment returns on assets backing policyholder liabilities. Under current UK tax legislation, these investment returns are taxed over a seven-year period, leading to the deferred tax impact.

Although current tax charges are being offset by carried-forward tax losses (Excess Expenses) from prior periods, these losses had already been fully recognized as a deferred tax asset by year-end 2023. As a result, their utilisation in 2024 does not reduce tax expense but instead triggers a deferred tax charge.

RISK MANAGEMENT

"We continue to monitor the volatile global economic and geopolitical backdrop that appears to have become the new normal. Our solvency position remains strong, and our financial sensitivities remain well within the Board's Risk Appetite."

GAVIN HUGHES
GROUP CHIEF RISK OFFICER

Managing risk is a key part of our business model. We achieve this by understanding the current and emerging risks to the business, mitigating them where appropriate and ensuring they are appropriately monitored and managed.

HOW WE MANAGE RISK

RISK MANAGEMENT SYSTEM

Risk management system review and development

Clear accountabilities and responsibilities

Strategy: The risk management strategy contains the objectives and principles of risk management, the risk appetite, risk preferences and risk tolerance limits.

Policies: The risk management policies implement the risk management strategy and provide a set of principles (and mandated activities) for control mechanisms that take into account the materiality of risks.

Processes: The risk management processes ensure that risks are identified, measured/ assessed, monitored and

Processes: The risk management processes ensure that risks are identified, measured/ assessed, monitored and reported to support decision making.

Reporting: The risk management reports deliver information on the material risks faced by the business and evidence that principal risks are actively monitored and analysed and managed against risk appetite.

The Group adopts the "three lines of defence" model with a single set of risk and governance principles applied consistently across the business.

In all divisions we maintain processes for identifying, evaluating and managing all material risks faced by the Group, which are regularly reviewed by the divisional and Group Senior Leadership teams and Audit & Risk Committees. Our risk assessment processes have regard to the significance of risks, the likelihood of their occurrence and take account of the controls in place to manage them. The processes are designed to manage the risk profile within the Board's approved risk appetite.

Group and divisional risk management processes are enhanced by stress and scenario testing, which evaluates the impact of certain adverse events occurring separately or in combination. The results, conclusions and any recommended actions are included within divisional and Group ORSA Reports to the relevant Boards. There is a strong correlation between these adverse events and the risks identified in 'Principal risks and uncertainties'. The outcome of this testing provides context against which the Group and divisions can assess whether any changes to its risk appetite or to its management processes are required.

RISK MANAGEMENT | ROLE OF THE BOARD

The Group Board is responsible for monitoring the Group Risk Management System and carrying out a review of its effectiveness on an annual basis.

Risk Strategy and Risk Appetite

The Group and its divisions have a defined risk strategy and supporting risk appetite framework to embed an effective risk management framework, with culture and processes at its heart, and to create a holistic, transparent and focused approach to risk identification, assessment, management, monitoring and reporting.

On the recommendation of the Audit & Risk Committee the Chesnara Board approves a set of risk preferences which articulate, in simple terms, the desire to increase, maintain, or reduce the level of risk taking for each main category of risk. The risk position of the business is monitored against these preferences using risk tolerance limits, where appropriate, and they are taken into account by the management teams across the Group when taking strategic or operational decisions.

Risk and Control Policies

The Group has a set of Risk and Control Policies that set out the key policies, processes and controls to be applied. Senior Management are responsible for the day-to-day implementation of the Risk and Control Board Policies. Subject to the materiality of changes, the Chesnara Board approves the review, updates and attestation of these policies at least annually.

The Board is considering the provisions of the new UK Corporate Governance Code, including the arrangements to implement and report on Provision 29 (effective for accounting periods beginning on or after 1 January 2026) in relation to the effectiveness of internal controls.

Risk Identification

The Group maintains a Risk Register of risks which are specific to its activity and reports these, along with the Principal Risks of each Business Unit, to the Group A&RC on at least a quarterly basis.

On an annual basis the Board approves, on the recommendation of the Audit & Risk Committee, the materiality criteria to be applied in the risk scoring and in the determination of what is considered to be a principal risk. At least quarterly the principal and emerging risks are reported to the relevant Boards, assessing their proximity, probability and potential impact.

Own Risk and Solvency Assessment (ORSA)

On an annual basis, or more frequently if required, the Group produces a Group ORSA Report which aggregates the divisional ORSA findings and supplements these with an assessment specific to Group activities. The Group and divisional ORSA policies outline the key processes and contents of these reports.

The Chesnara Board is responsible for approving the ORSA, including steering in advance how the assessment is performed and challenging the results.

The primary objective of the ORSA is to support the company's strategic decision-making, by providing insights into the Company's risk profile over the business planning horizon. Effective ORSA reporting supports the Board, in its role of protecting the viability and reputation of the company, reviewing and challenging management's strategic decisions and recommendations.

Risk Management System Effectiveness

The Group and its divisions undertake a formal annual review of and attestation to the effectiveness of the risk management system. The assessment considers the extent to which the risk management system is embedded.

The Chesnara Board is responsible for monitoring the Risk Management System and its effectiveness across the Group. The outcome of the annual review is reported to the Group Board which make decisions regarding its further development.

RISK MANAGEMENT | EMERGING RISKS

On a regular basis the Senior Management teams scan the horizon to identify potential risk events (e.g. political; economic; technological; environmental, legislative & social), assessing potential outcomes in terms of threats and opportunities. This section provides details on some of the emerging risks that have been kept under close watch during 2024.

GEOPOLITICAL RISK

Geopolitical risk continues to create a greater level of uncertainty across the Group risk profile, for example market volatility and investment performance. To name some examples, the ongoing conflict between Ukraine and Russia, unrest in the Middle East and growing tensions between China and Taiwan all continue to be areas of emerging risk for the Group, in the sense that these are evolving situations which have potential implications for the Group's Principal risks.

During 2024, more than 40 countries, accounting for over 40 percent of the world held national elections, making it the largest year for global democracy. Against a backdrop of geopolitical tensions and economic instability, significant political change is happening:

- The UK's Conservative Party was heavily defeated after 14 years in power. Labour's first Budget announced significant changes impacting business owners and employers with an anticipated inflationary impact.

- In the US former president Donald Trump was re-elected with a decisive victory. Pledges made around tariffs and trade wars could impact inflation, global markets and economic growth. The long-term effects of his policies are unpredictable but could bring significant turbulence.

MACROECONOMIC VOLATILITY

Global economic growth is experiencing fluctuations due to various factors, including geopolitical tensions, supply chain disruptions, and changes in consumer behaviour. It was anticipated that 2024 would see a number of interest rate cuts but inflation proved persistent, meaning central banks have been reluctant to ease interest rates too quickly. The future path of inflation remains difficult to predict with most commentators forecasting a continuation of disinflation but with potential for smaller shocks or further persistence in some areas.

Economic uncertainty remains a prominent emerging risk for the Group, with inflation driven expense risk and future market risk exposures being the potential key areas with greatest potential impact.

- Many of the Group's material supplier contracts, as well as a majority of the Group's internal costs, are directly linked to wage/price inflation measures.

- Changes in market conditions can affect the Group's capital position, future growth and long-term investment performance.

ARTIFICIAL INTELIGENCE (AI)

Developments in the field of AI mean companies are looking towards both self-developed and externally acquired AI applications, often with the aim to automate or optimise existing processes and sub-processes. As a result, financial services organisations are entering the AI space with many looking at incorporating it into their long-term strategies.

The Group are exploring the use of Artificial Intelligence, including the risks and opportunities arising from developments in the field of AI.

The EU Artificial Intelligence Act officially came into force in August 2024. The regulations are designed to ensure that AI systems are safe, transparent, and respect fundamental rights while promoting innovation within the EU.
In 2024, the UK has continued to develop its approach to AI regulation with a focus on balancing innovation and security. The UK government has adopted a principles-based, cross-sector framework for AI regulation. Various regulators, including the FCA and the Information Commissioner's Office (ICO) have been updating their strategic approaches to AI.

SUSTAINABILITY

Sustainability and the response to the challenges and opportunities presented continues to be a key focus in the UK and Europe and is an evolving area of potential risk for the business. The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, however in early 2025 the United States of America withdrew from the United Nations Sustainable Development Goals. The agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. The SDGs and the potential risks they look to address cover areas including poverty, inequality, climate change, environmental degradation, peace, and justice.

Of these, a prominent area of focus across the UK and the EU is the financial risks of climate change. 2024 was the hottest year on record and the first calendar year to exceed the 1.5°C warming threshold of the Paris Agreement, with the global average at 1.6°C, and an understanding of the potential impacts on businesses is developing.

The need for organisations, businesses and wider society to take action is clear and to support this, the Group has published its sustainability strategy together with its initial targets. This is an integral part of the company's overall strategy and will look to address current and forthcoming sustainability-related risks.

The risk information that follows includes specific commentary, where appropriate, on the impact of emerging events on our principal risks.

RISK MANAGEMENT | PRINCIPAL RISKS AND UNCERTAINTIES

The following tables outline the principal risks and uncertainties of the Group and the controls in place to mitigate or manage their impact. It has been drawn together following regular assessment, performed by the Audit & Risk Committee, of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. The impacts are not quantified in the tables. However, by virtue of the risks being defined as principal, the impacts are potentially significant. Those risks with potential for a material financial impact are covered within the sensitivities.

PR1 - INVESTMENT AND LIQUIDITY RISK	
DESCRIPTION	Exposure to financial losses or value reduction arising from adverse movements in currency, investment markets, counterparty defaults, or through inadequate asset liability matching.
RISK APPETITE	The Group accepts this risk but has controls in place to prevent any increase or decrease in the risk exposure beyond set levels. These controls will result in early intervention if the amount of risk approaches those limits.
POTENTIAL IMPACT	Market risk results from fluctuations in asset values, foreign exchange rates and interest rates and has the potential to affect the Group's ability to fund its commitments to customers and other creditors, as well as pay a return to shareholders. Chesnara and each of its subsidiaries have obligations to make future payments, which are not always known with certainty in terms of timing or amounts, prior to the payment date. This includes primarily the payment of policyholder claims, reinsurance premiums, debt repayments and dividends. The uncertainty of timing and amounts to be paid gives rise to potential liquidity risk, should the funds not be available to make payment. Other liquidity issues could arise from counterparty failures/credit defaults, a large spike in the level of claims or other significant unexpected expenses. Worldwide developments in Environmental, Social, and Governance (ESG) responsibilities and

	Worldwide developments in Environmental, Social, and Governance (ESG) responsibilities and reporting have the potential to influence market risk in particular, for example the risks arising from transition to a carbon neutral industry, with corresponding changes in consumer preferences and behaviour.
KEY CONTROLS	**RECENT CHANGE / OUTLOOK**
- Regular monitoring of exposures and performance; - Asset liability matching; - Maintaining a well-diversified asset portfolio; - Holding a significant amount of surplus in highly liquid "Tier 1" assets such as cash and gilts; - Utilising a range of investment funds and managers to avoid significant concentrations of risk; - Having an established investment governance framework to provide review and oversight of external fund managers; - Regular liquidity forecasts; - Considering the cost/benefit of hedging when appropriate; - Actively optimising the risk / return trade-off between yield on fixed interest assets compared with the associated balance sheet volatility and potential for defaults or downgrades; and - Giving due regular consideration (and discussing appropriate strategies (with fund managers) to longer-term global changes that may affect investment markets, such as climate change.	There remains a high level of uncertainty in the external operating environment with a varied outlook globally. Uncertainty around geopolitics and monetary policy may bring continued market volatility and potential for shocks. Escalating tariffs could impact inflation, equity and credit markets. With greater global emphasis being placed on environmental and social factors when selecting investment strategies, the Group has an emerging exposure to "transition risk" arising from changing preference and influence of, in particular, institutional investors. This has the potential to result in adverse investment returns on any assets that perform poorly as a result of "ESG transition". Work is ongoing to embed sustainability into the wider strategy of the Group. Ongoing global conflict brings additional economic uncertainty and volatility to financial markets. This creates additional risk of poor mid-term performance on shareholder and policyholder assets.

PR2 - REGULATORY CHANGE RISK	
DESCRIPTION	The risk of adverse changes in industry practice/regulation, or inconsistent application of regulation across territories.
RISK APPETITE	The Group aims to minimise any exposure to this risk, to the extent possible, but acknowledges that it may need to accept some risk as a result of carrying out business.
POTENTIAL IMPACT	- The Group currently operates in three main regulatory domains and is therefore exposed to potential for inconsistent application of regulatory standards across divisions, such as the imposition of higher capital buffers over and above regulatory minimum requirements. Potential consequences of this risk for the Group are the constraining of efficient and fluid use of capital within the Group or creating a non-level playing field with respect to future new business/acquisitions. - Regulatory developments continue to drive a high level of change activity across the Group, with items such as operational resilience, climate change, Consumer Duty and ESG reporting being particularly high profile. Such regulatory initiatives carry the risk of expense overruns should it not be possible to adhere to them in a manner that is proportionate to the nature and scale of the Group's businesses. The Group is therefore exposed to the risk of: - incurring one-off costs of addressing regulatory change as well as any permanent increases in the cost base to meet enhanced ongoing standards; - erosion in value arising from pressure or enforcement to reduce future policy charges; - erosion in value arising from pressure or enforcement to financially compensate for past practice; and - regulatory fines or censure in the event that it is considered to have breached standards or fails to deliver changes to the required regulatory standards on a timely basis.
KEY CONTROLS	**RECENT CHANGE / OUTLOOK**
The Group seeks to limit any potential impacts of regulatory change on the business by: - Having processes in place for monitoring changes, to enable timely actions to be taken, as appropriate; - Maintaining strong open relationships with all regulators, and proactively discussing their initiatives to encourage a proportional approach - Being a member of the ABI and equivalent overseas organisations and utilising other means of joint industry representation; - Performing regular internal reviews of compliance with regulations; and - Utilising external specialist advice	There continues to be active regulatory agendas across the territories in which we operate. The UK Treasury and EIOPA have both been undertaking a review of SII rules implementation. In the UK this resulted in a reduction in the SII Risk Margin and similar is expected for the overseas entities from the EIOPA review. The European Parliament approved the final text of the Solvency II review in 2024 with the Solvency II Directive amended on 5 November 2024. It is expected once fully entered into force Member States will have two years to transpose it. There is also potential for divergence of regulatory approaches amongst European regulators with potential implications for the Group's capital, regulatory supervision and structure. The Group is subject to evolving regimes governing the recovery, resolution or restructuring of insurance companies. As part of the global regulatory response to the risk that systemically important financial institutions could fail, banks, and more recently insurance companies, have been the focus of new recovery and resolution planning requirements developed by regulators and policymakers nationally and internationally. The PRA is

and assurance, when appropriate. Regulatory risk is monitored and scenario tests are performed to understand the potential impacts of adverse political, regulatory or legal changes, along with consideration of actions that may be taken to minimise the impact, should they arise.	regulators and policy makers nationally and internationally. The PRA is expected to publish a policy statement in the near future following CP2/24 Solvent exit planning for insurers. UK Insurers will be required to prepare a Solvent Exit Analysis (SEA) as part of BAU activities. In July 2022, the FCA published final rules for a new Consumer Duty and response to feedback to CP21/36 - A New Consumer Duty. The Consumer Duty regulations set higher and clearer standards of consumer protection across financial services and require firms to act to deliver good outcomes for customers. The first key regulatory deadline of 31 July 2023 required implementation for new business, whilst all products including closed books must be compliant by 31 July 2024. Our UK business established a Consumer Duty project which delivered all requirements across its businesses within the FCA deadline. The group has also been progressing activity to implement major regulatory driven operational resilience programmes including UK Operational Resilience, UK Third Party Risk Management and EU Digital Operational Resilience Act.

PR3 - ACQUISITION RISK	
DESCRIPTION	The risk of failure to source acquisitions that meet the Group's criteria or the execution of acquisitions with subsequent unexpected financial losses or value reduction.
RISK APPETITE	The Group has a patient approach to acquisition and generally expects acquisitions to enhance EcV and expected Cash Generation in the medium term (net of external financing), though each opportunity will be assessed on its own merits.
POTENTIAL IMPACT	The acquisition element of the Group's growth strategy is dependent on the availability of attractive future acquisition opportunities. Hence, the business is exposed to the risk of a reduction in the availability of suitable acquisition opportunities within the Group's current target markets, for example arising as a result of a change in competition in the consolidation market or from regulatory change influencing the extent of life company strategic restructuring. Through the execution of acquisitions, the Group is also exposed to the risk of erosion of value or financial losses arising from risks inherent within businesses or funds acquired which are not adequately priced for or mitigated as part of the transaction.

KEY CONTROLS	**RECENT CHANGE / OUTLOOK**
The Group's financial strength, strong relationships and reputation as a "safe hands acquirer" via regular contact with regulators, banks and target companies enables the company to adopt a patient and risk-based approach to assessing acquisition opportunities. Operating in multi-territories provides some diversification against the risk of changing market circumstances in one of the territories. Consideration of additional territories within Western-Europe remains on the agenda, if the circumstances of entry meet the Group's stated criteria. The Group seeks to limit any potential unexpected adverse impacts of acquisitions by: - Applying a structured Board approved risk-based Acquisition Policy including CRO involvement in the due diligence process and deal refinement processes; - Having a management team with significant and proven experience in mergers and acquisitions; and - Adopting an appropriate risk appetite and pricing approach.	During 2024 the Group announced a second portfolio acquisition from Canada Life which will see a closed portfolio of unit linked bonds and legacy pension business transfer to Chesnara's UK subsidiary. There remains a positive pipeline of activity in relation to acquisitions, with the Group also looking at whether further M&A is possible in Sweden. The successful Tier 2 debt raise in 2022, in addition to diversifying the Group's capital structure, has provided additional flexibility in terms of funding the Group's future growth strategy.

PR4 - DEMOGRAPHIC EXPERIENCE RISK	
DESCRIPTION	Risk of adverse demographic experience compared with assumptions (such as rates of mortality, morbidity, persistency etc.)
RISK APPETITE	The Group accepts this risk but restricts its exposure, to the extent preferred, through the use of reinsurance and other controls. Early warning trigger monitoring is in place to track any increase or decrease in the risk exposure beyond a set level, with action taken to address any impact as necessary.
POTENTIAL IMPACT	If demographic experience (rates of mortality, morbidity, persistency etc.) deviates from the assumptions underlying product pricing and subsequent reserving, more or less profit will accrue to the Group. The effect of recognising any changes in future demographic assumptions at a point in time would be to crystallise any expected future gain or loss on the balance sheet. If mortality or morbidity experience is higher than that assumed in pricing contracts (i.e. more death and sickness claims are made than expected), this will typically result in less profit accruing to the Group. If persistency is significantly lower than that assumed in product pricing and subsequent

	reserving, this will typically lead to reduced Group profitability in the medium to long-term, as a result of a reduction in future income arising from charges on those products. The effects of this could be more severe in the case of a one-off event resulting in multiple withdrawals over a short period of time (a "mass lapse" event).

KEY CONTROLS	RECENT CHANGE / OUTLOOK
The Group performs close monitoring of persistency levels across all Groups of business to support best estimate assumptions and identify trends. There is also partial risk diversification in that the Group has a portfolio of annuity contracts where the benefits cease on death. The Group seeks to limit the impacts of adverse demographic experience by: - Aiming to deliver good customer service and fair customer outcomes; - Having effective underwriting techniques and reinsurance programmes, including the application of "Mass Lapse reinsurance", where appropriate; - Carrying out regular investigations, and industry analysis, to support best estimate assumptions and identify trends; - Active investment management to ensure competitive policyholder investment funds; and - Maintaining good relationships with brokers, which is independently measured via yearly external surveys that considers brokers attitudes towards different insurers.	Continued cost of living pressures could give rise to higher surrenders and lapses should customers face personal finance pressures and not be able to afford premiums or need to access savings. The Group continues to monitor closely and respond appropriately. Since 2020, we have seen mortality experience in the Netherlands in excess of expectations due to the direct and indirect consequences of the COVID19 pandemic. This is reflected in the shorter-term assumptions but anticipated to fade away in the longer-term assumptions, in line with industry practice / standard tables. Any prolonged stagnation of the property market could reduce protection business sales compared to plan, particularly in the Netherlands. Following the introduction of new legislation in 2022 making it easier for customers to transfer insurance policies in Sweden, the transfer market remains very active. This risk continues to be actively monitored.

PR5 - EXPENSE RISK	
DESCRIPTION	Risk of expense overruns and unsustainable unit cost growth.
RISK APPETITE	The Group aims to minimise its exposure to this risk, to the extent possible, but acknowledges that it may need to accept some risk as a result of carrying out business.
POTENTIAL IMPACT	The Group is exposed to expenses being higher than expected as a result of one-off increases in the underlying cost of performing key functions, or through higher inflation of variable expenses. A key underlying source of potential increases in regular expense is the additional regulatory expectations on the sector. For the closed funds, the Group is exposed to the impact on profitability of fixed and semi-fixed expenses, in conjunction with a diminishing policy base. For the companies open to new businesses, the Group is exposed to the impact of expense levels varying adversely from those assumed in product pricing. Similarly, for acquisitions, there is a risk that the assumed costs of running the acquired business allowed for in pricing are not achieved in practice, or any assumed cost synergies with existing businesses are not achieved.

KEY CONTROLS	RECENT CHANGE / OUTLOOK
For all subsidiaries, the Group maintains a regime of budgetary control. - Movestic and Scildon assume growth through new business such that the general unit cost trend is positive; - The Waard Group pursues a low cost-base strategy using a designated service company. The cost base is supported by service income from third party customers; - Countrywide Assured pursues a strategy of outsourcing functions with charging structures such that the policy administration cost is more aligned to the book's run off profile; and - With an increased current level of operational and strategic change within the business, a policy of strict project budget accounting discipline is being upheld by the Group for all material projects.	The Group has an ongoing expense management programme and various strategic projects aimed at controlling expenses and seeking opportunities to exploit efficiencies/ synergies, whilst ensuring we have the capabilities and capacity to support our growth ambitions. whilst continuing to keep tight cost control Acquisitions also present opportunities for unit cost reduction and the UK business announced a long-term strategic partnership with FinTech market leader SS&C Technologies ("SS&C") in May 2023, to provide policy administration services to the Group's UK division. The merger of our businesses in the Netherlands is anticipated to create a more sustainable business with the potential for further synergies. Through its exposures to investments in real asset classes, both direct and indirect, Chesnara has an indirect hedge against the effects of inflation and will consider more direct inflation hedging options should circumstances determine that to be appropriate.

PR6 - OPERATIONAL RISK	
DESCRIPTION	Significant operational failure/business continuity event.

RISK APPETITE	The Group aims to minimise its exposure to this risk, to the extent possible, but acknowledges that it may need to accept some risk as a result of carrying out business.
POTENTIAL IMPACT	The Group and its subsidiaries are exposed to operational risks which arise through daily activities and running of the business. Operational risks may, for example, arise due to technical or human errors, failed internal processes, insufficient personnel resources or fraud caused by internal or external persons. As a result, the Group may suffer financial losses, poor customer outcomes, reputational damage, regulatory intervention or business plan failure. Part of the Group's operating model is to outsource support activities to specialist service providers. Consequently, a significant element of the operational risk arises within its outsourced providers.

KEY CONTROLS	RECENT CHANGE / OUTLOOK
The Group perceives operational risk as an inherent part of the day-to-day running of the business and understands that it can't be completely eliminated. However, the Company's objective is to always control or mitigate operational risks, and to minimise the exposure when it's possible to do so in a convenient and cost-effective way. The Group seeks to reduce the impact and likelihood of operational risk by: - Monitoring of key performance indicators and comprehensive management information flows; - Effective governance of outsourced service providers, in line with SS2/21 Outsourcing and Third Party Risk Management, including a regular financial assessment. Appropriate contractual terms contain various remedies dependent on the adverse circumstances which may arise. - Regular testing of business continuity plans; - Regular staff training and development; - Employee performance management frameworks; - Promoting the sharing of knowledge and expertise; and - Complementing internal expertise with established relationships with external specialist partners.	Significant operational change is underway across the Group particularly from the merger in the Netherlands and through the Transition and transformation programme in the UK. This may bring additional operational risk in the shorter term but is anticipated to significantly reduce the risk in the longer-term. In addition, advancements in operational risk management and control continue to be made as a result of major regulatory driven operational resilience programmes across the Group, as described below. Operational resilience remains a key focus for the business and high on the regulatory agenda following the regulatory changes published by the BoE, PRA and FCA. The Group continues to progress activity under the UK operational resilience project. The next key regulatory deadline is 31 March 2025; the deadline by which all firms should have sound, effective, and comprehensive strategies, processes, and systems that enable them to address risks to their ability to remain within their impact tolerance for each important business service (IBS) in the event of a severe but plausible disruption. To support this the project is currently in the process of running a schedule of 'real life severe but plausible' scenario testing. The Digital Operational Resilience Act (DORA) entered into force January 2023 and applied from January 2025. It aims at strengthening the IT security of financial entities such as banks, insurance companies and investment firms and making sure that the financial sector in Europe is able to stay resilient in the event of a severe operational disruption. Movestic, Scildon and Waard are considered to be materially compliant with the new regulations, taking account of their size and overall risk profile, as well as the nature, scale and complexity of their services, activities and operations. Through 2025 there will be further activity to fully embed DORA into business as usual operations, closing any residual gaps and completing the first round of regulatory reporting. Each Division continues to carry out assurance activities through local business continuity programmes to ensure robust plans are in place to limit business disruption in a range of severe but plausible events.

PR7 - IT / DATA SECURITY & CYBER RISK	
DESCRIPTION	Risk of IT/ data security failures or impacts of malicious cyber-crime (including ransomware) on continued operational stability.
RISK APPETITE	The Group aims to minimise its exposure to this risk, to the extent possible, but acknowledges that it may need to accept some risk as a result of carrying out business.
POTENTIAL IMPACT	Cyber risk is a growing risk affecting all companies, particularly those who are custodians of customer data. The most pertinent risk exposure relates to information security (i.e. protecting business sensitive and personal data) and can arise from failure of internal processes and standards, but increasingly companies are becoming exposed to potential malicious cyber-attacks, organisation-specific malware designed to exploit vulnerabilities, phishing and ransomware attacks etc. The extent of the Group's exposure to such threats also includes third party service providers. The potential impact of this risk includes financial losses, inability to perform critical functions, disruption to policyholder services, loss of sensitive data and corresponding reputational damage or fines.

KEY CONTROLS	RECENT CHANGE / OUTLOOK
The Group seeks to limit the exposure and potential impacts from IT/data	The Group continues to invest in the

security failures or cyber-crime by: - Embedding the Information Security Policy and Group Cyber Response Framework in all key operations and development processes; - Seeking ongoing specialist external advice, modifications to IT infrastructure and updates as appropriate; - Delivering regular staff training and attestation to the information security policy; - Regular employee phishing tests and awareness sessions; - Ensuring that the Board maintains appropriate information technology and security knowledge; - Conducting penetration and vulnerability testing, including third party service providers; - Executive committee and Board level responsibility for the risk, including dedicated IT security committees with executive membership; - Having established Group and supplier disaster recovery and business continuity plans which are regularly monitored and tested; - Ensuring the Group's outsourced IT service provider maintains relevant information security standard accreditation (ISO27001); and - Monitoring network and system security including firewall protection, antivirus and software updates. - The Group has cyber insurance in place which covers all of the UK operations including Head Office. Elsewhere in the Group, where cyber insurance is not in place, we are able to access support and resources (e.g. forensic analysis) through existing contracts with third parties. In addition, a designated Steering Group provides oversight of the IT estate and Information Security environment including: - Changes and developments to the IT estate; - Performance and security monitoring; - Oversight of Information Security incident management; - Information Security awareness and training; - Development of Business Continuity plans and testing; and - Overseeing compliance with the Information Security Policy.	incremental strengthening of its cyber risk resilience and response options. During 2024 there have been no reports of any material data breaches. The risk of cybercrime campaigns particularly originating from state sponsored attacks remains heightened as a result of the ongoing geopolitical unrest. During 2024 the Group has continued to test and seek assurance of the resilience to cyber risks, this has included: - Completing a ransomware scenario test, which involved one business unit, Group crisis management team and Group Board. A lessons learned session has been held with relevant actions identified; - Regular phishing testing and training campaigns; - Board training and awareness; and - Ongoing penetration testing and vulnerability management. Enhancements to the IT control environment have also been made as a result of implementation of EU Digital Operational Resilience Act in our overseas business units, which came into effect on 17 January 2025.

PR8 - NEW BUSINESS RISK	
DESCRIPTION	Adverse new business performance compared with projected value.
RISK APPETITE	The Group does not wish to write new business that does not generate positive new business value (on a commercial basis) over the business planning horizon.
POTENTIAL IMPACT	If new business performance is significantly lower than the projected value, this will typically lead to reduced value growth in the medium to long term. A sustained low-level performance may lead to insufficient new business profits to justify remaining open to new business.
KEY CONTROLS	**RECENT CHANGE / OUTLOOK**
The Group seeks to limit any potential unexpected adverse impacts to new business by: - Monitoring quarterly new business profit performance; - Investing in brand and marketing; - Maintaining good relationships with brokers; - Offering attractive products that suit customer needs; - Monitoring market position and competitor pricing, adjusting as appropriate; - Maintaining appropriate customer service levels and experience; and - Monitoring market and pricing movements.	Increased expenses and price pressure remains a risk for the ongoing viability of writing profitable new business across the Group and the Swedish transfer market remains active following regulatory changes which give greater transfer freedom. Market share is currently being maintained in the Netherlands with activity to look at some broader wealth products. In Sweden, action is being taken to diversify distribution partners whilst expanding product offering across unit linked, custodian and life & health markets. The UK continues to write new business primarily through the onshore bond wrapper acquired as part of the Sanlam Life and Pensions.

PR9 - REPUTATIONAL RISK	
DESCRIPTION	Poor or inconsistent reputation with customers, advisors, regulators, investors, staff or other key stakeholders/counterparties.
RISK APPETITE	The Group aims to minimise its exposure to this risk, to the extent possible, but acknowledges that it may need to accept some risk as a result of carrying out business.
POTENTIAL	The Group is exposed to the risk that litigation, employee misconduct, operational failures, the outcome

IMPACT	The Group is exposed to the risk that litigation, employee misconduct, operational failures, the outcome of regulatory investigations, press speculation and negative publicity, disclosure of confidential client information (including the loss or theft of customer data), IT failures or disruption, cyber security breaches and/or inadequate services, amongst others, whether true or not, could impact its brand or reputation. The Group's brand and reputation could also be affected if products or services recommended by it (or any of its intermediaries) do not perform as expected (whether or not the expectations are realistic) or in line with the customers' expectations for the product range. Any damage to the Group's brand or reputation could cause existing customers or partners to withdraw their business from the Group, and potential customers or partners to elect not to do business with the Group and could make it more difficult for the Group to attract and retain qualified employees.

KEY CONTROLS	RECENT CHANGE / OUTLOOK
The Group seeks to limit any potential reputational damage by: - Regulatory publication reviews and analysis - Timely response to regulatory requests - Open and honest communications - HR policies and procedures - Fit & Proper procedures - Operational and IT Data Security Frameworks - Product governance and remediation frameworks - Appropriate due diligence and oversight of outsourcers and third parties - Proactive stakeholder engagement with inclusivity for all stakeholders	The Group is exposed to strategic and reputational risks arising from its action or inaction as part of its sustainability strategy. This includes the risks associated with not meeting our published targets and there are regulatory and reputational risks arising from our public disclosures on the matter through the potential of unintentional greenwashing. The Group has a published sustainability strategy which aims to provide clear and honest disclosure of the actions being taken, the rationale for those actions and areas of uncertainty.

PR10 - MODEL RISK	
DESCRIPTION	Adverse consequences from decisions based on incorrect or misused model outputs, or fines or reputational impacts from disclosure of materially incorrect or misleading information.
RISK APPETITE	The Group aims to minimise its exposure to this risk, to the extent possible, but acknowledges that it may need to accept some risk as a result of carrying out business.
POTENTIAL IMPACT	The Group and each of its subsidiaries apply statistical, economic and financial techniques and assumptions to process input data into quantitative estimates. Inaccurate model results may lead to unexpected losses arising from inaccurate data, assumptions, judgements, programming errors, technical errors, and misinterpretation of outputs. Potential risk impacts of inaccurate model results include: - Poor decisions, for example regarding business strategy, operational decisions, investment choices, dividend payments or acquisitions; - Potentially overestimating the value of acquisitions resulting in over payment; - Misstatement of financial performance or solvency, resulting in misleading key shareholders or fines; and - Provision of inaccurate information to the Board on business performance resulting in poorly informed or delayed decisions.

KEY CONTROLS	RECENT CHANGE / OUTLOOK
- Robust model governance framework and independent standards of "do-check-review"; - Independent model validation & internal audit review; - Monitoring and reporting of risk appetite limits; - Documented processes and policies; - Ongoing and regular data quality assessment checks; - Model version control and user access restrictions; - Robust due diligence processes on acquisitions including external support on model development / review; and - -Intra-Group financial reporting planning, monitoring and delivery management	Model risk management is becoming an increased area of focus of the regulators, particularly in the UK Banking industry, with PS6/23 and SS1/23 becoming effective for bank and building societies on 17th May 2024, and an expectation that further guidance will follow for insurers. The Group is in the process of embedding a new aggregation model (Tagetik) that provides greater access control for Group consolidation on both IFRS and SII bases. Many insurers, including Chesnara, are exploring the use of artificial intelligence, including the risks and opportunities arising. While this increases the opportunity to benefit from expense synergies, it also has the potential to introduce additional model risk. Conversely though, there are also opportunities to reduce model risk by applying machine learning techniques to validation and sense checking of results. As part of the Group's operational resilience programme, the Group is undertaking a review of the operational resilience of its financial reporting and modelling processes. This includes resilience scenario testing of the processes, and is expected to improve efficiency and model risk mitigation.

PR11 - CLIMATE CHANGE RISK	
DESCRIPTION	Exposure to adverse consequences of the physical or transitional risks arising from climate change.

<table>
<tr><td>RISK APPETITE</td><td colspan="2">The Group aims to restrict its exposure to climate change risk, such that it can continue to operate within the existing risk tolerance limits for the associated risks and potential impacts. The risk impacts below can have a direct impact on the operations of the Group and, more significantly, to the businesses within the Group's investment universe.</td></tr>
<tr><td>POTENTIAL IMPACT</td><td colspan="2">Physical risks impacts
- Extreme weather events such as floods, hurricanes, and wildfires can damage physical assets leading to direct business interruption as well as indirect consequences due to the impact on the supply chain.
- Sustained but gradual changes in the weather can also lead to both direct and indirect disruption of business operations, affecting everything from third parties to data centres.

Transitional risks impacts
- New regulations aimed at reducing carbon emissions may impact the profitability of certain investments, particularly in carbon-intensive industries.
- As the economy transitions to greener technologies, there may be shifts in market demand, affecting the value of investments in traditional energy sectors.
- Inflationary impacts from global climate policy failure, including on energy prices.
- Reputational damage if we are seen to be failing to manage the effects of climate change or to deliver on our targets/commitments.
- Litigation risk if we are considered not to have published enough information or to have made unsubstantiated claims leading to 'greenwashing.'</td></tr>
<tr><td colspan="2">KEY CONTROLS</td><td>RECENT CHANGE / OUTLOOK</td></tr>
<tr><td colspan="2">- Quantitative analysis of the potential impact of climate change on our business
- Working towards embedding climate change risk into investment and operational decision-making across the business
- Providing clear and honest disclosure on our targets and commitments and where there are areas of challenge and uncertainty for those targets.
- Robust Risk and Governance Frameworks
- Monitoring of associated KPIs
- Using external data providers to provide Group-wide ESG data on our asset portfolio
- Factoring an assessment of climate commitments into the selection of prospective partners
- Factoring sustainability-related risk analysis into the due diligence completed on potential acquisitions.</td><td>To manage the risks associated with climate change, financial institutions are increasingly adopting advanced data and modelling techniques. Additionally, regulatory bodies require financial institutions to perform climate scenario analyses to test their resilience to emerging climate-related financial risks. COP 29 emphasised the crucial role of non-party stakeholders such as businesses, investors and society, in driving global climate action. The outcomes reflected the ongoing efforts to enhance global climate action and cooperation although it was made clear more ambition and concrete plans are needed to meet the 1.5°C target.
In early 2025 the United States of America implemented a number of actions and executive orders that have potentially wide reaching implications for climate change and global action plans.

The Group has aligned its targets with the Paris Climate Agreement and aims to be net zero for all emissions by 2050. Our climate transition plan is being developed using the IIGCC's Net Zero Investment Framework 2.0 and is due to be published later this year.

A Chesnara Group Climate Risk Report was produced for the first time in 2024 and was presented to the Board. The report includes an estimated impact on own funds from climate risk, demonstrating the potentially significant impact of climate change, and the mitigating actions that are being taken.

Whilst we consider climate change to be a cross-cutting risk, that manifests through other Principal risks (e.g. equity, credit, regulatory etc), the Group has recently enhanced its climate change risk modelling by utilising MSCI data, and this has increased our assessment of the potential materiality of potential impacts in the longer term. It is a significant step forward in terms of coverage, granularity and robustness of Chesnara's climate risk analysis compared to our previous approach and, as a result, climate change risk has been included as an explicit Principal risk, to make more explicit the exposure to potential adverse consequences of the physical and transitional risks that could arise from climate change.</td></tr>
</table>

DIRECTORS' RESPONSIBILITIES STATEMENT

With regards to this preliminary announcement, the Directors confirm to the best of their knowledge that:

The financial statements have been prepared in accordance with United Kingdom adopted international accounting standards and give a true and fair view of the assets, liabilities, financial position and profit for the Company and the undertakings included in the consolidation as a whole;

Pursuant to Disclosure and Transparency Rules Chapter 4, the Chairman's Statement and Management Report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties faced by the business.

On behalf of the Board

Luke Savage Steve Murray
Chairman Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHESNARA PLC ON THE PRELIMINARY ANNOUNCEMENT OF CHESNARA PLC

As the independent auditor of Chesnara plc we are required by UK Listing Rule LR 9.7A.1(2)R to agree to the publication of Chesnara plc's preliminary announcement statement of annual results for the period ended 31 December 2024.

The preliminary statement of annual results for the period ended 31 December 2024 includes disclosures required by the Listing Rules and additional content such as 2024 highlights, the Chair's Statement and Chief Executive Officer's Report, narrative disclosures, the Management Report, Business Review, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Cash flows, Consolidated Statement of Changes in Equity and certain notes to the consolidated financial statements. We are not required to agree to the publication of presentations to analysts.

The directors of Chesnara plc are responsible for the preparation, presentation and publication of the preliminary statement of annual results in accordance with the UK Listing Rules.

We are responsible for agreeing to the publication of the preliminary statement of annual results, having regard to the Financial Reporting Council's Bulletin "The Auditor's Association with Preliminary Announcements made in accordance with UK Listing Rules".

Status of our audit of the financial statements
Our audit of the annual financial statements of Chesnara plc is complete and we signed our auditor's report on 26 March 2025. Our auditor's report is not modified and contains no emphasis of matter paragraph.

Our audit report on the full financial statements sets out the following key audit matters which had the greatest effect on our overall audit strategy; the allocation of resources in our audit; and directing the efforts of the engagement team, together with how our audit responded to those key audit matters and the key observations arising from our work:

Expense assumptions used in the valuation of insurance contract liabilities

Key audit matter description

The group's insurance contract liabilities are one of the largest balances on the balance sheet, held at £4.1bn (2023: £4.2bn) at 31 December 2024. The valuation of insurance contract liabilities is determined using actuarial assumptions that require complex judgments and forward-looking estimates to be made by management. A number of the assumptions, such as mortality and morbidity, economic assumptions and lapse rates, are made with reference to industry tables and actual experience, and hence market benchmarking highlights material deviations from industry practices.

The expense assumptions require management to make significant judgments and estimates relating to the future expenses attributable to insurance contracts. The risk associated with the expense assumptions is higher than other actuarial assumptions as a result of:

- planned changes to the policy administration outsourcing arrangements of CA plc, including the anticipated project costs of migration and termination;
- the impact of inflation on future expenses in the short- and long-term, particularly given recent changes in the group's macroeconomic environments; and
- uncertainties in the costs of maintaining insurance portfolios in run-off, particularly where variable cost assumptions are used.

Given the significance of the insurance contract liabilities held within CA plc (£1.3bn), Scildon (£1.9bn) and Waard (£0.7bn), our key audit matter was pinpointed to the expense assumptions within these divisions. As the expense assumptions are susceptible to manipulation by management, impacting its reported profit before taxation, we determined that there was a risk of material misstatement due to fraud and therefore identified this area as a key audit matter.

The group's accounting policy relating to its insurance contract liabilities has been presented in Note A4, with details of the balance and movement from 31 December 2023 set out within Note F2. The expense assumptions used in determining balance and movement from 31 December 2023 set out within Note F2. The expense assumptions used in determining insurance contract liabilities are also referred to in the Audit & Risk Committee Report.

How the scope of our audit responded to the key audit matter

In respect of the expense assumptions used in the valuation of insurance contract liabilities, we performed the following procedures:

- obtained an understanding of relevant controls in place around management's assumption setting processes at the group and divisional-level;
- with the involvement of actuarial specialists, evaluated the appropriateness of expense assumptions and methodology. Our assessment considered the reasonableness of forecasts for future periods with reference to the group's internal and external business environments, the impacts of any planned management actions, and whether the assumptions have been subject to management bias.;
- tested actual expenses in the year-ended 31 December 2024 and compared these to management's previous forecasts to understand the predictive accuracy of management's process;
- assessed the mechanical accuracy of management's underlying expense calculations, verifying that management's selected methodology had been applied correctly; and
- assessed the appropriateness of the disclosures within the financial statements in relation to expense assumptions used in the valuation of the underlying insurance contract liabilities.

Key observations

Based on the procedures performed, we consider the expense assumptions used in the valuation of insurance contract liabilities and related disclosures to be appropriate.

Valuation of Chesnara plc's investment in Countrywide Assured plc ('CA plc')

Key audit matter description

Chesnara plc holds investments in subsidiaries totalling £389.9m (2023: £399.6m) on its company balance sheet, measured at cost less cumulative impairment losses.

In line with IAS 36 'Impairment of Assets', management are required to carry out an impairment assessment if there is an indication of impairment loss at the balance sheet date. Through its assessment, management evaluated whether the investment in CA plc was carried at more or less than its recoverable amount, which is the higher of fair value less costs of disposal and value in use, and therefore whether an impairment is required. Management have historically deemed economic value ('EcV') to be an appropriate proxy for recoverable amount, with management's definition of EcV.

In recent years, the CA plc EcV has been on a downwards trend as dividends paid to the parent company have exceeded EcV growth, with this dynamic being a function of CA plc being a closed book insurer. The impairment assessment performed by management at the balance sheet date highlighted £4.0m (2023: £14.4m) of impairment over the carrying value of the investment.

Due to the potential for management to introduce inappropriate bias to judgments made in the impairment assessment when determining the EcV, with impairment losses impacting the parent company income statement and balance sheet, we determined that there was a risk of material misstatement due to fraud and therefore identified this area as a key audit matter.

The parent company's accounting policy relating to its subsidiary investments has been presented in Note A4, with details of the impairment sensitivities included in Note A5. The carrying value of Chesnara plc's investment in CA plc is also referred to in the Audit & Risk Committee's report.

How the scope of our audit responded to the key audit matter

In respect of the valuation of Chesnara plc's investment in CA plc, we performed the following procedures:

- obtained an understanding of relevant controls in place around management's impairment assessment and EcV valuation processes;

- evaluated management's methodology for determining the recoverable amount of CA plc in accordance with IAS 36 'Impairment of Assets', including the appropriateness of using EcV as a proxy for recoverable amount;

- with the involvement of actuarial specialists, evaluated the accuracy and completeness of adjustments made to CA plc's IFRS balance sheet in order to determine the EcV and considered whether the adjustments have been subject to management bias;

- performed a stand-back assessment of management's impairment assessment against our knowledge and understanding of changes in CA plc's internal and external business environment;

- evaluated management's impairment assessment by performing benchmarking against other recent industry transactions to gain corroborative and contradictory evidence; and
- evaluated the appropriateness of disclosures included in Note J1 of the financial statements.

Key observations

Based on the procedures performed, we consider the carrying value of Chesnara plc's investment in CA plc to be appropriate.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we did not provide a separate opinion on these matters.

Procedures performed to agree to the preliminary announcement of annual results

In order to agree to the publication of the preliminary announcement of annual results of Chesnara plc we carried out the following procedures:

(a) checked that the figures in the preliminary announcement covering the full year have been accurately extracted from the audited or draft financial statements and reflect the presentation to be adopted in the audited financial statements;

(b) considered whether the information (including the management commentary) is consistent with other expected contents of the annual report;

(c) considered whether the financial information in the preliminary announcement is misstated;

(d) considered whether the preliminary announcement includes a statement by directors as required by section 435 of CA 2006 and whether the preliminary announcement includes the minimum information required by UKLA Listing Rule 9.7A.1;

(e) where the preliminary announcement includes alternative performance measures ("APMs"), considered whether appropriate prominence is given to statutory financial information and whether:

- the use, relevance and reliability of APMs has been explained;
- the APMs used have been clearly defined, and have been given meaningful labels reflecting their content and basis of calculation;
- the APMs have been reconciled to the most directly reconcilable line item, subtotal or total presented in the financial statements of the corresponding period; and
- comparatives have been included, and where the basis of calculation has changed over time this is explained.

(f) read the management commentary, any other narrative disclosures and any final interim period figures and considered whether they are fair, balanced and understandable.

Use of our report

Our liability for this report, and for our full audit report on the financial statements is to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for our audit report or this report, or for the opinions we have formed.

Matthew Bainbridge (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom
26 March 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December 2024 £m	2023 (restated) £m
Insurance revenue	261.9	228.0
Insurance service expense	(244.1)	(224.8)
Net expenses from reinsurance contracts held	(9.2)	(8.4)
Insurance service result	**8.6**	**(5.2)**

Insurance service result	[illegible]	[illegible]
Net investment return	1,286.1	1,023.5
Net finance (expenses)/income from insurance contracts issued	(334.8)	(314.9)
Net finance income / (expenses) from reinsurance contracts held	2.6	6.7
Net change in investment contract liabilities	(740.4)	(529.6)
Change in liabilities relating to policyholders' funds held by the group	(160.8)	(114.0)
Net investment result	**52.7**	**71.7**
Fee, commission and other operating income	104.2	89.4
Total revenue net of investment result	**165.5**	**155.9**
Other operating expenses	(133.6)	(149.9)
Total income less expenses	**31.9**	**6.0**
Financing costs	(11.1)	(11.0)
Profit arising on business combinations and portfolio acquisitions	-	6.7
Profit / (loss) before income taxes	**20.8**	**1.7**
Income tax credit	(16.9)	16.9
Profit / (loss) for the period	**3.9**	**18.6**
Items that may be reclassified subsequently to profit and loss:		
Foreign exchange translation differences arising on the revaluation of foreign operations	(15.3)	(7.8)
Revaluation of land and building	0.4	0.1
Items that will not be reclassified to profit and loss:		
Revaluation of pension obligations after tax	-	(0.7)
Other comprehensive (loss) / income for the period, net of tax	**(14.9)**	**(8.4)**
Total comprehensive income / (loss) for the period	**(11.0)**	**10.3**
Basic earnings per share (based on profit or loss for the period)	2.56p	12.42p
Diluted earnings per share (based on profit or loss for the period)	2.52p	12.29p

CONSOLIDATED BALANCE SHEET

	As at 31 December 2024 £m	As at 31 December 2023 (restated) £m
Assets		
Intangible assets	87.2	96.4
Property and equipment	7.8	8.4
Investment properties	91.7	88.1
Deferred tax assets	38.9	54.6
Insurance contract assets	1.8	3.9
Reinsurance contract assets	169.9	185.7
Amounts deposited with reinsurers	34.3	32.5
Financial investments	12,116.7	11,456.1
Derivative financial instruments	0.1	0.3
Other assets	68.7	57.7
Cash and cash equivalents	138.0	146.0
Total assets	**12,755.1**	**12,129.7**
Liabilities		
Insurance contract liabilities	4,099.1	4,203.0
Reinsurance contract liabilities	16.6	17.1
Other provisions	20.3	23.2
Investment contracts at fair value through income	6,116.7	5,872.3
Liabilities relating to policyholders' funds held by the group	1,825.5	1,281.8
Lease contract liabilities	0.6	1.2
Borrowings	204.8	207.9
Derivative financial instruments	0.6	4.4
Deferred tax liabilities	24.7	24.3
Deferred income	1.3	2.8
Other current liabilities	129.7	131.7
Bank overdrafts	0.8	0.2
Total liabilities	**12,440.7**	**11,769.9**
Net assets	**314.4**	**359.8**
Shareholders' equity		
Share capital	7.5	7.5
Merger reserve	36.3	36.3
Share premium	142.5	142.5
Other reserves	(8.4)	6.5
Retained earnings	136.5	167.0
Total shareholders' equity	**314.4**	**359.8**

Approved by the Board of Directors and authorised for issue on 26 March 2025 and signed on its behalf by:

Luke Savage — Chairman

Steve Murray — Chief Executive Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 December 2024 £m	 2023 (restated) £m
Profit / (loss) for the period	**3.9**	**18.6**
Adjustments for:		

Depreciation of property and equipment	0.9	0.8
Depreciation on right of use assets	0.8	0.8
Amortisation of intangible assets	16.1	17.1
Impairment of intangible assets	-	21.0
Share based payment	2.0	0.7
Tax expense / (credit)	16.9	(16.9)
Interest receivable	(18.5)	(5.6)
Dividends receivable	(34.9)	(2.3)
Interest expense	10.5	10.3
Fair value (gains) / losses on financial assets and investment properties	(1,286.1)	(1,023.5)
Profit on business combinations and portfolio acquisitions	-	(6.7)
Increase in intangible assets related to investment contracts	(11.3)	(10.2)
Adjustment total	**(1,303.6)**	**(1,014.5)**
Interest received	18.1	7.5
Dividends received	35.2	19.6
Changes in operating assets and liabilities:		
Decrease / (increase) in financial assets and investment properties	151.3	327.6
(Increase) / decrease in net reinsurance contract assets	14.8	7.8
Decrease / (increase) in amounts deposited with reinsurers	(1.8)	0.3
(Increase) / decrease in other assets	16.2	(19.5)
Increase / (decrease) in net insurance contract liabilities	35.7	93.7
Increase / (decrease) in investment contract liabilities	1,121.0	526.4
Increase / (decrease) in provisions	(2.2)	2.3
Increase / (decrease) in other current liabilities	(12.9)	5.8
Cash utilised from operations	**75.7**	**(24.4)**
Income tax paid	(37.1)	(10.5)
Net cash generated from operating activities	**38.6**	**(34.9)**
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	-	30.3
Capital contribution received from subsidiary	5.8	-
Net proceeds / (purchases) of property and equipment	(0.8)	(0.8)
Net cash generated by investing activities	**5.0**	**29.5**
Cash flows from financing activities		
Net proceeds from the issue of share capital	-	0.2
Repayment of borrowings	(2.6)	(3.9)
Repayment of lease liabilities	(0.3)	(0.6)
Dividends paid	(36.5)	(35.4)
Interest paid	(10.3)	(10.1)
Net cash (utilised) / generated by from financing activities	**(49.7)**	**(49.8)**
Net (decrease) / increase in cash and cash equivalents	**(6.1)**	**(55.2)**
Net cash and cash equivalents at beginning of period	145.9	204.6
Effect of exchange rate changes on net cash and cash equivalents	(2.6)	(3.6)
Net cash and cash equivalents at end of the period	**137.2**	**145.8**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

	Share capital £m	Share premium £m	Merger reserve £m	Other reserves £m	Retained earnings £m	Total £m
Equity shareholders' funds at 1 January 2024	**7.5**	**142.5**	**36.3**	**6.5**	**167.0**	**359.8**
Profit for the year	-	-	-	-	3.9	3.9
Foreign exchange translation differences	-	-	-	(15.3)	-	(15.3)
Other items of comprehensive income	-	-	-	0.4	-	0.4
Total comprehensive income	-	-	-	(14.9)	3.9	(11.0)
Dividends paid	-	-	-	-	(36.5)	(36.5)
Share based payment	-	-	-	-	2.1	2.1
Equity shareholders' funds at 31 December 2024	**7.5**	**142.5**	**36.3**	**(8.4)**	**136.5**	**314.4**

Year ended 31 December 2023 - restated

	Share capital £m	Share premium £m	Merger reserve £m	Other reserves £m	Retained earnings £m	Total £m
Equity shareholders' funds at 1 January 2023	**7.5**	**142.3**	**36.3**	**14.9**	**183.1**	**384.1**
Profit for the year	-	-	-	-	18.6	18.6
Foreign exchange translation differences	-	-	-	(7.8)	-	(7.8)
Other items of comprehensive income	-	-	-	(0.6)	-	(0.6)
Total comprehensive income	-	-	-	(8.4)	18.6	10.2
Dividends paid	-	-	-	-	(35.4)	(35.4)
Issue of share premium	-	0.2	-	-	-	0.2
Share based payment	-	-	-	-	0.7	0.7
Equity shareholders' funds at 31 December 2023	**7.5**	**142.5**	**36.3**	**6.5**	**167.0**	**359.8**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of preparation

The consolidated and parent company financial statements have been prepared on a going concern basis. The directors believe that they have a reasonable expectation that the group has adequate resources to continue in operational existence for a minimum of twelve months from the date of signing. In making this assessment, the directors have taken into consideration the points as set out in the Financial Management section of the Annual Report and Accounts under the heading 'Maintain the group as a going concern'.

The financial statements are presented in pounds sterling, rounded to the nearest one hundred thousand, and are prepared on the historical cost basis except for insurance and reinsurance contracts which are stated at their fulfilment value in accordance with IFRS 17 and the following assets and liabilities which are stated at their fair value: derivative financial instruments; financial instruments at fair value through profit or loss; investment property; and investment contract liabilities at fair value through profit or loss.

Assets and liabilities are presented in order of increasing liquidity in the balance sheet. In addition, amounts expected to be recovered or settled within a year are classified as current in the notes to the accounts. If they are expected to be recovered or settled in more than one year, they are classified as non-current in the notes to the accounts. Assets and liabilities are presented on a current and non-current basis in the Company Balance Sheet.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Judgements made by management in the process of applying the group's accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are set out in section 2 below.

The group prepares interim financial statements at half-year and as permitted by IFRS 17 has elected to apply the 'year-to-date' method and restate estimates in respect of insurance contracts made in the previous interim financial statements, in these year-end financial statements. This accounting policy election applies to all groups of insurance and reinsurance contracts.

The accounting policies are materially unchanged from those set out in the 2023 Annual Report and Accounts and have been applied consistently to all years presented in these consolidated financial statements.

The consolidated financial statements have been prepared in accordance with United Kingdom adopted international accounting standards in conformity with the requirements of the Companies Act 2006. Both the parent company financial statements and the group financial statements have been prepared and approved by the directors in accordance with United Kingdom adopted international accounting standards.

Restatement of prior year numbers

A prior year restatement has been applied in respect of the accounting treatment of the Canada Life portfolio in 2023. In the previously reported financial statements for December 2023, a long contract boundary was applied in valuing the future cash flows beyond the expected termination of the reinsurance contract. On further assessment, as there is no executable right under the reinsurance agreement itself to the underlying policies, then under IFRS 17 requirements a short contract boundary should have been applied.

This accounting change means that the resulting CSM reflects only the profit to be realised in the reinsurance contract timeframe. Following the legal transfer of the underlying policies, the CSM is recalculated to reflect the profit to be earned on the full remaining duration of the policies.

Balance sheet:

	As reported	Restated
	£m	£m
Present value of future cash flows	15.7	5.0
Risk adjustment	(0.9)	-
CSM	(11.2)	(1.5)
Assets for incurred claims	0.4	0.4
Insurance contract assets total	4.0	3.9

The total net assets reported at 31 December 2023 of £359.9m have therefore been restated to £359.8m from £359.9m as previously reported.

Income statement:

	As reported	Restated
	£m	£m
Insurance revenue	228.0	228.0
Insurance service expense	(224.7)	(224.8)

The total comprehensive income reported for 2023 of £10.3m has therefore been restated to £10.2m.

Basic earnings per share has been restated from 12.41p to 12.36p.

Diluted earnings per share has been restated from 12.29p to 12.24p.

The Part VII business transfer for the transaction received court approval on the 3 February 2025.

Standards and amendments issued but not yet effective

At the date of authorisation of these financial statements the following standards and interpretations, which are applicable to the group, and which have not been applied in these financial statements, were in issue but not yet effective:

Title	Effective date
IFRS 9 / IFRS 7 Amendments to the classification and measurement of financial instruments	1 January 2026
IFRS 18 Presentation and disclosure financial statements	1 January 2027

The directors do not expect that the adoption of the IFRS 9 / IFRS 7 amendments have a material impact on the financial statements of the group in future periods. The directors expect that the adoption of IFRS 18 will have a material impact on the presentation of the primary statements in future periods.

BEPS 2.0

The Organisation for Economic Cooperation and Development (OECD) has introduced international tax reform measures under the Two-Pillar Solution, including the Global Anti-Base Erosion (GloBE) rules, which establish a 15% global minimum tax for multinational groups with a consolidated turnover of at least EUR 750m in at least two of the past four years.

The Group operates in the United Kingdom, Sweden and the Netherlands, all of which have enacted legislation implementing BEPS Pillar II effective from 1 January 2024. Based on the latest available guidance and the Group's financial position, Chesnara remains below the EUR 750m threshold and is not in scope of the GloBE rules for 2024.

The Group continues to monitor interpretations of BEPS legislation in each jurisdiction to assess potential for future exposure, particularly the treatment of policyholder investment returns in the UK and the application of OECD guidance in Sweden in connection with insurance investment funds, together with the classification of taxes paid therefrom.

Although Chesnara remains below the threshold, the group continues to assess potential future exposure, including the impact of business growth and future acquisitions; effective tax rates across jurisdictions; and the interaction of local tax regimes with GloBE rules.

Discussions with relevant tax authorities and industry bodies are ongoing to ensure continued compliance with evolving published and draft guidance.

Based on our assessment that Chesnara remains below the EUR 750m threshold, and is not in scope for BEPS in 2024, no adjustments to current or deferred tax have been made in respect of BEPS Pillar II, and no additional disclosures are required necessary under IAS 12.

2 Significant accounting judgements and estimates

The critical accounting judgements and key sources of estimation and uncertainty remain largely unchanged from those described in Note A6 of the 2023 Annual Report and Accounts. The potential impact on the group has been considered in the preparation of these financial statements, including management's evaluation of critical accounting judgements and estimates. Further information on discount rates applied in these financial statements is provided below.

Cash flows are discounted using currency-specific, risk-free yield curves adjusted for the characteristics of the cash flows and the liquidity of the insurance contracts. The group applies a 'bottom-up' approach to determining discount rates and follows the methodology used by the PRA and EIOPA to determine risk-free yield curves and ultimate forward rates for regulatory solvency calculations. To reflect the liquidity or otherwise of the insurance contracts, the risk-free yield curves are adjusted by an illiquidity premium, which is aligned to the SII volatility adjustment.

For certain Dutch 'savings mortgage' products, there is a direct connection to the policyholder's mortgage loan and the premiums to repay the loan in that the crediting rate is set such that the account value will be equal to the balance on the loan at maturity. For this product, the cash flows are discounted using the same curve used to value the corresponding mortgage assets which itself is derived from mortgage rates available in the market.

The cash flows are discounted using a discount rate that adjusts risk-free yields for portfolio specific characteristics, with differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an illiquidity premium).

Inflation rates mainly relate to expense inflation. The assumptions in respect of expense inflation reflect the group's best estimate view incorporating market consistent data such as earnings indices and central bank inflation targets.

The yield curves that were used to discount the estimates of future cash flows that were modelled deterministically are shown in the table below:

Yield Curve	**Broad Product Category**	**Currency**	**2024**					**2023**				
			1 year	**5 years**	**10 years**	**20 years**	**30 years**	**1 year**	**5 years**	**10 Years**	**20 years**	**30 years**
RFR	Unit-linked/index-linked/with-profits - VFA	EUR	2.24%	2.14%	2.27%	2.26%	2.39%	3.36%	2.32%	2.39%	2.41%	2.53%
	Unit-linked/index-linked/with-profits - GMM (*with high liquidity)*	GBP	4.46%	4.04%	4.07%	4.30%	4.23%	4.74%	3.36%	3.28%	3.43%	3.36%
	Short-term protection	SEK	2.25%	2.41%	2.63%	2.93%	3.05%	3.03%	2.26%	2.25%	2.76%	2.99%
RFR + VA	Immediate annuities	EUR	2.47%	2.37%	2.50%	2.49%	2.58%	3.56%	2.52%	2.59%	2.61%	2.70%
	Term assurance & other non-linked Unit-linked/index-linked/with-profits - GMM *(with medium liquidity)*	GBP	4.70%	4.28%	4.31%	4.54%	4.47%	5.05%	3.67%	3.59%	3.74%	3.67%
Market Mortgage Rates	Waard Savings Mortgage	EUR	3.36%	3.32%	3.43%	3.39%	3.51%	4.77%	3.73%	3.80%	3.82%	3.94%

3 Earnings per share

Earnings per share are based on the following:

	Year ended 31 December	
	2024	**2023**
(Loss)/profit for the year attributable to shareholders (£m)	3.9	18.6
Weighted average number of ordinary shares	150,938,024	150,528,597
Basic earnings per share	2.56p	12.36p
Diluted earnings per share	2.52p	12.24p

The weighted average number of ordinary shares in respect of the year ended 31 December 2024 is based upon 150,991,019 shares. No shares were held in treasury.

There were 2,330,118 share options outstanding at 31 December 2024 (2023: 1,537,582). Accordingly, there is dilution of the average number of ordinary shares in issue in respect of 2024 and 2023

4 Retained earnings

	Year ended 31 December	
	2024	**2023**
	£m	**£m**

Retained earnings attributable to equity holders of the parent company comprise:		
Balance at 1 January	**167.3**	**175.2**
Profit / (loss) for the period	24.6	26.8
Share based payment	2.1	0.7
Dividends:		
Final approved and paid for 2022	-	(22.8)
Interim approved and paid for 2023	-	(12.6)
Final approved and paid for 2023	(23.5)	-
Interim approved and paid for 2024	(13.0)	-
Balance at 31 December	**157.5**	**167.3**

The interim dividend in respect of 2023, approved and paid in 2023 was paid at the rate of 8.36p per share. The final dividend in respect of 2023, approved and paid in 2024, was paid at the rate of 15.61p per share so that the total dividend paid to the equity shareholders of the parent company in respect of the year ended 31 December 2023 was made at the rate of 23.97p per share.

The interim dividend in respect of 2024, approved and paid in 2024, was paid at the rate of 8.61p per share to equity shareholders of the parent company registered at the close of business on 20 September 2024, the dividend record date.

A final dividend of 16.08p per share in respect of the year ended 31 December 2024 payable on 20 May 2025 to equity shareholders of the parent company registered at the close of business on 4 April 2025, the dividend record date, was approved by the directors after the balance sheet date. The resulting total final dividend of £23.5m has not been provided for in these financial statements and there are no income tax consequences.

The following summarises dividends per share in respect of the year ended 31 December 2023 and 31 December 2024:

	Year ended 31 December	
	2024	**2023**
	Pence	**Pence**
Interim - approved and paid	8.61	8.36
Final - proposed/paid	16.08	15.61
Total	**24.69**	**23.97**

5 Operating segments

The group considers that it has no product or distribution-based business segments. It reports segmental information on the same basis as reported internally to the chief operating decision maker, which is the board of directors of Chesnara plc.

The segments of the group as at 31 December 2024 comprise:

UK: This segment comprises the UK's life insurance and pensions business within Countrywide Assured plc (CA), the group's principal UK operating subsidiary and Sanlam Life and Pensions (UK) Limited, acquired by the group on 28 April 2022 and subsequently renamed to CASLP Limited (CASLP). The majority of the assets and liabilities of CASLP were transferred to CA in 2023 under a Part VII business transfer. CASLP was dissolved on 14 January 2025. During the year, the group reached an agreement to acquire the unit-linked bond and pension business of Canada Life Limited with the transaction initially in the form of a reinsurance agreement accepted by CA.

Movestic: This segment comprises the group's Swedish life and pensions business, Movestic Livförsäkring AB ('Movestic') and its subsidiary company Movestic Fonder AB (investment fund management company). Movestic is open to new business and primarily comprises unit-linked pension business and also provides some life and health product offerings.

Waard Group: This segment represents the group's closed Dutch life insurance business and comprises a number of acquisitions of closed insurance books of business since the acquisition of the original Waard entities into the group in 2015. The Waard group comprises a mixture of long-term savings and protection business and also contains some non-life business.

Scildon: This segment represents the Group's open Dutch life insurance business. Scildon's policy base is predominantly made up of individual protection and savings contracts. It is open to new business and sells protection, individual savings and group pension contracts via a broker-led distribution model.

Other group activities: The functions performed by the parent company, Chesnara plc, are defined under the operating segment analysis as Other group activities. Also included therein are consolidation and elimination adjustments.

The accounting policies of the segments are the same as those for the group as a whole. Any transactions between the business segments are on normal commercial terms in normal market conditions. The group evaluates performance of operating segments on the basis of the profit before tax attributable to shareholders of the reporting segments and the group as a whole. There were no changes to the measurement basis for segment profit during the year ended 31 December 2024.

(i) Segmental income statement for the year ended 31 December 2024

	(UK)	Movestic (Sweden)	Waard Group (Netherlands)	Scildon (Netherlands)	Other Group Activities	Total
	£m	£m	£m	£m	£m	£m
Insurance revenue	71.3	10.2	29.8	150.6	-	261.9
Insurance service expense	(64.9)	(2.6)	(31.4)	(145.2)	-	(244.1)
Net expenses from reinsurance contracts held	(0.9)	(1.8)	(2.0)	(4.5)	-	(9.2)
Segmental insurance service result	5.5	5.8	(3.6)	0.9	-	8.6
Net investment return	380.7	666.6	28.1	201.4	9.3	1,286.1
Net finance (expenses)/income from insurance contracts issued	(98.4)	(23.6)	(23.2)	(189.6)	-	(334.8)
Net finance expenses from reinsurance contracts held	3.1	0.3	-	(0.8)	-	2.6
Net change in investment contract liabilities	(260.0)	(479.6)	(0.8)	-	-	(740.4)
Change in liabilities relating to policyholders' funds held by the group	-	(160.8)	-	-	-	(160.8)
Segmental investment result	25.4	2.9	4.1	11.0	9.3	52.7
Fee, commission and other operating income	37.4	65.5	0.3	-	1.0	104.2
Segmental revenue, net of investment result	68.3	74.2	0.8	11.9	10.3	165.5
Other operating expenses	(39.7)	(54.9)	(3.3)	(4.3)	(22.0)	(124.2)
Financing costs	(0.2)	(0.4)	-	-	(10.5)	(11.1)
Profit / (loss) before tax and consolidation adjustments	28.4	18.9	(2.5)	7.6	(22.2)	30.2
Other operating expenses:						
Amortisation and impairment of intangible assets	(0.1)	(9.3)	-	-	-	(9.4)
Segmental income less expenses	28.3	9.6	(2.5)	7.6	(22.2)	20.8
Post completion gain on portfolio acquisition	-	-	-	-	-	-
(Loss)/profit before tax	28.3	9.6	(2.5)	7.6	(22.2)	20.8
Income tax credit	(17.0)	(0.5)	0.8	(2.0)	1.8	(16.9)
(Loss)/profit after tax	11.3	9.1	(1.7)	5.6	(20.4)	3.9

(ii) Segmental balance sheet as at 31 December 2024

	(UK)	Movestic (Sweden)	Waard Group (Netherlands)	Scildon (Netherlands)	Other Group Activities	Total
	£m	£m	£m	£m	£m	£m
Total assets	4,473.8	5,269.7	851.9	2,035.7	124.0	12,755.1
Total liabilities	(4,347.2)	(5,177.8)	(789.2)	(1,920.7)	(205.8)	(12,440.7)
Net assets	**126.6**	**91.9**	**62.7**	**115.0**	**(81.8)**	**314.4**
Investment in associates	-	-	-	-	-	-
Additions to non-current assets	-	-	-	-	-	-

(iii) Segmental income statement for the year ended 31 December 2023

	(UK)	Movestic (Sweden)	Waard Group (Netherlands)	Scildon (Netherlands)	Other Group Activities	Total
	£m	£m	£m	£m	£m	£m
Insurance revenue	65.8	11.1	36.1	115.0	-	228.0
Insurance service expense	(65.7)	(7.4)	(37.8)	(113.9)	-	(224.8)
Net expenses from reinsurance contracts held	(5.5)	(0.6)	0.4	(2.7)	-	(8.4)
Segmental insurance service result	**(5.4)**	**3.1**	**(1.3)**	**(1.6)**	**-**	**(5.2)**
Net investment return	339.3	432.5	63.2	181.2	7.3	1,023.5
Net finance (expenses)/income from insurance contracts issued	(86.4)	(16.0)	(49.3)	(163.2)	-	(314.9)
Net finance expenses from reinsurance contracts held	9.3	0.7	0.1	(3.4)	-	6.7
Net change in investment contract liabilities	(226.4)	(299.6)	(3.6)	-	-	(529.6)
Change in liabilities relating to policyholders' funds held by the group	-	(114.0)	-	-	-	(114.0)
Segmental investment result	**35.8**	**3.6**	**10.4**	**14.6**	**7.3**	**71.7**

Fee, commission and other operating income	39.8	50.3	2.9	-	(3.6)	89.4
Segmental revenue, net of investment result	**70.2**	**57.0**	**12.0**	**13.0**	**3.7**	**155.9**
Other operating expenses	(39.9)	(40.0)	(3.5)	(5.5)	(23.1)	(112.0)
Financing costs	(0.2)	(0.5)	-	-	(10.3)	(11.0)
Profit / (loss) before tax and consolidation adjustments	**30.1**	**16.5**	**8.5**	**7.5**	**(29.7)**	**32.9**
Other operating expenses:						
Amortisation and impairment of intangible assets	(26.7)	(11.2)	-	-	-	(37.9)
Segmental income less expenses	**3.4**	**5.3**	**8.5**	**7.5**	**(29.7)**	**(5.0)**
Post completion gain on portfolio acquisition	-	-	6.7	-	-	6.7
(Loss)/profit before tax	**3.4**	**5.3**	**15.2**	**7.5**	**(29.7)**	**1.7**
Income tax credit	20.5	-	(1.6)	(1.9)	(0.1)	16.9
(Loss)/profit after tax	**23.9**	**5.3**	**13.6**	**5.6**	**(29.8)**	**18.6**

(iv) Segmental balance sheet for the year ended 31 December 2023

		Movestic	Waard Group	Scildon	Other Group Activities	Total
	(UK)	(Sweden)	(Netherlands)	(Netherlands)		
	£m	£m	£m	£m	£m	£m
Total assets	4,527.1	4,519.4	946.8	2,009.1	127.3	12,129.8
Total liabilities	(4,376.6)	(4,422.2)	(867.0)	(1,894.6)	(209.5)	(11,769.9)
Net assets	**150.5**	**97.2**	**79.8**	**114.5**	**(82.2)**	**359.9**
Investment in associates	-	-	-	-	-	-
Additions to non-current assets	-	-	-	-	-	-

6 Borrowings

Group
31 December

	2024 £m	2023 £m
Tier 2 Debt	200.8	200.6
Amount due in relation to financial reinsurance	2.4	5.3
Term finance	1.6	2.0
Total	**204.8**	**207.9**
Current	1.4	2.8
Non-current	203.4	205.1
Total	**204.8**	**207.9**

The fair value of amounts due in relation to Tier 2 debt at 31 December 2024 was £166.1m (31 December 2023: £148.0m).

The fair value of amounts due in relation to financial reinsurance at 31 December 2024 was £2.3m (31 December 2023: £5.1m).

Term finance comprises capital amounts outstanding on mortgage bonds taken out over properties held in the Unit-linked policyholder funds in the UK. The mortgage over each such property is negotiated separately, varies in term from 5 to 20 years, and bears interest at fixed or floating rates that are agreed at the time of inception of the mortgage. The fair value of the term finance is not materially different to the carrying value shown above.

7 Financial investments

(a) Financial investments by classification

The carrying amounts of the financial investments and other financial assets and liabilities held by the group at the balance sheet date are as follows:

31 December 2024	Amortised Cost £m	FVTPL - Designated £m	FVTPL - Mandatory £m	Total £m
Financial investments:				
Equity securities	-	-	191.5	191.5
Holdings in collective investment schemes	-	-	8,661.6	8,661.6
Debt securities - government bonds	-	446.1	-	446.1
Debt securities - other	-	634.7	10.1	644.8
Policyholder funds help by the group	-	1,825.8	-	1,825.8
Mortgage loan portfolio	-	346.9	-	346.9
Total	-	3,253.5	8,863.2	12,116.7

Derivatives and other financial assets:				
Amounts deposited with reinsurers	-	34.3	-	34.3
Derivative financial instruments	-	-	0.1	0.1
Other assets	68.7	-	-	68.7
Cash and cash equivalents	-	138.0	-	138.0
Total financial investments and financial assets	**68.7**	**3,425.8**	**8,863.3**	**12,357.8**
Financial liabilities				
Investment contracts at fair value through profit or loss	-	6,116.7	-	6,116.7
Liabilities relating to policyholder funds help by the group	-	1,825.5	-	1,825.5
Derivative financial instruments	-	-	0.6	0.6
Borrowings	204.8	-	-	204.8
Other current liabilities	129.7	-	-	129.7
Total financial liabilities	**334.5**	**7,942.2**	**0.6**	**8,277.3**

31 December 2023

	Amortised Cost £m	FVTPL - Designated £m	FVTPL - Mandatory £m	Total £m
Financial investments:				
Equity securities	-	-	194.2	194.2
Holdings in collective investment schemes	-	-	8,376.2	8,376.2
Debt securities - government bonds	-	716.5	-	716.5
Debt securities - other	-	520.6	-	520.6
Policyholder funds help by the group	-	1,281.8	-	1,281.8
Mortgage loan portfolio	-	366.8	-	366.8
Total	**-**	**2,885.7**	**8,570.4**	**11,456.1**
Derivatives and other financial assets:				
Amounts deposited with reinsurers	-	32.5	-	32.5
Derivative financial instruments	-	-	0.3	0.3
Other assets	57.7	-	-	57.7
Cash and cash equivalents	-	146.0	-	146.0
Total financial investments and financial assets	**57.7**	**3,064.2**	**8,570.7**	**11,692.6**
Financial liabilities				
Investment contracts at fair value through profit or loss	-	5,872.3	-	5,872.3
Liabilities relating to policyholder funds help by the group	-	1,281.8	-	1,281.8
Derivative financial instruments	-	-	4.4	4.4
Borrowings	207.9	-	-	207.9
Other current liabilities	131.7	-	-	131.7
Total financial liabilities	**339.6**	**7,154.1**	**4.4**	**7,498.1**

The directors consider that the carrying value amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements are approximately equal to their fair values.

(b) Financial investment fair values

Fair value is the amount for which an asset or liability could be exchanged between willing parties in an arm's length transaction. The tables below show the determination of fair value according to a three-level valuation hierarchy. Fair values are generally determined at prices quoted in active markets (Level 1). However, where such information is not available, the group applies valuation techniques to measure such instruments. These valuation techniques make use of market-observable data for all significant inputs where possible (Level 2), but in some cases it may be necessary to estimate other than market-
observable data within a valuation model for significant inputs (Level 3).

Fair value measurement at 31 December 2024

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Investment properties	-	-	91.7	91.7
Financial assets				
Equities - Listed	191.5	-	-	191.5
Holdings in collective investment schemes	8,454.1	38.9	168.6	8,661.6
Debt securities - government bonds	446.1	-	-	446.1
Debt securities - other debt securities	644.8	-	-	644.8
Policyholders' funds held by the group	1,781.6	-	44.2	1,825.8
Mortgage loan portfolio	-	346.9	-	346.9
Amounts deposited with reinsurers	-	34.3	-	34.3
Derivative financial instruments	-	0.1	-	0.1
Total	**11,518.1**	**420.2**	**304.5**	**12,242.8**
Financial liabilities				
Investment contracts at fair value through profit or loss	-	6,116.7	-	6,116.7
Liabilities related to policyholders' funds held by the group	-	1,825.5	-	1,825.5
Derivative financial instruments	-	0.6	-	0.6
Total	**-**	**7,942.8**	**-**	**7,942.8**

Fair value measurement at 31 December 2023

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m

Investment properties	-	-	88.1	88.1
Financial assets		-		
Equities - Listed	194.2	-	-	194.2
Holdings in collective investment schemes	8,189.2	44.5	142.5	8,376.2
Debt securities - government bonds	716.5	-	-	716.5
Debt securities - other debt securities	520.6	-	-	520.6
Policyholders' funds held by the group	1,239.4	-	42.4	1,281.8
Mortgage loan portfolio	-	366.8	-	366.8
Amounts deposited with reinsurers	-	32.5	-	32.5
Derivative financial instruments	-	0.3	-	0.3
Total	**10,859.9**	**444.1**	**273.0**	**11,577.0**
Financial liabilities				
Investment contracts at fair value through profit or loss	-	5,872.3	-	5,872.3
Liabilities related to policyholders' funds held by the group	1,281.8	-	-	1,281.8
Derivative financial instruments	-	4.4	-	4.4
Total	**1,281.8**	**5,876.7**	**-**	**7,158.5**

Investment properties

The investment properties are valued by external Chartered Surveyors using industry standard techniques based on guidance from the Royal Institute of Chartered Surveyors. The valuation methodology includes an assessment of general market conditions and sector level transactions and takes account of expectations of occupancy rates, rental income and growth. Properties undergo individual scrutiny using cash flow analysis to factor in the timing of rental reviews, capital expenditure, lease incentives, dilapidation and operating expenses; these reviews utilise both observable and unobservable inputs.

Holdings in collective investment schemes

The holdings classified as Level 3 £168.6m (Dec 2023: £142.5m) also relate to Scildon, and represent investments held in a mortgage fund. These are classified as Level 3 as the fair value is derived from valuation techniques that include inputs that are not based on observable market data.

Policyholder funds held by group

There is also a small holding of assets classified as Level 3 £44.2m (Dec 2023: £42.4m) from our Movestic operation which are unlisted. The valuation of the vast majority of these assets is based on unobservable prices from trading on the over-the-counter market.

Debt securities

The debt securities classified as Level 2 at 2023 and 2024 are traded in active markets with less depth or wider bid-ask spreads. This does not meet the classification as Level 1 inputs. The fair values of debt securities not traded in active markets are determined using broker quotes or valuation techniques with observable market inputs. Financial instruments valued using broker quotes are classified at Level 2, only where there is a sufficient range of available quotes.

These assets were valued using counterparty or broker quotes and were periodically validated against third-party models.

Derivative financial instruments

The derivatives financial instruments include a foreign currency hedge related to the group. This was deemed to manage the exposure to foreign exchange movements between sterling and both the euro and Swedish krona.

An uncapped collar which consists of two hedges:

- one hedge to protect against the downside (sterling strengthening) (starting at strike A), and one to remove the upside (weakening) (strike B); with the strikes of these coordinated to result in no upfront premium.
- the 2nd hedge (strike B) creates an uncapped liquidity requirement when it bites.

The capped collar comes with an additional leg which creates value and liquidity when exchange rates move beyond a certain point (strike C).

Within derivative financial instruments is a financial reinsurance embedded derivative related to our Movestic operation. The group has entered into a reinsurance contract with a third party that has a section that is deemed to transfer significant insurance risk and a section that is deemed not to transfer significant insurance risk. The element of the contract that does not transfer significant insurance risk has two components and has been accounted for as a financial liability at amortised cost and an embedded derivative asset at fair value.

The embedded derivative represents an option to repay the amounts due under the contract early at a discount to the amortised cost, with its fair value being determined by reference to market interest rate at the balance sheet date. It is, accordingly, determined at Level 2 in the three-level fair value determination hierarchy set out above.

Investment contract liabilities

The investment contract liabilities in Level 2 of the valuation hierarchy represent the fair value of linked and non-linked liabilities valued using established actuarial techniques utilising market observable data for all significant inputs, such as investment yields.

Significant unobservable inputs in level 3 instruments valuations

The level 3 instruments held in the group are in relation to investments held in an Aegon managed Dutch Mortgage Fund that contains mortgage-backed assets in the Netherlands. The fair value of the mortgage fund is determined by the fund manager on a monthly basis using an in-house valuation model. The valuation model relies on a number of unobservable inputs, the most significant being the assumed conditional prepayment rate, the discount rate and the impairment rate, all of which are applied to the anticipated modelled cash flows to derive the fair value of the underlying asset.

The assumed conditional prepayment rate (CPR) is used to calculate the projected prepayment cash flow per individual loan and reflects the anticipated early repayment of mortgage balances. The CPR is based on 4 variables:

- Contract age - The CPR for newly originated mortgage loans will initially be low, after which it increases for a couple of years to its maximum expected value, and subsequently diminishes over time.
- Interest rate differential - The difference between the contractual rates and current interest rates are positively correlated with prepayments. When contractual rates are higher than interest rates of newly originated mortgages, we observe more prepayments and the vice versa.
- Previous partial repayments - Borrowers who made a partial prepayment in the past, are more likely to do so in the future.
- Burnout effect - Borrowers who have not made a prepayment in the past, while their option to prepay was in the money, are less likely to prepay in the future.

The projected prepayment cash flows per loan are then combined to derive an average expected lifetime CPR, which is then applied to the outstanding balance of the fund. The conditional prepayment rate used in the valuation of the fund as at 31 December 2024 was 3.7% (31 December 2023: 3.2%).

The expected projected cash flows for each mortgage within the loan portfolio are discounted using rates that are derived using a matrix involving the following three parameters:

- The remaining fixed rate term of the mortgage
- Indexed loan to value (LTV) of each mortgage
- Current (Aegon) mortgage rates

At 31 December 2024 this resulted in discounting the cash flows in each mortgage using a range from 4.06% to 4.26% (31 December 2023: 4.67% to 4.68%).

An impairment percentage is applied to those loan cashflows which are in arrears, to reflect the chance of the loan actually going into default. For those loans which are one, two or three months in arrears, an impairment percentage is applied to reflect the chance of default. This percentage ranges from 0.60% for one month in arrears to 13.70% for loans which are 3 months in arrears (31 December 2023: 0.60% for one month in arrears to 13.70% for loans which are 3 months in arrears).

Loans which are in default receive a 100% reduction in value.

The value of the fund has the potential to decrease or increase over time. This can be as a consequence of a periodic reassessment of the conditional prepayment rate and/or the discount rate used in the valuation model.

A 1 per cent increase in the conditional prepayment rate would increase the value of the asset by £2.0m (31 December 2023: £1.9m).

A 1 per cent decrease in the conditional prepayment rate would reduce the value of the asset by £2.2m (31 December 2023: £2.1m).

A 1 per cent increase in the discount rate would reduce the value of the asset by £15.3m (31 December 2023: £11.4m).

A 1 per cent decrease in the discount rate would increase the value of the asset by £17.5m (31 December 2023: £13.3m).

Reconciliation of Level 3 fair value measurements of financial instruments

	31 December 2024			
	Investment properties	Holdings in collective investment schemes	Policyholder funds held by group	Total
	£m	£m	£m	£m
At start of period	**88.1**	**142.5**	**42.4**	**273.0**
Additions - acquisition of subsidiary	-	-	-	-
Total gains and losses recognised in the income statement	8.1	33.5	1.9	43.5
Purchases	3.4	-	17.0	20.4
Settlements	(7.9)	-	(13.9)	(21.8)
Exchange rate adjustment	-	(7.4)	(3.2)	(10.6)
At the end of period	**91.7**	**168.6**	**44.2**	**304.5**

	31 December 2023			
	Investment properties	Holdings in collective investment schemes	Policyholder funds held by group	Total
	£m	£m	£m	£m
At start of period	**93.3**	**145.4**	**35.1**	**273.8**
Additions - acquisition of subsidiary	-	-	-	-
Total gains and losses recognised in the income statement	(2.7)	0.5	(6.4)	(8.6)
Purchases	2.3	-	20.5	22.8
Settlements	(4.8)	-	(6.0)	(10.8)
Exchange rate adjustment	-	(3.4)	(0.8)	(4.2)
At the end of period	**88.1**	**142.5**	**42.4**	**273.0**

31 December	**Carrying amount**		**Fair value**	
	2024 £m	**2023 £m**	**2024 £m**	**2023 £m**
Financial liabilities:				
Borrowings	200.8	200.6	166.1	148.4
Amounts due in relation to financial reinsurance	2.4	5.3	2.3	5.1
Term finance	1.6	2.0	1.6	1.9
Total	204.8	207.9	170.0	155.4

The fair value of the Tier 2 debt is calculated using quoted prices in active markets and they are classified as Level 1 in the fair value hierarchy. The amount due in relation to financial reinsurance is fair valued with reference to market interest rates at the balance sheet date and is classed as level 2 in the fair value hierarchy.

There were no transfers between Levels 1, 2 and 3 during the year. The group holds no Level 3 liabilities as at the balance sheet date.

8 Insurance and Reinsurance contracts

The following notes provide a quantitative analysis of the insurance and reinsurance contract assets and liabilities and are disaggregated by the IFRS8 operating segments. This disaggregation has been chosen for the following notes because it is management's view that it provides the most relevant information for assessing the effect that contracts within the scope of IFRS 17 have on the entity's financial performance and position.

(i) Composition of the balance sheet

The following tables show the breakdown of the insurance and reinsurance contract assets and liabilities for each of the operating segments within Chesnara.

31 December 2024	(UK)	Movestic (Sweden)	Waard Group (Netherlands)	Scildon (Netherlands)	Total
Insurance contracts	**£m**	**£m**	**£m**	**£m**	**£m**
Insurance contract liabilities	1,308.5	174.1	720.4	1,896.1	4,099.1
Insurance contract assets	(1.8)	-	-	-	(1.8)
Total insurance contract liabilities	**1,306.7**	**174.1**	**720.4**	**1,896.1**	**4,097.3**
Reinsurance contracts					
Reinsurance contract assets	154.8	12.4	2.7	-	169.9
Reinsurance contract liabilities	(2.0)	-	-	(14.6)	(16.6)
Total reinsurance contract liabilities	**152.8**	**12.4**	**2.7**	**(14.6)**	**153.3**

	Current	Non-current	Total
	£m	£m	£m
Insurance contract liabilities	730.5	3,368.6	4,099.1
Insurance contract assets	(1.8)	-	(1.8)
Reinsurance contract assets	29.9	140.0	169.9
Reinsurance contract liabilities	0.5	(17.1)	(16.6)

31 December 2023	(UK)	Movestic (Sweden)	Waard Group (Netherlands)	Scildon (Netherlands)	Total
Insurance contracts	**£m**	**£m**	**£m**	**£m**	**£m**
Insurance contract liabilities	1,383.0	171.8	785.3	1,862.9	4,203.0
Insurance contract assets	(3.9)	-	-	-	(3.9)
Total insurance contract liabilities	**1,379.1**	**171.8**	**785.3**	**1,862.9**	**4,199.1**
Reinsurance contracts					
Reinsurance contract assets	166.8	14.5	4.4	-	185.7
Reinsurance contract liabilities	(2.2)	-	-	(14.9)	(17.1)
Total reinsurance contract liabilities	**164.6**	**14.5**	**4.4**	**(14.9)**	**168.6**

	Current	Non-current	Total
	£m	£m	£m
Insurance contract liabilities	1,801.1	2,401.9	4,203.0
Insurance contract assets	-	(3.9)	(3.9)
Reinsurance contract assets	29.1	156.6	185.7
Reinsurance contract liabilities	(2.1)	19.2	17.1

(ii) Fair value of underlying items

The following table shows the fair value of the underlying items of the group's direct participating contracts for each reporting segment.

	(UK)	Movestic (Sweden)	Waard Group (Netherlands)	Scildon (Netherlands)	Total
	£m	£m	£m	£m	£m
Fair value of underlying items as at 31 December 2024	**711.0**	**142.4**	**54.9**	**1,322.8**	**2,231.1**
Fair value of underlying items as at 31 December 2023	**816.9**	**132.3**	**65.2**	**1,238.7**	**2,253.1**

Composition of underlying items: The majority of the fair value of underlying items across the group are held in collective investment schemes. A small proportion is held in equities, debt securities and in cash and deposits.

(iii) Insurance contract balances - analysis by remaining coverage and incurred claims

	Liabilities for Remaining Coverage		Liabilities for Incurred Claims			
	Excluding Loss Component	Loss component	For contracts not under PAA	PV of future cash flows	Risk adjustment	Total
	£m	£m	£m	£m	£m	£m
Insurance contract liabilities as at 1 January 2024	**3,958.1**	**89.4**	**113.3**	**37.1**	**1.2**	**4,199.1**
Changes in the statement of profit and loss						
Insurance revenue						
Contracts measured under the fair value approach	(59.0)	-	-	-	-	(59.0)
Contracts measured under the fully retrospective approach	(202.9)	-	-	-	-	(202.9)
Insurance revenue total	**(261.9)**	**-**	**-**	**-**	**-**	**(261.9)**
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	(24.0)	222.4	8.2	0.1	206.7
Adjustments to liabilities for incurred claims	-	-	-	(6.0)	(0.3)	(6.3)
Losses and reversals of losses on onerous contracts	-	40.0	-	-	-	40.0
Amortisation of insurance acquisition cash flows	3.7	-	-	-	-	3.7
Insurance service expense total	**3.7**	**16.0**	**222.4**	**2.2**	**(0.2)**	**244.1**
Insurance service result	**(258.2)**	**16.0**	**222.4**	**2.2**	**(0.2)**	**(17.8)**
Net finance expenses from insurance contracts	333.3	0.7	-	-	0.8	334.8
Effect of movements in exchange rates	(128.8)	(3.9)	(2.2)	(2.5)	(0.1)	(137.5)
Total amounts recognised in comprehensive income	**(53.7)**	**12.8**	**220.2**	**(0.3)**	**0.5**	**179.5**

Investment components	(332.8)	-	332.8	-	-	-
Cash flows						
Premiums received	291.9	-	-	-	-	291.9
Claims and other directly attributable expenses paid	-	-	(555.9)	(8.3)	-	(564.2)
Insurance acquisition cash flows	(6.8)	-	-	-	-	(6.8)
Acquisitions	9.7	-	(11.9)	-	-	(2.2)
Total cash flows	**294.8**	**-**	**(567.8)**	**(8.3)**	**-**	**(281.3)**
Insurance contract liabilities as at 31 December 2024	**3,866.4**	**102.2**	**98.5**	**28.5**	**1.7**	**4,097.3**

Restated	**Liabilities for Remaining Coverage**		**Liabilities for Incurred Claims**			
	Excluding Loss Component	**Loss component**	**For contracts not under PAA**	**PV of future cash flows**	**Risk adjustment**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Insurance contract liabilities as at 1 January 2023	**3,582.2**	**83.5**	**116.0**	**38.2**	**1.6**	**3,821.6**
Changes in the statement of profit and loss						
Insurance revenue						
Contracts measured under the fair value approach	(58.2)	-	-	-	-	(58.2)
Contracts measured under the fully retrospective approach	(169.8)	-	-	-	-	(169.8)
Insurance revenue total	**(228.0)**	**-**	**-**	**-**	**-**	**(228.0)**
Insurance service expenses						
Incurred claims and other directly attributable expenses	0.2	(50.4)	207.1	10.3	0.1	167.3
Adjustments to liabilities for incurred claims	-	-	-	(3.4)	(0.2)	(3.6)
Losses and reversals of losses on onerous contracts	-	57.7	-	-	-	57.7
Amortisation of insurance acquisition cash flows	3.4	-	-	-	-	3.4
Insurance service expense total	**3.6**	**7.3**	**207.1**	**6.9**	**(0.1)**	**224.8**
Insurance service result	**(224.4)**	**7.4**	**207.1**	**6.9**	**(0.1)**	**(3.2)**
Net finance expenses from insurance contracts	312.7	0.4	-	2.0	(0.2)	315.0
Effect of movements in exchange rates	(51.6)	(1.9)	(1.1)	(1.1)	(0.1)	(55.8)
Total amounts recognised in comprehensive income	**36.7**	**5.9**	**206.0**	**7.8**	**(0.4)**	**255.9**
Investment components	(309.8)	-	309.8	-	-	-
Acquisitions - estimate of the present value of future cash inflows	327.6	-	-	-	-	327.6
Cash flows						
Premiums received	327.0	-	-	-	-	327.0
Claims and other directly attributable expenses paid	-	-	(518.5)	(8.9)	-	(527.4)
Insurance acquisition cash flows	(5.6)	-	-	-	-	(5.6)
Total cash flows	**321.4**	**-**	**(518.5)**	**(8.9)**	**-**	**(206.0)**
Insurance contract liabilities as at 31 December 2023	**3,958.1**	**89.4**	**113.3**	**37.1**	**1.2**	**4,199.1**

(iv) Insurance contract balances - analysis by measurement component

	Present value of future cash flows	**Risk Adjustment**	**CSM (new contracts and contracts measured under FRA)**	**CSM (contracts measured under FVA)**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**
Insurance contract liabilities as at 1 January 2024	**3,918.6**	**51.7**	**161.0**	**27.5**	**4,158.8**
Changes that relate to current service					
CSM recognised for services provided	-	-	(18.1)	(4.3)	(22.4)
Change in risk adjustment for non-financial risk for risk expired	-	(4.9)	-	-	(4.9)
Experience adjustments	(23.0)	-	-	-	(23.0)
Revenue recognised for incurred policyholder tax expenses	-	-	-	-	-
	(23.0)	**(4.9)**	**(18.1)**	**(4.3)**	**(50.3)**
Changes that relate to future service					
Contracts initially recognised in the period	(8.5)	1.7	9.5	-	2.7
Changes in estimates that adjust the CSM	(17.6)	(18.7)	19.2	17.2	0.1
Changes in estimates that result in losses or reversals of losses on onerous underlying contracts	38.1	(1.0)	-	-	37.1
	12.0	**(18.0)**	**28.7**	**17.2**	**39.9**
Changes that relate to past service					
Adjustments to liabilities for incurred claims	-	-	-	-	-
	-	**-**	**-**	**-**	**-**
Insurance service result	**(11.0)**	**(22.9)**	**10.6**	**12.9**	**(10.4)**
Net finance expenses from insurance contracts	326.4	2.8	4.0	0.8	334.0
Effect of movements in exchange rates	(125.2)	(1.5)	(7.7)	(0.4)	(134.8)
Total amounts recognised in comprehensive income	**190.2**	**(21.6)**	**6.9**	**13.3**	**188.8**
Cash flows					
Premiums received	282.6	-	-	-	282.6
Claims and other directly attributable expenses paid	(555.9)	-	-	-	(555.9)
Insurance acquisition cash flows	(6.8)	-	-	-	(6.8)
Acquisitions	(2.2)	-	-	-	(2.2)
Total cash flows	**(282.3)**	**-**	**-**	**-**	**(282.3)**
Insurance contract liabilities as at 31 December 2024	**3,826.5**	**30.1**	**167.9**	**40.8**	**4,065.3**

			CSM (new contracts and	**CSM**	

Restated	Present value of future cash flows	Risk Adjustment	contracts measured under FRA)	(contracts measured under FVA)	Total
	£m	£m	£m	£m	£m
Insurance contract liabilities as at 1 January 2023	**3,587.3**	**46.0**	**105.7**	**40.7**	**3,779.7**
Changes that relate to current service					
CSM recognised for services provided	-	-	(17.5)	(3.4)	(20.9)
Change in risk adjustment for non-financial risk for risk expired	-	(6.5)	-	-	(6.5)
Experience adjustments	(29.7)	-	-	-	(29.7)
Revenue recognised for incurred policyholder tax expenses	(0.1)	-	-	-	(0.1)
	(29.8)	**(6.5)**	**(17.5)**	**(3.4)**	**(57.2)**
Changes that relate to future service					
Contracts initially recognised in the period	(65.5)	9.2	59.2	-	2.9
Changes in estimates that adjust the CSM	(3.6)	0.1	14.1	(10.6)	-
Changes in estimates that result in losses or reversals of losses on onerous underlying contracts	54.7	-	-	-	54.7
	(14.4)	**9.3**	**73.3**	**(10.6)**	**57.6**
Changes that relate to past service					
Adjustments to liabilities for incurred claims	-	-	-	-	-
Insurance service result	**(44.2)**	**2.8**	**55.8**	**(14.0)**	**0.4**
Net finance expenses from insurance contracts	305.4	3.8	3.0	0.9	313.1
Effect of movements in exchange rates	(50.0)	(0.9)	(3.5)	(0.1)	(54.5)
Total amounts recognised in comprehensive income	**211.2**	**5.7**	**55.3**	**(13.2)**	**259.0**
Acquisitions - estimate of the present value of future cash inflows	327.6	-	-	-	327.6
Cash flows					
Premiums received	316.6	-	-	-	316.6
Claims and other directly attributable expenses paid	(518.5)	-	-	-	(518.5)
Insurance acquisition cash flows	(5.6)	-	-	-	(5.6)
Total cash flows	**(207.5)**	**-**	**-**	**-**	**(207.5)**
Insurance contract liabilities as at 31 December 2023	**3,918.6**	**51.7**	**161.0**	**27.5**	**4,158.8**

(v) Reinsurance contract balances - analysis by remaining coverage and incurred claims

	Assets for Remaining Coverage		Assets for Incurred Claims			
	Excluding Loss-Recovery Component	Loss-Recovery component	For contracts not under PAA	Future cash flows	Risk adjustment	Total
	£m	£m	£m	£m	£m	£m
Reinsurance contract assets as at 1 January 2024	**124.0**	**6.2**	**23.3**	**14.9**	**0.2**	**168.6**
Reinsurance expenses - allocation of reinsurance premiums paid	(52.3)	-	-	-	-	(52.3)
Amounts recoverable from reinsurers:						
Recoveries of incurred claims and other insurance service expenses	-	-	44.4	1.9	-	46.3
Changes in the expected recoveries for past claims	-	-	-	(2.3)	(0.1)	(2.4)
Changes in the loss recovery component	-	(0.8)	-	-	-	(0.8)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	-
Net (expenses) / income from reinsurance contracts held	**(52.3)**	**(0.8)**	**44.4**	**(0.4)**	**(0.1)**	**(9.2)**
Net Finance expenses from reinsurance contracts	2.3	-	-	0.3	-	2.6
Effect of movements in exchange rates	1.1	(0.3)	(0.3)	(1.0)	-	(0.5)
Total amounts recognised in comprehensive income	**(48.9)**	**(1.1)**	**44.1**	**(1.1)**	**(0.1)**	**(7.1)**
Investment components	(2.8)	-	2.8	-	-	-
Cash flows						
Premiums paid net of ceding commission	48.3	-	-	-	-	48.3
Recoveries from reinsurance contracts held	-	-	(54.3)	(2.2)	-	(56.5)
Acquisitions	-	-	-	-	-	-
Total cash flows	**48.3**	**-**	**(54.3)**	**(2.2)**	**-**	**(8.2)**
Reinsurance contract assets as at 31 December 2024	**120.6**	**5.1**	**15.9**	**11.6**	**0.1**	**153.3**

	Assets for Remaining Coverage		Assets for Incurred Claims			
Restated	Excluding Loss-Recovery Component	Loss-Recovery component	For contracts not under PAA	Future cash flows	Risk adjustment	Total
	£m	£m	£m	£m	£m	£m
Reinsurance contract assets as at 1 January 2023	**130.1**	**4.5**	**26.6**	**15.2**	**0.3**	**176.7**
Reinsurance expenses - allocation of reinsurance premiums paid	(52.3)	-	-	-	-	(52.3)
Amounts recoverable from reinsurers:						
Recoveries of incurred claims and other insurance service expenses	-	-	40.2	3.1	0.1	43.4
Changes in the expected recoveries for past claims	-	-	-	(1.2)	(0.1)	(1.3)
Changes in the loss recovery component	-	1.8	-	-	-	1.8
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	-
Net (expenses) / income from reinsurance contracts held	**(52.3)**	**1.8**	**40.2**	**1.9**	**-**	**(8.4)**
Net Finance expenses from reinsurance contracts	6.0	-	-	0.9	(0.1)	6.7
Effect of movements in exchange rates	0.6	(0.1)	(0.2)	(0.4)	-	(0.1)
Total amounts recognised in comprehensive income	**(45.7)**	**1.7**	**40.0**	**2.3**	**(0.1)**	**(1.8)**
Investment components	(2.6)	-	2.6	-	-	-

Cash flows						
Premiums paid net of ceding commission	42.2	-	-	-	-	42.2
Recoveries from reinsurance contracts held	-	-	(45.9)	(2.6)	-	(48.5)
Acquisitions	-	-	-	-	-	-
Total cash flows	**42.2**	**-**	**(45.9)**	**(2.6)**	**-**	**(6.3)**
Reinsurance contract assets as at 31 December 2023	**124.0**	**6.2**	**23.3**	**14.9**	**0.2**	**168.6**

(vi) Reinsurance contract balances - analysis by remaining coverage and incurred claims

	Present value of future cash flows	Risk Adjustment	CSM (new contracts and contracts measured under FRA)	CSM (contracts measured under FVA)	Total
	£m	£m	£m	£m	£m
Reinsurance contract assets as at 1 January 2024	**106.9**	**15.2**	**26.4**	**5.6**	**154.1**
Changes that relate to current service					
CSM recognised for services received	-	-	(3.1)	(0.3)	(3.4)
Change in risk adjustment for non-financial risk for risk expired	-	(1.6)	-	-	(1.6)
Experience adjustments	(1.4)	-	-	-	(1.4)
Total changes that relate to current service	**(1.4)**	**(1.6)**	**(3.1)**	**(0.3)**	**(6.4)**
Changes that relate to future service					
Contracts initially recognised in the period	(2.4)	0.6	1.9	-	0.1
Changes in estimates that adjust the CSM	(0.3)	(4.1)	3.7	(0.9)	(1.6)
CSM adjustment for income on initial recognition of onerous underlying contracts	-	-	-	-	-
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	0.5	-	0.5
Total changes that relate to future service	**(2.7)**	**(3.5)**	**6.1**	**(0.9)**	**(1.0)**
Changes that relate to past service					
Adjustments to assets for incurred claims	-	-	-	-	-
Total changes that relate to past service	**-**	**-**	**-**	**-**	**-**
Effect of changes in non-performance risk of reinsurers	**-**	**-**	**-**	**-**	**-**
Net (expense) / income from reinsurance contracts held	**(4.1)**	**(5.1)**	**3.9**	**(1.2)**	**(7.4)**
Net finance income from reinsurance contracts held	1.2	0.6	0.4	0.1	2.3
Effect of movements in exchange rates	2.2	(0.5)	(1.2)	-	0.5
Total amounts recognised in comprehensive income	**(0.7)**	**(5.0)**	**2.2**	**(1.1)**	**(4.6)**
Cash flows					
Premiums paid net of ceding commission	45.6	-	-	-	45.6
Recoveries from reinsurance contracts held	(54.2)	-	-	-	(54.2)
Acquisitions	-	-	-	-	-
Total cash flows	**(8.6)**	**-**	**-**	**-**	**(8.6)**
Reinsurance contract assets as at 31 December 2024	**97.6**	**10.2**	**28.6**	**4.5**	**140.9**

Restated	Present value of future cash flows	Risk Adjustment	CSM (new contracts and contracts measured under FRA)	CSM (contracts measured under FVA)	Total
	£m	£m	£m	£m	£m
Reinsurance contract assets as at 1 January 2023	**112.6**	**14.3**	**26.0**	**7.9**	**160.9**
Changes that relate to current service					
CSM recognised for services received	-	-	(0.5)	(0.5)	(1.0)
Change in risk adjustment for non-financial risk for risk expired	-	(2.2)	-	-	(2.2)
Experience adjustments	(6.1)	-	-	-	(6.1)
Total changes that relate to current service	**(6.1)**	**(2.2)**	**(0.5)**	**(0.5)**	**(9.3)**
Changes that relate to future service					
Contracts initially recognised in the period	(3.1)	0.9	2.2	-	-
Changes in estimates that adjust the CSM	2.8	1.7	(2.5)	(1.9)	-
CSM adjustment for income on initial recognition of onerous underlying contracts	-	-	(0.3)	-	(0.3)
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	1.8	-	1.8
Total changes that relate to future service	**(0.3)**	**2.6**	**1.1**	**(1.9)**	**1.5**
Changes that relate to past service					
Adjustments to assets for incurred claims	-	-	-	-	-
Total changes that relate to past service	**-**	**-**	**-**	**-**	**-**
Effect of changes in non-performance risk of reinsurers	**-**	**-**	**-**	**-**	**-**
Net (expense) / income from reinsurance contracts held	**(6.4)**	**0.4**	**0.6**	**(2.4)**	**(7.8)**
Net finance income from reinsurance contracts held	4.9	0.7	0.3	0.1	6.0
Effect of movements in exchange rates	1.1	(0.2)	(0.6)	-	0.3
Total amounts recognised in comprehensive income	**(0.4)**	**0.9**	**0.3**	**(2.3)**	**(1.5)**
Cash flows					
Premiums paid net of ceding commission	40.6	-	-	-	40.6
Recoveries from reinsurance contracts held	(45.9)	-	-	-	(45.9)
Acquisitions	-	-	-	-	-
Total cash flows	**(5.3)**	**-**	**-**	**-**	**(5.3)**
Reinsurance contract assets as at 31 December 2023	**106.9**	**15.2**	**26.4**	**5.6**	**154.1**

9 Portfolio acquisition

On 23 December 2024, Chesnara announced it had reached an agreement to acquire the UK unit-linked bond and pension business of Canada Life Limited, representing approximately 17,000 policies. The transaction is initially in the form of a reinsurance agreement with the non-unit cash flows of the unit-linked policies ceded by Canada Life Limited and accepted by CA plc. The date of recognition of the reinsurance contract under IFRS 17 is 23 December 2024, however under the terms of the contract the economic impacts are backdated to 1 January 2024 and the cash-flows from this date are accordingly recognised as a receivable in the December 2024 balance sheet.

The initial commission paid by CA plc to Canada Life Limited for this reinsurance inwards transaction was £2.2m and was funded from internal group resources. As no inputs and processes have been transferred as part of the transaction it is not accounted for as a business combination, instead it is recognised at cost. The CSM on initial recognition has been calculated as £0.7m as at 31 December 2024.

Customers' policies are expected to transfer to CA plc in the future via a Part VII transfer, following Court approval.

10 Post balance sheet events

The directors are not aware of any significant post balance sheet events that require disclosure in the financial statements.

11 Approval of consolidated report for the year ended 31 December 2024

This consolidated report was approved by the Board of Directors on 26 March 2025. A copy of the report will be available to the public at the Company's registered office, 2nd Floor, Building 4, West Strand Business Park, West Strand Road, Preston, PR1 8UY and at **www.chesnara.co.uk**

FINANCIAL CALENDAR

27 March 2025
Results for the year ended 31 December 2024 announced

3 April 2025
Ex-dividend date

4 April 2025
Dividend record date

22 April 2025
Last date for dividend reinvestment plan elections

13 May 2025
Annual General Meeting

20 May 2025
Dividend payment date

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ALTERNATIVE PERFORMANCE MEASURES

Throughout this report we use alternative performance measures (APMs) to supplement the assessment and reporting of the performance of the group. These measures are those that are not defined by statutory reporting frameworks, such as IFRS or Solvency II.

The APMs aim to assess performance from the perspective of all stakeholders, providing additional insight into the financial position and performance of the group and should be considered in conjunction with the statutory reporting measures such as IFRS and Solvency II.

The following table identifies the key APMs used in this report, how each is defined and why we use them.

APM	What is it?	Why do we use it?
Commercial Cash Generation	Cash Generation is used by the Group as a measure of assessing how much dividend potential has been generated, subject to ensuring other constraints are managed. Commercial Cash Generation excludes the impact of technical adjustments and. modelling changes; representing the inherent commercial cash generated by the business.	Commercial Cash Generation provides stakeholders with enhanced insight into cash generation, drawing out components of the result relating to technical complexities or exceptional items. The result is deemed to better reflect the Group's view of commercial performance, showing key drivers within that.
Base Cash Generation	Base Cash Generation is used by the group as a measure of assessing how much dividend potential has been generated, subject to ensuring other constraints are managed. Base Cash Generation is calculated as the movement in the group's surplus Own Funds above the Group's internally required capital, as determined by applying the group's Capital Management Policy, which has Solvency II rules at its heart.	Base Cash Generation is a key measure, because it is the net cash flows to Chesnara from its life and pensions businesses which support Chesnara's dividend-paying capacity and acquisition strategy. Cash generation can be a strong indicator of how we are performing against our stated objective of 'maximising value from existing business'.
Divisional Cash Generation	Divisional Cash Generation represents the movement in surplus Own Funds above local capital management policies within the three operating divisions of Chesnara. Divisional Cash Generation is used as a measure of how much dividend potential a division has generated, subject to ensuring other constraints are managed.	It is an important indicator of the operating performance of the business before the impact of group level operations and consolidation adjustments.
Economic Value (EcV)	EcV is a financial metric that is derived from Solvency II Own Funds. It provides a market consistent assessment of the value of existing insurance businesses, plus adjusted net asset value of the non-insurance business within the group. We define EcV as Own Funds adjusted for contract boundaries, risk margin and restricted with-profit surpluses. As such, EcV and Own Funds have many common characteristics and tend to be impacted by the same factors.	EcV reflects the market-related value of in-force business and net assets of the non-insurance business and hence is an important reference point by which to assess the Group's value. A life and pensions group may typically be characterised as trading at a discount or premium to its Economic Value. Analysis of EcV provides additional insight into the development of the business over time. The EcV development of the Group over time can be a strong indicator of how we have delivered to our strategic objectives.
Economic Value (EcV) Earnings	The principal underlying components of the EcV Earnings are: - The expected return from existing business (being the effect of the unwind of the rates used to discount the value in-force); - Value added by the writing of new business; - Variations in actual experience from that assumed in the opening valuation; - The impact of restating assumptions underlying the determination of expected cash flows; and - The impact of acquisitions.	By recognising the market-related value of in-force business (in-force value), a different perspective is provided in the performance of the group and on the valuation of the business. EcV Earnings are an important KPI as they provide a longer-term measure of the value generated during a period. The EcV Earnings of the Group can be a strong indicator of how we have delivered against all three of our core strategic objectives.
EcV Operating Earnings	This is the element of EcV Earnings that is generated from the company's ongoing core business operations, excluding any profit earned from investment market conditions in the period and any economic assumption changes in the future.	EcV Operating Earnings provide an indication of the underlying value generated by the business. This measure can identify profitable activities and also inefficient processes and potential management actions.
EcV Economic Earnings	This is the element of EcV Earnings that is derived from investment market conditions in the period and any economic assumption changes in the future.	EcV Economic Earnings are important in order to measure the additional value generated from investment market factors.
New Business Contribution *Note - this measure*	A more commercially relevant measure of new business profit than that recognised directly under the Solvency II regime, allowing for a modest level of	This provides a fair commercial reflection of the value added by new business operations and is more

was previously referred to as 'commercial new business'. There has been no change to the basis of calculation.	return, over and above risk-free, and exclusion of the incremental risk margin Solvency II assigns to new business.	comparable with how new business is reported by our peers, improving market consistency.
Solvency	Solvency is a fundamental financial measure which is of paramount importance to investors and policyholders. It represents the relationship between the value of the business as measured on a Solvency II basis and the capital the business is required to hold - the Solvency Capital Requirement (SCR). Solvency can be reported as an absolute surplus value or as a ratio.	Solvency gives policyholders comfort regarding the security of their provider. This is also the case for investors together with giving them a sense of the level of potential surplus available to invest in the business or distribute as dividends, subject to other considerations and approvals.
Assets under Administration (AuA) *Note - this measure was previously referred to as 'Funds under Management' (FuM). There has been no change to the basis of calculation*	AuA reflects the value of the financial assets that the business manages, as reported in the IFRS Consolidated Balance Sheet.	AuA provides an indication of the scale of the business, and the potential future returns that can be generated from the assets that the Group manages and administers on behalf of customers.
Leverage	A financial measure that demonstrates the degree to which the Company is funded by debt financing versus equity capital, presented as a ratio. It is defined as debt divided by debt plus equity, with the equity denominator adding back the net of tax CSM liability, as measured under IFRS.	This measure indicates the overall level of indebtedness of the Group and is also a key component of the bank covenant arrangements held by Chesnara.
IFRS Capital Base	IFRS net equity plus the consolidated CSM net of reinsurance and tax.	It is a more appropriate measure of the value of the business than net equity as it allows for the store of deferred profits held in the balance sheet, as represented by the CSM, including those as yet unrecognised profits from writing new business and acquisitions.
Policies / policy count	Policy count is the number of policies that the Group manages on behalf of customers.	This is important to show the scale of the business, particularly to provide context to the rate at which the closed book business is maturing. In our open businesses, the policy count shows the net impact of new business versus policy attrition.

GLOSSARY

AGM Annual General Meeting.

ALM Asset Liability Management - management of risks that arise due to mismatches between assets and liabilities.

APE Annual Premium Equivalent - an industry wide measure that is used for measuring the annual equivalent of regular and single premium policies.

CA Countrywide Assured plc.

CALH Countrywide Assured Life Holdings Limited and its subsidiary companies.

CASLP Sanlam Life & Pensions UK Limited

BLAGAB Basic life assurance and general annuity business

Base Cash Generation This represents the cash that has been generated in the period. The cash generating capacity of the Group is largely a function of the movement in the solvency position of the insurance subsidiaries within the group and takes account of the buffers that management has set to hold over and above the solvency requirements imposed by our regulators. Cash generation is reported at a group level and also at an underlying divisional level reflective of the collective performance of each of the divisions prior to any Group level activity.

Commercial Cash Generation Cash generation excluding the impact of technical adjustments, modelling changes and exceptional corporate activity, the inherent commercial cash generated by the business.

Core Surplus Emergence Absolute surplus movement of the divisions including Chesnara entity but adjustments will be made for the impact of items such as FX, T2/T3 restrictions, acquisition impacts and shareholder dividends as deemed appropriate. Note: Any adjustments will be subject to Board approval (and Remco approval if they impact remuneration) and will be transparently reported.

CSM Contractual Service Margin (CSM) represents the unearned profit that an entity expects to earn on its insurance contracts as it provides services.

Divisional Cash Generation This represents the cash generated by the three operating divisions of Chesnara (UK, Sweden and the Netherlands), exclusive of Group level activity.

Dividend Cover Defined as Commercial Cash Generation divided by the total of the interim and final proposed shareholder dividend for the financial year.

DORA Digital Operational Resilience Act (European Union regulation)

DNB De Nederlandsche Bank is the central bank of the Netherlands and is the regulator of our Dutch subsidiaries.

DPF Discretionary Participation Feature - A contractual right under an insurance contract to receive, as a supplement to guaranteed benefits, additional benefits whose amount or timing is contractually at the discretion of the issuer.

Dutch business Scildon and the Waard Group, consisting of Waard Leven N.V., Waard Schade N.V. and Waard Verzekeringen B.V.

Economic profit A measure of pre-tax profit earned from investment market conditions in the period and any economic assumption changes in the future (alternative performance measure - APM).

EcV Economic Value is a financial metric that is derived from Solvency II Own Funds. It provides a market consistent assessment of the value of existing insurance businesses, plus adjusted net asset value of the non-insurance business within the group.

EcV Earnings Measure of the value generated by the Group in a period.

FCA Financial Conduct Authority

FI Finansinspektionen, being the Swedish Financial Supervisory Authority.

Form of proxy The form of proxy relating to the General Meeting being sent to shareholders with this document.

FSMA The Financial Services and Markets Act 2000 of England and Wales, as amended.

GMM General Measurement Model - the default measurement model which applies to insurance contracts with limited or no pass-through of investment risks to policyholders.

Group Centre Parent Company operations of Chesnara plc

Group Own Funds In accordance with the UK's regulatory regime for insurers it is the sum of the individual capital resources for each of the regulated related undertakings less the book-value of investments by the group in those capital resources.

Group SCR In accordance with the UK's regulatory regime for insurers it is the sum of individual capital resource requirements for the insurer and each of its regulated undertakings.

Group solvency Group solvency is a measure of how much the value of the company exceeds the level of capital it is required to hold in accordance with Solvency II regulations.

HCL HCL Insurance BPO Services Limited.

IFRS International Financial Reporting Standards.

IFA Independent Financial Advisor.

KPI Key performance indicator.

LACDT Loss Absorbing Capacity of Deferred Tax

Leverage A financial measure that demonstrates the degree to which the company is funded by debt financing versus equity capital, usually presented as a ratio, defined as debt divided by debt plus equity, with the equity denominator adding back the net of tax CSM liability, as measured under IFRS

LTI Long-Term Incentive Scheme - A reward system designed to incentivise executive directors' long-term performance.

Movestic Movestic Livförsäkring AB.

New business The present value of the expected future cash inflows arising from business written in the reporting period.

Official List The Official List of the Financial Conduct Authority.

Operating profit A measure of the pre-tax profit earned from a company's ongoing core business operations, excluding any profit earned from investment market conditions in the period and any economic assumption changes in the future (alternative performance metric - APM).

Ordinary shares Ordinary shares of 5 pence each in the capital of the company.

ORSA Own Risk and Solvency Assessment.

Own Funds	In accordance with the UK's regulatory regime for insurers it is the sum of the individual capital resources for each of the regulated related undertakings less the book-value of investments by the company in those capital resources.
PAA	Premium allocation approach - a simplified measurement model which can be applied to short term contracts.
PRA	Prudential Regulation Authority.
PRA	Prudential Regulation Authority.
QRT	Quantitative Reporting Template.
RA	Risk adjustment is the additional reserve held for non-financial risks.
Resolution	The resolution set out in the notice of General Meeting set out in this document.
RCF	3 year Revolving Credit Facility of £150m (currently unutilised) renewed in July 2024
RMF	Risk Management Framework.
Robein Leven	Robein Leven N.V.
Scildon	Scildon N.V.
Shareholder(s)	Holder(s) of ordinary shares.
Solvency II	A fundamental review of the capital adequacy regime for the European insurance industry. Solvency II aims to establish a set of EU-wide capital requirements and risk management standards and has replaced the Solvency I requirements.
Solvency (absolute) surplus	A measure of how much the value of the company (Own Funds) exceeds the level of capital it is required to hold
Standard Formula	The set of prescribed rules used to calculate the regulatory SCR where an internal model is not being used.
STI	Short-Term Incentive Scheme - A reward system designed to incentivise executive directors' short-term performance.
SCR	In accordance with the UK's regulatory regime for insurers it is the sum of individual capital resource requirements for the insurer and each of its regulated undertakings.
Swedish business	Movestic and its subsidiaries and associated companies.
S&P	Save & Prosper Insurance Limited and Save & Prosper Pensions Limited.
TCF	Treating Customers Fairly - a central PRA principle that aims to ensure an efficient and effective market and thereby help policyholders achieve fair outcomes.
Tier 2	Term debt capital (Tier 2 Subordinated Notes) issued in February 2022 with a 10.5 year maturity and 4.75% coupon rate.
Transfer ratio	The proportion of new policies transferred into the business in relation to those transferred out.
TSR	Total Shareholder Return, measured with reference to both dividends and capital growth.
UK or United Kingdom	The United Kingdom of Great Britain and Northern Ireland.
UK business	CA, S&P and CASLP
VA	The Volatility Adjustment is a measure to ensure the appropriate treatment of insurance products with long-term guarantees under Solvency II. It represents an adjustment to the rate used to discount liabilities to mitigate the effect of short-term volatility bond returns.

NOTE ON TERMINOLOGY

As explained in the IFRS financial statements, the principal reporting segments of the Group are:

CA	which comprises the original business of Countrywide Assured plc, the group's original UK operating subsidiary; City of Westminster Assurance Company Limited, which was acquired by the group in 2005, the long-term business of which was transferred to Countrywide Assured plc during 2006; S&P which was acquired on 20 December 2010. This business was transferred from Save & Prosper Insurance Limited and Save & Prosper Pensions Limited to Countrywide Assured plc on 31 December; and Protection Life Company Limited which was acquired by the group in 2013, the long-term business of which was transferred into Countrywide Assured plc in 2014, as well as the portfolio of policies acquired from Canada Life on 16 May 2023 and reinsured into Countrywide Assured plc;

	from Canada Life on 10 May 2023 and reinsured into Countrywide Assured plc;
CASLP - 'SLP'	'SLP' - Sanlam Life & Pensions (UK) Limited which was acquired 28 April 2022. CASLP was dissolved by court order on 14 January 2025; and
Movestic	Movestic which was purchased on 23 July 2009 and comprises the group's Swedish business, Movestic Livförsäkring AB and its subsidiary and associated companies;
The Waard Group	which was acquired on 19 May 2015 and comprises two insurance companies; Waard Leven N.V. and Waard Schade N.V.; and a service company, Waard Verzekeringen; Robein Leven NV acquired on 28 April 2022; and the insurance portfolio of Conservatrix acquired on 1 January 2023;
Scildon	which was acquired on 5 April 2017; and
Other Group activities	Other Group activities which represents the functions performed by the Parent Company, Chesnara plc. Also included in this segment are consolidation adjustments.

Cautionary and Forward-Looking Statements

This document has been prepared for the members of Chesnara plc and no one else. Chesnara plc, its directors or agents do not accept or assume responsibility to any other person in connection with this document and any such responsibility or liability is expressly disclaimed. Nothing in this document should be construed as a profit forecast or estimate.

This document may contains, and we may make other statements (verbal or otherwise) containing, forward-looking statements with respect to certain of the plans and current expectations relating to the future financial condition, business performance, and results, strategy and/or objectives (including without limitation, climate-related plans and goals) of Chesnara plc.
Statements containing the words 'believes', intends', 'will', ' expects', plans', 'aims', 'seeks', 'targets', 'continues' and 'anticipates' or other words of similar meaning are forward looking.

By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond the control of Chesnara plc including, amongst other things, UK domestic, Swedish domestic, Dutch domestic and global economic, political, social, environmental and business conditions, market-related risks such as fluctuations in interest rates, currency exchange rates, inflation, deflation, the impact of competition, changes in customer preferences, delays in implementing proposals, the timing, impact and other uncertainties of future acquisitions or other combinations within relevant industries, the policies and actions of regulatory authorities, the impact of tax or other legislation and other regulations in the jurisdictions in which Chesnara plc and its subsidiaries operate. As a result, Chesnara plc's actual future condition, business performance and results may differ materially from the plans, goals and expectations expressed or implied in these forward-looking statements.

No representation is made with regard to forward looking statements, including that any future results will be achieved. As a result, you are cautioned not to place undue reliance on such forward-looking statements contained in this document. Chesnara undertakes no obligation to update any of the forward-looking statements contained within this document or any other forward-looking statements we make. Forward-looking statements in this report are current only as of the date on which such statements are made.

The climate metrics used in this document should be treated with special caution, as they are more uncertain than, for example, historical financial information and given the wider uncertainty around the evolution and impact of climate change. Climate metrics include estimates of historical emissions and historical climate change and forward-looking climate metrics (such as ambitions, targets, climate scenarios and climate projections and forecasts). Our understanding of climate change and its impact continue to evolve. Accordingly, both historical and forward-looking climate metrics are inherently uncertain and Chesnara expects that certain climate disclosures made in this document are likely to be amended, updated, recalculated or restated in the future.

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