



JUST GROUP PLC
JUST RETIREMENT LIMITED
PARTNERSHIP LIFE ASSURANCE COMPANY
LIMITED

SOLVENCY AND FINANCIAL CONDITION REPORT
AS AT 31 DECEMBER 2024

Contents

A Business and Performance	13
A.1 Business	13
A.1.1 Significant events in the year	14
A.1.2 Material lines of business	16
A.1.3 Other information	16
A.1.4 Events after the reporting period	17
A.2 Underwriting Performance	17
A.2.1 Current year performance	17
A.3 Investment Performance	25
A.3.1 Income and expenses by asset class	25
A.3.2 Gains and losses recognised directly in equity	27
A.3.3 Investments in securitisation	27
A.4 Other activities	27
A.4.1 Performance of other activities	27
B System of Governance	30
B.1 General information on the system of governance	30
B.1.1 Governance of the Group	30
B.1.2 Governance structure in Group subsidiaries	34
B.1.3 Key functions roles and responsibilities	36
B.1.4 Changes in the system of governance	36
B.1.5 Remuneration policy	36
B.1.6 Material related party transactions	39
B.1.7 System of governance - assessment of adequacy	39
B.2 Fit and proper requirements	40
B.2.1 Requirements concerning skills, knowledge and expertise	40
B.2.2 Assessing fitness and propriety pre-appointment	40
B.2.3 Assessing fitness and propriety on an on-going basis	40
B.3 Risk management system including the Own Risk and Solvency Assessment	41
B.3.1 Risk governance and management framework	41
B.3.2 Internal Model Governance	42
B.3.3 ORSA (Own Risk and Solvency Assessment)	42
B.4 Internal control system	44
B.4.1 Internal control system description and procedures	44
B.4.2 Roles and responsibilities of the Compliance function	45
B.5 Group Internal Audit function	46
B.5.1 Internal Audit function role	46
B.5.2 Independence and objectivity of Internal Audit	46
B.6 Chief Actuarial function	47
B.7 Outsourcing	47
B.7.1 Outsourcing Policy	47
B.7.2 Principal outsourcing arrangements	48
B.7.3 Intra-group outsourced activities	49
B.8 Any other information	49
C. Risk Profile	51
C.1 Underwriting risk	54
C.1.1 Nature of material underwriting risks	54

C.1.2 Underwriting risk concentration	55
C.1.3 Underwriting risk mitigation	55
C.2 Market risk.....	56
C.2.1 Nature of material market risks	56
C.2.2 Market risk concentration	57
C.2.3 Market risk mitigation	57
C.3 Credit risk.....	58
C.3.1 Nature of material credit risks.....	58
C.3.2 Credit risk concentration	58
C.3.3 Credit risk mitigation	60
C.4 Liquidity risk	61
C.4.1 Nature of material liquidity risks.....	61
C.4.2 Liquidity risk concentration	61
C.4.3 Liquidity risk mitigation	61
C.5 Operational risk.....	62
C.5.1 Nature and concentration of material operational risks.....	62
C.5.2 Operational risk mitigation.....	63
C.6 Other material risks.....	64
C.6.1 Regulatory changes and supervision.....	64
C.7 Any other information	65
C.7.1 Sensitivities	65
C.7.2 Sensitivity to operational risks	66
C.7.3 Stress and scenario analysis	67
D. Valuation for Solvency Purposes	69
D.1 Assets	73
D.1.1 Asset valuation	73
D.1.2 Valuation for solvency purposes.....	74
D.2 Technical Provisions.....	77
D.2.1 Methodology used in the calculation of Technical Provisions.....	77
D.2.2 Valuation of Technical Provisions	79
D.2.3 Differences to statutory IFRS reporting.....	80
D.2.4 Key assumptions used in calculation of Technical Provisions.....	81
D.2.5 Level of uncertainty in valuation	83
D.2.6 Long-term guarantee measures	84
D.2.7 Transitional measures	87
D.3 Other liabilities.....	88
D.3.1 Other liabilities	88
D.3.2 Valuation for solvency purposes.....	88
D.4 Alternative methods for valuation	90
D.5 Other information.....	93
E. Capital Management	95
E.1 Own funds.....	97
E.1.1 Basic own funds.....	97
E.1.2 Management of Own Funds	97
E.1.3 Own funds structure	98
E.1.4 Eligible own funds to meet SCR and MCR	102
E.1.5 Equity reconciliation between IFRS statutory and Solvency II valuations	104
E.2 Solvency Capital Requirement and Minimum Capital Requirement	106
E.2.1 Solvency Capital Coverage ratios.....	106
E.2.2 Solvency Capital Requirement.....	106

E.2.3 Minimum consolidated Group Solvency Capital Requirement	108
E.2.4 Change in MCR and SCR over the reporting period	108
E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR	108
E.4 Internal model	108
E.4.1 Scope and purpose of Internal Model	108
E.4.2 Internal Model Methodology	109
E.4.3 Internal Model data appropriateness	109
E.4.4 Differences between the standard formula and internal model used.....	109
E.5 Non-compliance with the MCR and SCR	111
F. Other information	113
F.1 Quantitative Reporting Templates (QRTs).....	113
F.1.1 Just Group plc QRTs.....	113
F.1.2 Just Retirement Limited QRTs.....	131
F.1.3 Partnership Life Assurance Company Limited QRTs	144
F.2 Directors' statement.....	157
F.3 Approvals, determinations and modifications	158
F.4 Audit opinion	160
F.5. Cautionary statement.....	168
F.6. Glossary.....	168

Basis of Preparation

The Group Solvency and Financial Condition Report (“SFCR”) and the Annual Quantitative Reporting Templates (“QRTs”) have been prepared in accordance with all the applicable PRA Rules and the UK implementation of the Solvency II regulations (“the Regulations”).

This is the SFCR for Just Group plc, (referred to as “Just” or the “Group”) as at 31 December 2024. Just Retirement Limited (“JRL”) and Partnership Life Assurance Company Limited (“PLACL”), the UK regulated insurance entities within the Group, received approval to prepare this single group-wide SFCR.

The Group’s business in South Africa (“JRSA”) has approval for exclusion from the regulatory reporting to the PRA due to its limited materiality (see chapter D). Just Group IFRS statutory reporting figures and commentary in this document include JRSA figures; Solvency II regulatory reporting figures exclude JRSA.

The scope of the entities which make up the Group is otherwise consistent between the IFRS and Solvency II. However, there is difference in the consolidation approach, as noted in chapter D across IFRS and Solvency II. All of the principal group entities are 100% held, incorporated in the United Kingdom with the exception of JRSA. A full listing of all companies is included in Chapter F on schedule IR.32.

The purpose of this SFCR report is to provide information required under the regulations, and in particular the business and performance, governance framework, risk profile, valuation for solvency purposes and capital positions of the Group and its regulated insurance entities. Certain sections of the SFCR incorporate audited figures and narratives, whilst other sections are based on unaudited information explained further in the audit report and explanation to the respective sections.

At December 2024, the Group is operating a full internal model (including, its regulated insurance entities of JRL and PLACL) after having received approval for some revisions and to extend the use of the internal model to PLACL during 2024.

A. Business and Performance

Just is a specialist UK financial services group focusing on attractive segments of the UK retirement income market. The Group is a leading and established provider of retirement income products and services to individual and corporate clients.

Its principal new business products are Defined Benefit de-risking solutions (“DB”) and ‘Guaranteed Income for Life’ (“GifL”) individual annuities written in JRL, while PLACL focuses on Care Plans (“CP”). In addition, both entities continue to service the back books of in-force business.

During 2024, Just Group’s total retirement income sales grew 49% to £6.4bn (2023: £4.3bn), driven by continued strong momentum in both shareholder funded DB (up 43% to £4.3bn) and GifL/Care (up 16% to £1.0bn), further augmented by £1.1bn of DB Partner (funded reinsurance).

Since the beginning of 2022, rising interest rates have accelerated the closure of, and in most cases eliminated, DB pension scheme funding gaps. Many schemes are already or are approaching being fully funded sooner than they had expected, hence accelerating business into our short/medium-term pipeline. In November 2024, Just announced that it had completed its largest transaction to date, a £1.8bn deal with the G4S pension scheme. This complex, multi-faceted transaction demonstrated our structuring and operational capabilities, with Just now actively quoting and participating in the large transaction segment (£1bn+), in addition to being a major participant in the up to £1bn transaction size part of the market. Combined, this translated into an 11% market share by value of a £47bn DB market in 2024 (source: ABI, Just analysis). Despite record market volumes in recent years, we estimate that only c.20% of the £1.1tn DB market opportunity has transferred across to insurers thus far. In the October 2024 report “Reaching cruising altitude”, LCP re-affirmed their forecast that £400-600bn of DB Buy-in/Buy-out transactions could transact over the decade to 2033, of which c.£300bn could transact in

the first five years (2024 to 2028 inclusive). The forecasts demonstrate the growth opportunity available to drive material increases in shareholder value.

Our Retail business also had a strong 2024, as the market continues to benefit from higher and more normalised long-term interest rates, which directly increase the GifL customer rate on offer. This increases the attractiveness of a guaranteed income relative to other forms of retirement income.

In 2024, the underlying operating profit was £504m (2023: £377m), up 34%, thereby significantly exceeding our guidance of doubling 2021's £211m underlying operating profit over five years, achieving the target in three years instead. This translated into a 15.3% Return on equity (2023: 13.5%). Further update on capital and IFRS performance is included below. Underlying operating profit is a core performance metric on which we measure the year to year performance of the business. It includes the value of profits deferred for recognition in future periods. Underlying operating profit captures the performance and running costs of the business including interest on the capital structure, but excludes operating experience and assumption changes, which by their nature are less predictable and can vary substantially from period to period.

Capital performance

Movement in excess own funds

The table below analyses the movement in Excess Own Funds for Just Group plc:

	Investor view ¹	
	2024	2023
	£m	£m
Excess own funds at 1 January (Regulatory as reported)	1,527	1,370
Operating		
In force run-off net of TMTP amortisation	178	168
Finance cost	(48)	(49)
Group and other costs	(11)	(8)
Cash generation²	119	111
New business strain ³	(71)	(35)
Development costs and other	(25)	(19)
Underlying organic capital generation	23	57
Management actions and other items	58	69
Total organic capital generation	81	126
Non-operating		
Strategic expenditure	(17)	(13)
Dividend	(23)	(19)
Economic movements	49	(22)
Regulatory changes	(42)	109
Capital actions ⁴	(14)	(24)
Excess own funds at 31 December (proforma)	1,561	1,527

1 Results are presented on the "Investor view" basis whereby all figures are net of tax and include a recalculation of TMTP as at the respective dates.

2 Definition of cash generation has been revised in the year and development costs and other are now stated outside of this measure. 2023 cash generation has been restated.

3 New business strain calculated based on pricing assumptions.

4 Capital actions are the effect of Tier 2 buyback (2023 and 2024) together with the proforma impact of the February 2025 Tier 3 repayment) and includes the positive effect (if any) from release of Solvency tiering restrictions.

The figures above exclude JRSA

The Group's proforma Solvency II capital coverage ratio has increased to 204% (31 December 2023: 197%) as the capital ratio benefited from management actions and rising interest rates. The regulatory Solvency II capital coverage ratio has increased to 211% (31 December 2023: 197%), which treats the £104m reduction in the eligible own funds (net of release of restrictions) from repayment of the Group's £155m Tier 3 debt in February 2025 as a post balance sheet non-adjusting event for regulatory purposes. These figures incorporate the impact of recalculating Transitional Measures on Technical Provisions ("TMTP") at both 31 December 2024 and 31 December 2023.

The Group is focused on sustainable growth, whereby the various costs of the business including TMTP amortisation, finance and other costs, and new business strain is funded through the organic capital generation from the existing in-force book. In 2024, we have delivered £23m of underlying organic capital generation (2023: £57m), as the 36% increase in shareholder funded new business led to a higher amount of new business strain. Management actions and other items, including the impact of the move to a full internal model for PLACL, increased the capital surplus by £58m (2023: £69m). This led to a total of £81m from organic capital generation (2023: £126m).

Just Group plc SFCR 31 December 2024

Non-operating items included economic movements of £49m increase. This is derived from £(10)m effect of the increase in long term interest rates at year end, but as the SCR fell more relative to the own funds, it resulted in a five-percentage point increase in the capital coverage ratio. Property price growth experience was a little below the 3.3% long-term growth assumption, which led to a £(19)m decrease, while various economic and timing variances lead to a £78m increase.

Payment of shareholder dividends during 2024 has been £23m, while strategic expenses reduced the capital surplus by a further £17m.

Regulatory changes relate to the Solvency UK reforms for matching adjustment attestation, removal of the sub-investment grade cliff in the matching adjustment, and the reflection of rating notches in the fundamental spread. The overall impact on the Group of these regulatory changes is £(42)m.

Capital actions refer to the effect of raising £400m Tier 2 debt in September 2024, the proceeds of which were used to fully repay £250m (nominal) of Tier 2 debt in September/October 2024 and £155m (nominal) of Tier 3 debt in February 2025. There were no capital restrictions following the Tier 3 repayment or deferred tax assets in the proforma 31 December 2024 capital position at Group level.

IFRS performance

	JRL	PLACL	Other insurance	Insurance	Other ¹	Total
	£m	£m	£m	£m	£m	£m
Year ended 31 December 2024						
New business operating profit	456	2	2	460	-	460
CSM amortisation	(56)	(14)	(1)	(71)	-	(71)
Net underlying CSM increase	400	(12)	1	389	-	389
In-force operating profit	178	46	2	226	10	236
Other group companies' operating result	-	-	-	-	(17)	(17)
Development costs and other	(22)		(2)	(24)	(11)	(35)
Finance costs	(64)	(18)	-	(82)	13	(69)
Underlying operating profit	492	16	1	509	(5)	504
Operating experience and assumption changes	(38)	(2)	3	(37)	-	(37)
Adjusted operating profit before tax	454	14	4	472	(5)	467
Investment and economic profits A.3	10	10	4	24	(6)	18
Other activities A.4	17	1	-	18	(21)	(3)
Adjusted profit/(loss) before tax	481	25	8	514	(32)	482
Deferral of profit in CSM	(379)	13	(3)	(369)	-	(369)
Profit/ (Loss) before tax²	102	38	5	145	(32)	113

During 2024 underlying operating profit grew by 34% to £504m (2023: £377m), as we strongly outperformed against both the prior year and our profit growth target. We set the 15% per annum profit growth target from the 2021 baseline (£211m) and significantly outperformed a more than doubling of underlying operating profit in three years instead of five.

Strong demand for our products provided the opportunity to write a greater volume of new business at an efficient capital strain. Shareholder funded retirement income sales of £5,308m were 36% higher than 2023. New business profit, which includes the DB Partner origination fee, was up 30% at £460m (2023: £355m), translating to a new business margin of 8.7% (2023: 9.1%) on shareholder funded premiums as buoyant markets supported strong, but disciplined volume growth. The in-force operating profit increased by 24% to £236m (2023: £191m), driven by a significant increase in investment return, as a result of a greater amount of surplus assets. Finance costs were stable at £69m. Operating experience and assumption changes were £(37)m (2023:

£52m release). The Group reported negative operating experience of £14m in 2024 (2023: negative £10m). Assumption changes resulted in a £(23)m strengthening (2023: £62m reserve release) and were primarily driven by a strengthening of the Group's maintenance expense assumption.

Investment and economic movements were positive at £18m (2023: £92m). Movements in risk free rates have had a negligible effect due to the revised hedging strategy that was first implemented in the latter part of 2022 and continued into 2023 and 2024. This includes the purchase of £4.0bn (2023: £2.5bn) of long dated gilts held at amortised cost under IFRS. This approach has significantly reduced the IFRS exposure whilst also containing our Solvency II sensitivity to future interest rate movements (see C.7.1 estimated Group Solvency II sensitivities). In 2024, we recorded £1m of unrealised gains in relation to interest rates (2023: loss of £5m).

Credit spreads further narrowed during 2024 leading to a positive £6m movement (2023: credit spreads narrowed leading to a positive movement of £44m). The LTM portfolio property growth performed a little below the 3.3% annual long-term property growth assumption (2023: 3.3% annual property growth assumption), resulting in a negative variance. Other items amounting to £33m includes positives from corporate bond hedging and credit default experience, investment return on surplus assets being above the assumption allowed for in the in-force operating profit, offset by lower asset trading and other variances.

These investment and economic profits combined with the other items above led to an adjusted profit before tax of £482m (2023: £520m). After allowing for the deferral of profit into the CSM balance sheet reserve, the IFRS profit before tax is £113m (2023: £172m). This decrease primarily reflects lower positive investment and economic variances of £18m (2023: £92m) primarily due to lower asset trading and other variances, and a smaller decrease in credit spreads in 2024 compared to 2023. Adjusted profit before tax is the profit before tax before deferral of profit in CSM and represents adjusted operating profit before tax plus the impact from non-operating items.

Chapter A describes the business and performance of the Group, JRL, and PLACL on bases consistent to those in the Annual Report and Accounts for the year ended 31 December 2024.

B. System of Governance

The Group's system of governance applies across all UK regulated subsidiaries, including the insurance regulated entities of JRL and PLACL.

The Board aspires to high standards of corporate governance, and focuses primarily on strategic, policy and governance issues, acting in accordance with the best interests of policyholders and shareholders. The Group's Board has delegated responsibilities for oversight of specific activities of the Group and its subsidiary undertakings to its Board Committees. The Boards of JRL and PLACL delegate specific matters to their own separate Audit Committees and Investment Committees. To ensure independence from the Group Board, the Chair of the JRL and PLACL Boards is not a director of Just Group plc. Changes to the membership of the Board of Directors and other key functions are detailed in chapter B.

The Group's risk management framework supports management in making decisions that balance the competing risks and rewards. This allows generation of value for shareholders, delivers appropriate outcomes for customers and help our business partners and other stakeholders have confidence in us. Our approach to risk management is designed to ensure that our understanding of risk underpins how we run the business. Governance of risk is embedded via a three lines of defence model:

- 1st line - Business operations: The first level of the control environment is the business operations which perform day-today risk management activity.
- 2nd line - Oversight functions: Oversight functions such as Risk Management (which includes Regulatory Compliance), support the Board in setting risk appetite and defining risk and compliance policy.

- 3rd line - Independent assurance: Internal Audit is the third line of defence, providing the Board and executive management with independent assurance over business operations and the level of oversight.

The Group’s Own Risk and Solvency Assessment (“ORSA”) embeds comprehensive risk reviews into our Group management processes. The annual ORSA report is a significant part of our business cycle and informs strategic decision making. ORSA updates are prepared each quarter to keep the Board apprised of the Group’s evolving risk profile.

Chapter B of this report describes the Group’s system of governance that applies to the Group, JRL and PLACL.

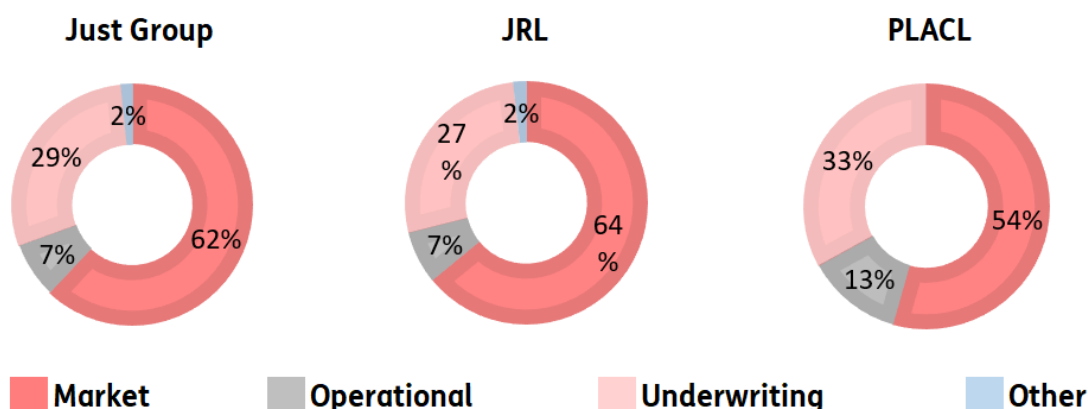
C. Risk Profile

The principal risks to which the Group is exposed to arise through its regulated insurance entities JRL and PLACL, and through the Group’s advisory business. Therefore, the key risks to which the group is exposed are Underwriting, Market, Credit, Liquidity, Conduct & Operational and Strategic risk. Strategic risk includes the risk of Regulatory change. For further information on these risks, see sections C.1 to C.6.

The Group is operating a full internal model for JRL, PLACL and Group. Just received approval to extend the use of the internal model to PLACL in 2024. The internal model includes all quantifiable risks to which the Group and its regulated insurance entities are materially exposed. The material risks in the internal model comprise Market risks, Underwriting and Operational risks. All risks are aggregated with an appropriate allowance for diversification.

Capital resources are measured and monitored on a Solvency II regulatory basis, and the Group and each of its regulated insurance entities is required to maintain Eligible Own Funds (eligible resources available to cover the regulatory capital) in excess of the Solvency Capital Ratio (“SCR”).

The charts below show the composition of the material risk categories of the Group, JRL and PLACL before diversification as calculated using the internal model. Liquidity is closely managed with no explicit risk allowance within the SCR. Credit risk is included within the Market risk SCR calculation.



The sensitivity of the capital coverage ratio and the excess own funds to its material market and underwriting risks are tabled below. Sensitivities are performed on the proforma⁴ Solvency II balance sheet after the impact of a notional recalculation of TMTP.

Proforma solvency coverage ratio/excess own funds for the Group at 31 December 2024^{1,2}

Solvency II sensitivities	2024 ^{3,4}		2023	
	Excess own funds	Capital Coverage Ratio	Excess own funds	Capital Coverage Ratio
	£m	%	£m	%
YE capital position	1,561	204	1,527	197
-50 bps fall in interest rates (with TMTP recalculation)	+59	-4	+26	-6
+100 bps credit spreads (with TMTP recalculation)	+106	+11	+109	+14
Credit quality step downgrade ⁵	-89	-6	-109	-7
+10% LTM early redemption	+22	+2	+19	+2
-10% property values (with TMTP recalculation) ⁶	-84	-6	-141	-10
-5% mortality	-129	-8	-147	-10

1 The sensitivities above are determined by applying stresses to single risk factors. Stresses to multiple risk factors at the same time can create more severe outcomes than on individual factors as reported above.

2 The results do not include the impact of capital tiering restriction, if applicable.

3 The Effective Value Test ("EVT") deferment rate is allowed to change subject to the minimum deferment rate floor of 3.5% as at 31 December 2024.

4 Sensitivities are applied to the reported proforma capital position which includes a TMTP recalculation. The proforma capital position is after the impact of the pre-funded repayment of Tier 3 debt in February 2025.

5 Credit migration stress covers the cost of an immediate big letter downgrade (e.g. AAA to AA or A to BBB) on 10% of all assets where the capital treatment depends on a credit rating (including corporate bonds, long income real estate/income strips; but lifetime mortgage senior notes are excluded). Downgraded assets are assumed to be traded to their original credit rating, so the impact is primarily a reduction in Own Funds from the loss of value on downgrade. The impact of the sensitivity will depend upon the market levels of spreads at the balance sheet date. In addition, for residential ground rents, the Group has identified that the impact of downgrading the entire portfolio to BBB would reduce Excess own funds (the capital surplus) by £22m and CCR% by two percentage points.

6 After application of NNEG hedges.

Further details of risks descriptions can be found in sections C.1.1 and C.2.1. Further details of sensitivity tests performed can be found in section C.7.1.

D. Valuation for Solvency Purposes

Assets, technical provisions and other liabilities are valued in the Solvency II balance sheets according to the Regulations, which utilise IFRS figures in the Annual Report and Accounts as representing fair values aligned to the Regulations other than technical provisions, reinsurance recoverable, repurchase agreements, subordinated debts, goodwill and intangibles.

At 31 December 2024, the Group's excess of assets over liabilities on a Solvency II basis amounted to £2,415m (31 December 2023: £2,490m), and those of JRL and PLACL were £1,813m and £374m respectively (31 December 2023: £1,857m and £425m respectively).

Following past approvals from the PRA, the Group has continued to use matching adjustment (the "MA") and transitional measures for technical provisions (the "TMTP"). The purpose of the TMTP is to mitigate the impact of transitioning from the earlier regulatory regime onto the Solvency II basis. Such approvals apply to both JRL and PLACL.

The PRA published PS10/24, the policy statement setting out reforms on the MA, on 6 June 2024. The policy statement introduced changes to the MA rules, including on the eligibility of MA portfolios, MA attestations, removal of sub-investment grade cliff and reflection of rating notches. These changes to the MA resulted in impact of -2% to the Group solvency ratio. At the JRL And PLACL level the overall financial impact of these changes was limited at year end 2024. The Group is assessing new matching adjustment eligible investment opportunities.

Chapter D of this report provides further details on the methods and main assumptions used for the valuation of items in the Solvency II balance sheet. Furthermore, sections D.2.6 and D.2.7 provide information on the impact of the MA and TMTP relief (both referred to as "transitional relief") on our capital position.

E. Capital Management

Just ensures that own funds items are of sufficient quality and are structured and managed in such a way as to support coverage of the solvency capital. The annual business planning process includes a forward-looking view of the adequacy of eligible own funds to cover the SCR, along with assessment of potential management actions that could be deployed to restore capitalisation in the event of a deterioration. Regular monitoring of capital strength enables any deterioration in coverage to be identified rapidly.

As explained earlier, the capital requirement for the Group, JRL and PLACL as at 31 December 2024 are determined using full internal model.

At 31 December 2024, the Group held £1,665m (2023: £1,527m) of excess own funds representing a regulatory capital coverage ratio of 211%, which includes the impact of recalculating TMTP (2023: 197%). TMTP was recalculated as at 31 December 2024 using the simplification method following the finalisation of the Solvency II reforms.

	Group		JRL		PLACL	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Eligible Own Funds	3,159	3,104	2,297	2,316	494	572
SCR	1,494	1,577	1,287	1,214	270	329
Excess Own Funds	1,665	1,527	1,010	1,102	224	243
Solvency Capital Coverage %	211%	197%	178%	191%	183%	174%

The Group's proforma Solvency II capital coverage ratio has increased to 204% (31 December 2023: 197%), which incorporates the £104m reduction in the eligible own funds (net of release of restrictions) from repayment of the Group's £155m Tier 3 debt in February 2025, excluded from the regulatory basis.

Over the past four years, the Group has proactively managed its debt profile to optimise the capital structure, reduce ongoing servicing cost, and decrease refinancing risk. During the year, the Group raised a £400m 6.875% Tier 2 subordinated debt due in 2035 and used the proceeds to fully repay £250m 7% tier 2 subordinated debt due in 2031 (callable 2025), with the remaining £150m used to fund the full repayment of £155m Tier 3 debt in February 2025. Prior to this, the Group redeemed £100m of Tier 2 debt over 2022 and 2023.

The Group will continue its focus on sustainable levels of growth through a capital self-sufficient business model. We have a low strain business model that is generating sufficient capital on an underlying basis to fund our ambitious growth plans, whilst also paying shareholder dividends are expected to grow over time.

Chapter E of this report provides further details on the capital positions of the Group and regulated insurance entities' (JRL and PLACL).

Chapter A – Business and Performance

Contents

A Business and Performance.....	13
A.1 Business	13
A.1.1 Significant events in the year	14
A.1.2 Material lines of business.....	16
A.1.3 Other information.....	16
A.1.4 Events after the reporting period.....	17
A.2 Underwriting Performance	17
A.2.1 Current year performance	17
A.3 Investment Performance	25
A.3.1 Income and expenses by asset class	25
A.3.2 Gains and losses recognised directly in equity	27
A.3.3 Investments in securitisation	27
A.4 Other activities	27
A.4.1 Performance of other activities	27

A Business and Performance

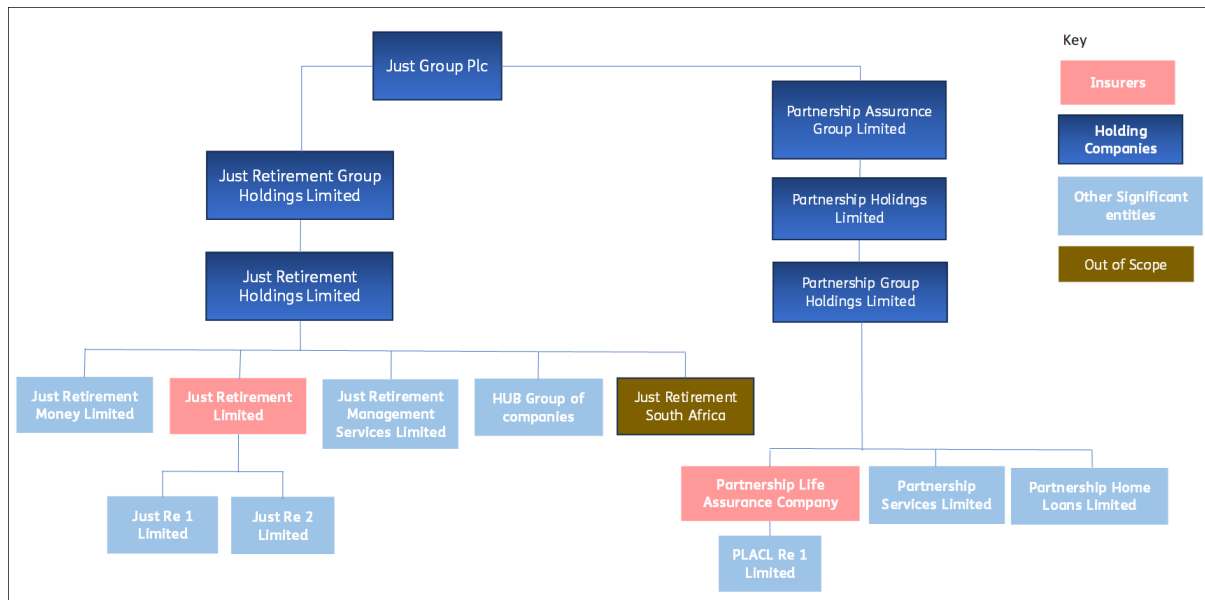
The Business and performance chapter of the report explains our key business operations and performance, considering the requirements and headings specified by the Regulation.

A.1 Business

Just Group plc is a specialist UK financial services group focussing on attractive segments of the UK retirement income market. The Group is a leading and established provider of retirement income products and services to individual and corporate clients. Its principal new business products are Defined Benefit de-risking solutions (“DB”) and ‘Guaranteed Income for Life’ (“GifL”) individual annuities written, as further explained in A.1.2.

Just Group plc is a public company limited by shares incorporated and registered in England and Wales. JRL is a private company limited by shares, incorporated and domiciled in England and Wales. PLACL is a private company limited by shares, incorporated and domiciled in England and Wales.

The chart below provides a simplified view of the group structure; information on the Group’s subsidiaries is included in the public disclosure template IR.32.01 ‘Undertakings in scope of the Group’ in section F.1.



The main activities of other group companies are:

- i. Just Retirement Group Holdings Limited, Just Retirement Holdings Limited and Partnership Assurance Group Limited, Partnership Holdings Limited, Partnership Group Holdings Limited - Intermediate holding companies;
- ii. HUB – companies under the HUB brand umbrella for the provision of services and distribution of products for the approaching, at-and-in retirement markets;
- iii. Just Retirement Money Limited (“JRML”) and Partnership Home Loans Limited (“PHLL”) – Lifetime Mortgage (“LTM”) lending;
- iv. Just Retirement Management Services Limited (“JRMS”) and Partnership Services Limited – Management services to other companies in the group;
- v. Just Re 1 Limited, Just Re 2 Limited and PLACL Re 1 Limited - securitisation vehicles for LTM and callable bonds, for MA purposes; and
- vi. Just Retirement South Africa (“JRSA”) – Insurance underwriting, out of scope for Solvency II reporting

A.1.1 Significant events in the year

The Group operates in attractive markets, with strong structural growth drivers. By leveraging our strong capabilities, brand and reputation, we are well placed to take advantage of the boost in demand for our products following the rise and normalisation in long term interest rates over the past three years. We will continue to innovate, risk select and price with discipline, ensuring our business model delivers long-term value for customers and shareholders.

Over the past five years, the Group has increased its shareholder funded retirement income sales at a 25% compound annual growth rate to £5.3bn, demonstrating the strength of our new business model, as we take advantage of our unique positioning in our chosen markets. In doing so, we have also achieved £183m of cumulative positive underlying organic capital generation. Furthermore, we have executed a number of discrete management actions, which add to underlying organic capital generation to further increase the surplus, which is also available to invest in the future growth of the business. Sustainable growth through a capital self-sufficiency business model continues to be a central pillar of how we run the business.

We have delivered our strategic priorities to improve the capital position, strengthen resilience, diversify our illiquid asset origination, and operate with a continued sharp focus on capital self-sufficiency.

- During 2024, total retirement income sales grew 49% to £6.4bn (2023: £4.3bn), driven by continued strong momentum in both shareholder funded DB (up 43% to £4.3bn) and GifL (up 16% to £1.0bn), further augmented by £1.1bn of DB Partner (funded reinsurance).
- In November, we announced our largest DB transaction to date at £1.8bn with the trustee of the G4S pension scheme, comprising a full scheme Buy-in with c.22,500 pensioner and deferred members. In writing this transaction, we demonstrated our extensive structuring and operational capabilities, including our large deal framework and DB Partner (funded reinsurance) proposition to reinsure all of the investment and longevity risks on 60% of the deal, with the remaining 40% subject to our existing reinsurance structures on new business. The upfront origination fee received from our external reinsurance partner partially offsets the new business strain incurred on the £4.3bn of DB new business funded by Just's shareholders. The DB Partnering approach adds optionality to write incremental business for selective transactions.
- In July 2024, the Group received approval to expand the scope of its internal model and applied it to include the Partnership business (i.e. PLACL) from 30 September 2024, which previously had its capital requirement calculated using the standard formula. The application of a full internal model from this date has also led to increased diversification benefits between the Group's two life companies, which has resulted in a reduction in SCR at both PLACL and Group level. This one-off effect accounted for 6% of the increase in the proforma capital coverage ratio (31 December 2024: 204%) and is included in the management actions and other items line in the Movement in Excess Own Funds analysis (see Chapter E, Capital Management).
- Underlying organic capital generation was £23m (2022: £57m), as the 36% increase in shareholder funded new business led to a higher amount of new business strain. New business strain increased to £71m (2023: £35m), which represents 1.3% of new business premium (2023: 0.9% of premium), well within our target of below 2.5% of premium, and outperforming the 5 year average (1.5%). This is due to a continued combination of focused risk selection and DB/GifL business mix based on our market insight, pricing discipline, operational gearing and originating sufficient quantities of high-quality illiquid assets. Management actions and other items, including the impact of the move of the Partnership business to a full internal model, increased the capital surplus by £58m (2023: £69m). This led to a total of £81m from organic capital generation (2023: £126m).

- To further diversify the asset portfolio that backs the business underwritten, we continue to build our non-LTM (non-lifetime mortgages) illiquid asset origination capabilities. Other illiquid asset origination categories include infrastructure, long income real estate (primarily commercial ground rents), commercial real estate, private placements and social housing. In 2024, we funded £2.4bn of illiquid assets, which represents a 45% new business backing ratio. Over the past two years, we have invested in our investments function and are now directly originating illiquid assets from particular asset classes (e.g. social housing, private placements and commercial ground rents), in addition to LTM. These amounted to £1.0bn and £0.3bn respectively. In parallel, we originated the remaining £1.1bn of illiquid assets via a panel of 13 specialist external asset managers, each carefully selected based on their particular area of expertise. Our illiquid asset origination strategy allows us to efficiently scale origination of new investments, and to flex allocations between sectors depending on market conditions and risk adjusted returns. To date, Just has invested £6.6bn in illiquid assets (excluding LTMs), representing 24% of the investment portfolio (31 December 2023: 21%), spread across more than 360 investments (average £18m), both UK and abroad.
- The property sensitivity for an immediate 10% fall in UK house prices has reduced to 6% (31 December 2023: 10%). This reduction has mainly been driven by the lower proportion of LTMs of the asset portfolio and partly by modelling refinements following implementation of the internal model on the Partnership business. The reduced LTM backing ratio on new business contains the Solvency II sensitivity to house prices well within risk appetite, with only 6% of new business backed by LTMs in 2024. LTMs now account for 21% of the Group's investments portfolio (excluding derivatives and collateral, and gilts in relation to interest rate hedging), which is expected to reduce over time, as we originate increasing amounts of other illiquid assets to back new business, and the in-force LTM portfolio matures.
- Due to favourable market conditions, in September 2024, the Group prudently refinanced its £250m Tier 2 (callable from October 2025) and £155m Tier 3 (repaid in February 2025) into a single £400m Tier 2 bond, while extending maturity to 2035. A larger and more liquid bond has expanded the pool of investors available to Just, which improved pricing, while also acting as a reference point for future issuance.
- Reflecting growth in the balance sheet and our ambitious growth plans for the future, in June 2024, we exercised our ability to increase the £300m revolving credit facility to £400m, while extending it to June 2027. The facility is provided by eight banks and has not been drawn upon since inception.
- Following the UK's exit from the European Union, over the past two years, all proposed stages of the new Solvency UK capital regime have been fully implemented. The Prudential Regulation Authority ("PRA") implemented the more straightforward items including a significant reduction in risk margin for life insurance business at the end of 2023, resulting in a £109m increase in surplus. During 2024, revisions to the MA rules to increase investment flexibility and the reforms in relation to fundamental spread were applied, which resulted in a £(42)m reduction in surplus.

In the second half of 2025, we expect the PRA to publish the results of an industry wide life insurance stress test ("LIST"). LIST will apply to a shortlist of UK life insurers including JRL and PLACL, the Just Group's two UK life companies. LIST will include one core scenario and two additional exploratory scenarios that build on the first. The results of the core scenario will be published at an individual firm level.

A.1.2 Material lines of business

The current product offering comprises the following material lines of business, all of which are classified as 'Life Annuities' products for Solvency II reporting purposes:

JRL

- Defined Benefit De-risking Solutions - Solution for pension scheme trustees to reduce the financial and insurance risks of operating pension schemes and increase certainty that members' pensions will be paid in the future. Schemes may cover both pensioners and deferred lives and vary in terms of reinsurance approach. Under the DB Partnering approach JRL enters into transactions with a reinsurance partner alongside who bears investment risks.
- Guaranteed Income for Life - Solution for individuals/ couples who want the security of knowing they will receive a guaranteed income for life in retirement.

PLACL

- Care Plans - Solution for people moving to residential care who want the security of knowing a regular payment will be made to the care provider for the rest of their lives.
- PLACL also holds closed blocks of defined benefit annuities and individual annuities. These blocks of business have been in run-off since April 2016. The Protection block has been in run-off after closing to new business in March 2018.

The Group also writes LTMs, which are held on JRL and PLACL's balance sheets and classified as investments for Solvency II reporting purposes.

All material lines of business are written in the United Kingdom.

A.1.3 Other information

Employees

All staff are employed by JRMS. The average number of employees in the Group for the year ended 31 December 2024 was 1,354 (2023: 1,205).

Supervisor

The Group's and group companies' (excluding, JRSA) supervisors are the Prudential Regulation Authority ("PRA"), which is part of the Bank of England, and the Financial Conduct Authority ("FCA").

Contact details for the PRA are as follows:

Address 20 Moorgate, London, EC2R 6DA.

Telephone number +44 (0) 20 7601 4444

Contact details for the FCA are as follows:

Address 12 Endeavour Square, London, E20 1JN.

Telephone number +44 (0) 20 7066 1000

External auditor

Just Group plc and its regulated insurance entities are subject to external audit by PricewaterhouseCoopers LLP ("PwC").

Contact details are as follows:

Address 7 More London Riverside, London, SE1 2RT

Telephone number +44 (0) 20 7583 5000

Qualifying holdings

There were no qualifying shareholdings greater than 10% in the Group, as defined in the PRA rulebook.

A.1.4 Events after the reporting period

Subsequent to 31 December 2024, the Directors proposed a final dividend for 2024 of 1.80 pence per ordinary share (2023: 1.50 pence) and together with the interim dividend of 0.7 pence per ordinary share paid on 4 October 2024, amounts to £26m (2023: £22m). Subject to approval by shareholders at the Just Group's 2025 AGM, the final dividend will be paid on 14 May 2025 to shareholders on the register of members at the close of business on 11 April 2025 and will be accounted for as reduction to the eligible own funds after it has been approved at the AGM.

The Group and its regulated insurance entities continue to proactively manage their debt profile to optimise the capital structure, reduce ongoing servicing cost, and decrease refinancing risk. To this end, the following transactions have taken place after the reporting period end:

- On 6 February 2025, Just Group plc repaid £155m of its external Tier 3 subordinated debt. As explained earlier while the regulatory capital coverage treats this as a post balance sheet non-adjusting event, the Group published an adjusted pro-forma solvency capital coverage in the Annual Report and Accounts for the year ended 31 December 2024 which incorporated the impact of such repayment.
- On 5 February 2025, JRL repaid £50m of its Tier 3 subordinated debt due to Just Group plc.

On 28 March 2025, Just Group plc made a distribution of £8m for its six-monthly coupon on its Tier 1 subordinated debt. Consistent to our approach, this does not affect the solvency coverage as at 31 December 2024.

There are no other material post balance sheet events that have taken place between 31 December 2024 and the date of this report.

A.2 Underwriting Performance

A.2.1 Current year performance

This section captures the performance of the Group and its insurance entities under both solvency and IFRS bases, as used by management for decision-making and presented in its Annual Report & Accounts.

A.2.1.1 Capital performance

Movement in excess own funds

The table below analyses the movement in Excess Own Funds for Just Group plc. 2024 Excess own funds is presented on a proforma basis after the impact of the repayment of Tier 3 subordinated debt in February 2025.

	Investor view ¹	
	2024	2023
	£m	£m
Excess own funds at 1 January (Regulatory as reported)	1,527	1,370
Operating		
In force run-off net of TMTP amortisation	178	168
Finance cost	(48)	(49)
Group and other costs	(11)	(8)
Cash generation²	119	111
New business strain ³	(71)	(35)
Development costs and other	(25)	(19)
Underlying organic capital generation	23	57
Management actions and other items	58	69
Total organic capital generation	81	126
Non-operating		
Strategic expenditure	(17)	(13)
Dividend	(23)	(19)
Economic movements	49	(22)
Regulatory changes	(42)	109
Capital actions ⁴	(14)	(24)
Excess own funds at 31 December (proforma)	1,561	1,527

1 Results are presented on the "Investor view" basis whereby all figures are net of tax and include a recalculation of TMTP as at the respective dates.

2 Definition of cash generation has been revised in the year and development costs and other are now stated outside of this measure. 2023 cash generation has been restated.

3 New business strain calculated based on pricing assumptions.

4 Capital actions are the effect of Tier 2 buyback (2023 and 2024) together with the proforma impact of the February 2025 Tier 3 repayment) and includes the positive effect (if any) from release of Solvency tiering restrictions.

The figures above exclude JRSA

Underlying organic capital generation (Investor view)

The Group is focused on sustainable growth, whereby the various costs of the business including TMTP amortisation, finance and other costs, and new business strain is funded through the cash generation from the existing in-force book. In 2024, we have delivered £23m of underlying organic capital generation (2023: £57m), as the 36% increase in shareholder funded new business led to a higher amount of new business strain. Management actions and other items, including the impact of the move to a full internal model, increased the capital surplus by £58m (2023: £69m). This led to a total of £81m from organic capital generation (2023: £126m).

In-force surplus after TMTP amortisation was up 6% to £178m, as growth in assets was offset by lower release from the risk margin reserve. The Solvency UK reforms led to a welcomed c.60% reduction in risk margin balance, which boosted the surplus by an upfront £109m in 2023, however, that prudent margin is no longer available to release annually into future capital generation. Group and other costs including non-life costs were £11m (2023: £8m), reflecting the non-insurance subsidiaries. Finance costs were flat at £48m. Cash generation available to support new business was £119m (2023: £111m).

The Group continues to maximise the growth opportunities available to increase shareholder value. In 2024, due to writing £5.3bn of shareholder funded new business (2023: £3.9bn), new business strain increased to £71m (2023: £35m), which represents 1.3% of new business premium (2023: 0.9% of premium), well within our target of below 2.5% of premium, and outperforming the 5 year average (1.5%). This is due to a continued

combination of focused risk selection and DB/GiFL business mix based on our market insight, pricing discipline, operational gearing and originating sufficient quantities of high-quality illiquid assets.

Non-operating items

Changes in capital surplus were as follows. Together, economic movements summed to a £49m increase. This is derived from the £(10)m effect of the increase in long term interest rates at year end, but as the SCR fell more relative to the Own Funds, it resulted in a five percentage point increase in the capital coverage ratio. Property price growth experience was a little below the 3.3% long-term growth assumption, which led to a £(19)m decrease, while various economic and timing variances lead to a £78m increase.

Payment of shareholder dividends during 2024 cost £23m, while strategic expenses reduced the capital surplus by a further £17m.

Regulatory changes relate to the Solvency UK reforms for matching adjustment attestation and other items.

Capital actions refer to the effect of raising £400m Tier 2 debt in September 2024, the proceeds of which were used to fully repay £250m (nominal) of Tier 2 debt in September/October 2024 and £155m (nominal) of Tier 3 debt in February 2025. There were no capital restrictions following the Tier 3 repayment or deferred tax assets in the proforma closing excess own funds.

A.2.1.2 Underlying operating profit

The table below presents the operating profit statement in a format consistent with the presentation included in the Strategic Report and Segmental Reporting disclosures of the Just Group plc Annual Report and Accounts. Underwriting performance is not considered to be a relevant metric, so underlying operating profit and its reconciliation to IFRS net profit has been presented instead, which is a key measure used for performance measurement. The Insurance segment has been analysed into amounts relating to JRL and PLACL, with the other entities outside the Insurance segment.

	JRL	PLACL	Other insurance	Insurance	Other ¹	Total
	£m	£m	£m	£m	£m	£m
Year ended 31 December 2024						
New business operating profit	456	2	2	460	-	460
CSM amortisation	(56)	(14)	(1)	(71)	-	(71)
Net underlying CSM increase	400	(12)	1	389	-	389
In-force operating profit	178	46	2	226	10	236
Other group companies' operating result	-	-	-	-	(17)	(17)
Development costs and other	(22)		(2)	(24)	(11)	(35)
Finance costs	(64)	(18)	-	(82)	13	(69)
Underlying operating profit	492	16	1	509	(5)	504
Operating experience and assumption changes	(38)	(2)	3	(37)	-	(37)
Adjusted operating profit before tax	454	14	4	472	(5)	467
Investment and economic profits A.3	10	10	4	24	(6)	18
Other activities A.4	17	1	-	18	(21)	(3)
Adjusted profit/(loss) before tax	481	25	8	514	(32)	482
Deferral of profit in CSM	(379)	13	(3)	(369)	-	(369)
Profit/ (Loss) before tax²	102	38	5	145	(32)	113

	JRL	PLACL	Other insurance	Insurance	Other ¹	Total
	£m	£m	£m	£m	£m	£m
Year ended 31 December 2023						
New business operating profit	352	1	2	355	-	355
CSM amortisation	(49)	(13)	-	(62)	-	(62)
Net underlying CSM increase	303	(12)	2	293	-	293
In-force operating profit	138	48	(1)	185	6	191
Other group companies' operating result ³	-	-	-	-	(15)	(15)
Development costs and other ³	(15)	(1)	-	(16)	(8)	(24)
Finance costs	(64)	(20)	-	(84)	16	(68)
Underlying operating profit	362	15	1	378	(1)	377
Operating experience and assumption changes	47	5	-	52	-	52
Adjusted operating profit before tax	409	20	1	430	(1)	429
Investment and economic (losses)/profits A.3	99	6	1	106	(14)	92
Other activities A.4	17	3	-	20	(21)	(1)
Adjusted profit/(loss) before tax	525	29	2	556	(36)	520
Deferral of profit in CSM	(354)	3	3	(348)	-	(348)
Profit/(Loss) before tax²	171	32	5	208	(36)	172

Notes:

1 See Other activities A.4

2 Profit/(Loss) before tax for Just Group plc is shown on a consolidated basis including the results of all Group subsidiary undertakings, as set out in chapter D, Valuation for Solvency Purposes, Method of consolidation. As noted in section A.1, JRSA is included in the IFRS performance results in chapter A for consistency with the financial statements.

3 The classification of costs within Other group companies operating results and Development costs and other has been aligned with the presentation in Solvency II.

The figures above incorporate the business performance of JRSA

Underlying operating profit

Underlying operating profit is a core performance metric on which we measure the year to year performance of the business. It includes the value of profits deferred for recognition in future periods. Underlying operating profit captures the performance and running costs of the business including interest on the capital structure, but excludes operating experience and assumption changes, which by their nature are less predictable and can vary substantially from period to period.

2024 underlying operating profit grew by 34% to £504m (2023: £377m), as we strongly outperformed against both the prior year and our profit growth target. We set the 15% per annum profit growth target from the 2021 baseline (£211m) and significantly outperformed a more than doubling of underlying operating profit in three years instead of five.

New business operating profit

New business profit was up 30% at £460m (2023: £355m) driven by 36% increase in shareholder funded Retirement Income sales to £5.3bn (2023: £3.9bn). Despite the significantly higher volumes, we continued to focus on risk selection, which combined with strong pricing discipline, market insight and originating increasing quantities of illiquid assets all contributed towards offsetting the headwind of tighter credit spreads. New business margin decreased to 8.7% (2023: 9.1%) but was in-line with the recent average.

Movement in CSM

The total movement in CSM represents the net underlying increase of profit deferral in CSM during the year before any transfers to CSM in respect of operating experience and assumption changes recognised in the current year.

The new business profit of £460m deferred in CSM is three times higher than the CSM in-force release (£154m). This provides a healthy level of replacement profit and demonstrates the value of new business written during the year relative to the CSM release from existing business. This strong growth dynamic increases the CSM store of value, which predictably releases into the recurring in-force profit in future years.

CSM amortisation is the release from the CSM reserve into profit as services are provided, net of accretion (unwind of discount) on the CSM reserve balance (see below). £71m of net CSM amortisation (2023: £62m) is a £154m release of CSM into profit, offset by £83m of interest accreted to the CSM. The £154m CSM release into profit (2023: £129m) represents 6.2% (2023: 6.2%) of the CSM balance immediately prior to release.

Accretion at locked in rates on the CSM balance was £83m (2023: £67m), adding 3.4% (2023: 3.4%) to the CSM. The rate of accretion reflects the interest rates locked in on IFRS 17 transition and prevailing rates for subsequent new business written.

In-force operating profit

In-force operating profit represents investment returns earned on surplus assets, the release of allowances for hedging and credit default, CSM amortisation, release of risk adjustment allowance for non-financial risk and other items. Taken together, these are the main elements of the operating profit from insurance activities on an IFRS 17 basis.

The in-force operating profit increased by 24% to £236m (2023: £191m), driven by a significant increase in investment return, as a result of a greater amount of surplus assets. The higher release of allowance for hedging and credit default reflects growth in the investment portfolio that backs the insurance guarantees we provide to our customers. Increase in CSM amortisation is due to growth in the CSM release offset by the higher accretion as noted earlier.

Other group companies' operating result (see A.4)

Other Group companies operating results of £(17)m (2023: £15m loss) include the net cost of corporate and proposition related initiatives in the HUB group of businesses and the Group's holding companies. This reflects the Group's commitment to investing in delivery against our longer-term strategic priorities.

Development costs and other

Development costs and other include development costs of £25m (2023: £17m) and £10m of other items (2023: £7m). Development costs relate to investment in systems capability, in addition to various business line and functional transformation. This investment will enable Just to continue to grow efficiently allowing us to increasingly benefit from operational gearing, while managing our risks and delivering products and services to our customers and business partners through the latest technology.

Finance costs

Finance costs are stable at £69m (2023: £68m). These include the coupon on the Group's Restricted Tier 1 notes, as well as the interest payable on the Group's Tier 2 and Tier 3 notes.

Due to favourable market conditions, in September 2024, the Group prudently refinanced its £250m Tier 2 (callable from October 2025) and £155m Tier 3 (repaid in February 2025) into a single £400m Tier 2 bond, while extending maturity to 2035. A larger and more liquid bond has expanded the pool of investors available to Just, which improved pricing, while also acting as a reference point for future issuance.

Reflecting growth in the balance sheet and our ambitious growth plans for the future, in June 2024, we exercised our ability to increase the £300m revolving credit facility to £400m, while extending it to June 2027. The facility is provided by eight banks and has not been drawn upon since inception.

On a statutory IFRS basis, the Restricted Tier 1 coupon is accounted for as a distribution of capital, consistent with the classification of the Restricted Tier 1 notes as equity, but the coupon is included as a finance cost on an underlying and adjusted operating profit basis.

Non-underlying items

Operating experience and assumption changes

As usual, the Group carried out a full basis review in December 2024 and has updated its longevity reserving using the CMI 2023 mortality tables (2023: CMI 2022). Assessment of the longer-term impact of the pandemic on the population continues to evolve. Our year end assumptions reflect our expectation that longer term mortality rates are predicted to be marginally higher than previously as challenges over NHS funding, retention of healthcare staff and insufficient investment mean that future healthcare capacity could be insufficient to meet increased demand from an ageing, growing population.

Operating experience and assumption changes were £(37)m (2023: £52m release). The Group reported negative operating experience of £14m in 2024 (2023: negative £10m). Assumption changes resulted in a £(23)m strengthening (2023: £62m reserve release) and were primarily driven by a strengthening of the Group's maintenance expense assumption.

Investment and economic movements

See section A.3.1 for commentary.

Strategic expenditure

Strategic expenditure was £23m (2023: £17m). This included increased investment to scale and bring to market various retail related propositions, corporate project costs and costs in relation to the implementation of Consumer Duty, Solvency UK reforms, and the internal model update.

A.2.1.3 Sales

The table below shows the key metric of Retirement income sales as reported in the Annual Report and Accounts:

	Group		JRL		PLACL	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Defined Benefit De-risking Solutions (DB)	4,275	2,999	4,275	2,999	-	-
Guaranteed Income for Life Solutions (GifL) ¹	1,033	894	875	749	57	48
Retirement Income sales (shareholder funded)	5,308	3,893	5,150	3,748	57	48
Defined Benefit Partner (funded reinsurance)	1,101	416	1,101	416	-	-
Retirement Income sales	6,409	4,309	6,251	4,164	57	48

Drawdown deposits and other investment products, and Lifetime Mortgage ("LTM") products are accounted for as investment contracts (but under Solvency II, these continue to be insurance contracts) and investments respectively in the Annual Report and Accounts. An analysis of the amounts advanced during the year for these products is shown below:

	Group		JRL		PLACL	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
LTM advances ²	340 ²	186 ²	303 ³	169 ³	-	-
Drawdown and other investment products	13	12	-	-	-	-

¹ GifL includes UK GifL, South Africa GifL (in Group only) and Care Plans

² LTM advances include both internally funded LTMs £326m (2023: £164m) and externally funded LTMs £14m (2023: £22m).

³ LTM advances are originated by regulated lifetime mortgage provider Just Retirement Money Limited ("JRML"), a subsidiary of the Group, prior to being sold down to JRL.

The Group has one line of business for Solvency II reporting purposes, as disclosed on the annexed S.05.03 template, 'Life Annuities' products.

Note: Retirement Income sales for Just Group plc in the table above also includes sales from the Group's subsidiary Just Retirement South Africa for consistency with the financial statements.

Almost all of the business written was located in the United Kingdom, and therefore no geographic analysis of underwriting performance is disclosed.

Retirement Income sales

The structural drivers and trends in our markets underpin our confidence that we can continue to deliver attractive returns and growth rates over the long-term. We are extremely well positioned to take advantage of the growth opportunities available in both of our chosen markets. Over the past three years, rising interest rates have accelerated the closure of, and in most cases eliminated, DB pension scheme funding gaps. Therefore, more of our target schemes are able to begin the process to be "transaction ready", accelerating business into our short/medium-term pipeline that previously would have been expected to transact in the second half of the decade. The retail GfL market is also buoyant, driven by the customer rate available and advisers shopping around in the Open market. The level of long-term interest rates directly influences the customer rate we can offer, which is further augmented by individual medical underwriting.

This increases the value of the guarantee to customers, making the product more attractive relative to other forms of retirement income. We will take advantage of this very strong market backdrop through our low-strain new business model, which enables us to fund our ambitious growth plans through the Group's cash generation.

Defined Benefit De-risking sales

Shareholder funded DB sales at £4,275m (2023: £2,999m) were up 43%, as we were consistently busy throughout the year. In November, we announced our largest DB transaction to date at £1.8bn with the G4S pension scheme, comprising a full scheme Buy-in with c.22,500 pensioner and deferred members. In writing this transaction, we demonstrated our extensive structuring and operational capabilities, including our large deal framework and DB Partner (funded reinsurance) proposition to reinsure all of the investment and longevity risks on 60% of the deal, with the remaining 40% subject to our existing reinsurance structures on new business. The upfront origination fee received from our external reinsurance partner partially offsets the new business strain incurred on the £4.3bn of DB new business funded by Just's shareholders. Transactions of this type are additive to Just's core shareholder funded business by generating incremental fee income, while being repeatable, scalable and providing optionality going forward. Adding both shareholder funded and partner sales, DB wrote £5,376m of new business, up 57% year on year (2023: £3,415m), representing an 11% share of a £47bn DB market in 2024 (source: ABI, Just analysis).

In 2024, we completed 129 deals, of which 120 were below £100m in transaction size. Prior investment in our proposition and early positioning enabled Just to take advantage of the very strong market demand, particularly for small transactions, which are typically less hedged to interest rates. Over the past three years, Just has completed 265 transactions, representing over a third of all deals written in the market during that time. As part of our proposition to EBCs (employee benefit consultants), trustees, and scheme sponsors, we are always available to service and quote for schemes of all sizes, as evidenced from our consistently high activity levels. Our whole of market offering is demonstrated by the 2024 transaction range from £0.5m (our smallest to date) to £1.8bn (our largest to date).

We maintained our leadership position in the less than £100m transaction size segment, writing £1.8bn of business (2023: £1.4bn), with a further £1.7bn from the £100m-£1bn medium transaction size segment. Combined, we estimate that this resulted in a c.20% market share by value in the up to £1bn transaction size part of the market, a doubling over the past three years. Due to schemes' improved funding position, there are now increased opportunities in the large deal transaction size segment (£1bn plus), as per 2024's £1.8bn G4S transaction, where we will continue to actively quote and selectively participate. Our proprietary bulk quotation and price monitoring service, ("Beacon"), continues to grow in popularity with over 350 DB schemes now onboarded. Demonstrating the success of the service, all major EBCs completed a transaction during the year, reflecting its universal adoption across the industry. Beacon provides access to the DB de-risking market for trustees, accelerates transaction flow for EBCs by providing a streamlined process and provides a steady source of completions for Just. Recent examples include a £0.8m DB transaction with a charity, an £8m scheme that had been price monitored since 2021, before interest rates rose, and a £30m scheme where we transacted only

six weeks after first receiving the member data – a unique turnaround time due to our talented people, client focussed culture, systems infrastructure and streamlined processes.

Gifl (including Care Plan) sales

Gifl/Care sales were up 16% to £1,033m (2023: £894m). A strong foundation from the first half, together with continued market strength in the second half enables us to utilise our market leading medical underwriting to risk select more profitable and niche segments of a larger individual Gifl market. Due to the higher customer rates now on offer, advisers and customers are more positively inclined to use guaranteed income in their retirement planning. The introduction of the FCA's Consumer Duty in July 2023 and the findings from the FCA's thematic review into retirement income advice published in March 2024 are leading advisers to re-examine the importance of considering guaranteed solutions to help customers achieve their objectives.

In recognition of our consistent level of customer service and excellence, in November, at the FT Financial Adviser Service Awards ("FASA"), Just won its 20th consecutive five star award in the Pensions and Protection Providers category, and five star award for the 15th time in the Mortgage Providers category. In both categories, Just scored particularly highly on product support, product knowledge, communications and reliability. This consistent high level of service was achieved even as business volumes grew strongly in 2023 and 2024 and is a testament to the dedication from the customer service and business development teams.

Other new business – Lifetime mortgage loans

2024 internally funded lifetime mortgage advances were £326m (2023: £164m). In 2024, the LTM market fell by 11% to £2.3bn but began to stabilise towards the end of the year. We continue to be selective and use our market insight and distribution to target certain sub-segments of the market. LTMs remain an attractive asset class, however, in a higher interest rate environment, the capital charge attaching to the NNEG risk becomes onerous and hence we carefully monitor the loan to value and borrower age at inception. Prior investment in LTM digital capabilities and proposition has been well received by financial advisers, resulting in retention of our five star service award, as mentioned above.

2024 also includes £14m of LTM origination fees on behalf of third parties (2023: £22m). The Group does not hold an economic exposure for these assets; instead, it earns a fee for originating and administering these loans.

A.3 Investment Performance

A.3.1 Income and expenses by asset class

	Group		JRL		PLACL	
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
Interest income						
Debt security interest	780	776	692	669	89	121
Cash interest	101	66	57	37	22	16
Mortgage interest	213	244	180	204	32	26
Collateral interest	34	3	30	-	4	3
Other	89	15	88	20	10	2
	1,217	1,104	1,047	930	157	168
Fair value movements						
Debt Securities	(951)	424	(959)	351	(86)	47
Mortgages	(212)	278	(192)	200	(19)	78
Reassurance						
Derivatives	(180)	365	(179)	360	(2)	5
Other	(2)	2	(2)	-	-	-
	(1,345)	1,069	(1,332)	911	(107)	130
Total investment return / (loss)	(128)	2,173	(285)	1,841	50	298
Investment Expenses	(71)	(93)	(81)	(101)	(2)	(2)
Net investment (expense)/income	(199)	2,080	(366)	1,740	48	296
Less: Normalised return within:						
- Underwriting result	(149)	(122)	(123)	(91)	(24)	(31)
Adjust for:						
Economic variances matched by investment movements	366	(1,923)	499	(1,550)	(15)	(259)
Investment and economic profits/(losses)	18	35	10	99	9	6

Total investment return/(loss)

Investment return of £128m loss (2023: £2,173m gain) includes interest on the Group's investment assets of £1,217m (2023: £1,104m) together with mark to market movements on portfolios held at fair value through profit or loss of £1,345m loss (2023: £1,069m gain).

The growth in interest income reflects both the Group's continued investment of new business premiums into additional holdings of fixed income investments and the growth in the amortised cost portfolio of gilts. The differing accounting treatment of these gilts under IFRS and Solvency II is covered in section D.1.2. The Group invested £2.4bn (2023: £1.7bn) into illiquid fixed income investments during 2024. The Group invested a further £1.4bn (2023: £2.3bn) into the amortised cost gilts portfolio which was first established in 2022.

The amortised cost gilt portfolio has been established in tranches over the past two years and now totals £4.0bn (2023: £2.5bn); as it is valued at amortised cost the valuation is not sensitive to interest rate movements.

The Group's fixed income and LTM portfolios are long dated and are all exposed to changes in long term risk free rates. Mark to market losses incurred on the Group's fixed income and LTM portfolios reflect the increase in long-term interest rates over the period. In the prior period, expectations of long-term interest rates reduced during the second half of 2023, resulting in mark to market gains during 2023.

Interest income and change in valuation of investments is reported separately for assets classified in a portfolio at FVTPL and assets classified in an amortised cost portfolio. The majority of the Group's investments are classified at FVTPL.

Investment expenses

Investment expenses in the year were £71m (2023: £93m) for the Group, £81m (2023: £101m) in JRL, and £2m (2023: £2m) in PLACL. The reduction compared to the prior year is driven by increased internal origination of assets.

Investment and economic movements

	Group		JRL		PLACL	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Change in interest rates	1	(5)	2	(4)	(1)	(1)
Narrow/(Wider) credit spreads	6	44	6	41	1	3
Property growth experience	(22)	(13)	(18)	(6)	(4)	(7)
Corporate bond hedging and credit default experience	28	26	26	22	2	4
Other	5	40	(6)	46	11	7
Investment and economic movements	18	92	10	99	9	6

Investment and economic movements were positive at £18m (2023: £92m). Movements in risk free rates have had a negligible effect due to the revised hedging strategy that was first implemented in the latter part of 2022 and continued into 2023 and 2024. This includes the purchase of £4.0bn (2023: £2.5bn) of long dated gilts held at amortised cost under IFRS. This approach has almost eliminated the IFRS exposure whilst also containing our Solvency II sensitivity to future interest rate movements.

Credit spreads further narrowed during 2024 leading to a positive £6m movement (2023: credit spreads narrowed leading to a positive movement of £44m). The LTM portfolio property growth performed a little below the 3.3% annual long-term property growth assumption (2023: 3.3% annual property growth assumption), resulting in a negative variance. Other includes positives from hedging and credit default experience, investment return on surplus assets being above the assumption allowed for in the in-force operating profit, offset by lower asset trading and other variances.

A.3.2 Gains and losses recognised directly in equity

There were no gains or losses related to the Group's (and its regulated insurance entities') financial investments that were recognised directly in equity (2023: none).

The other comprehensive income amounts recognised directly in equity in the Annual Report and Accounts relate to revaluation of owner-occupied property in JRL (2023: £nil).

A.3.3 Investments in securitisation

The Group's subsidiary JRL holds notes issued by Just Re 1 Limited and Just Re 2 Limited, which are wholly owned subsidiaries established to restructure LTMs and callable corporate bonds for matching adjustment purposes.

Similarly, the Group's subsidiary PLACL holds notes issued by PLACL Re 1 Limited, which is a wholly owned subsidiary established to restructure LTMs for matching adjustment purposes.

A.4 Other activities

A.4.1 Performance of other activities

The performance on other activities is presented in the table below:

	Group		JRL		PLACL	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Other segment – underlying operating loss						
In-force operating profit - other	10	6				
Non-insurance companies	(17)	(15)				
Development costs and other	(11)	(8)				
Finance income	13	16				
Other segment – underlying operating loss	(5)	(1)				
Total Group – Other activities						
Strategic expenditure	(23)	(17)	(7)	(6)	(1)	(2)
Adjustment for transactions reported directly in equity in IFRS	20	16	24	23	2	5
Total Group – Other activities	(3)	(1)	17	17	1	3

Other segment - underlying operating loss £5m (2023: £1m loss)

In force operating profit of £10m (2023: £6m) represents the expected investment return earned on shareholder assets within the holding companies. The variance between the expected and actual return reported within the Interest income in A.3.1 is included within Investment and economic profits within A.3.1.

Non-insurance companies operating results of £17m (2023: £15m) include the net cost of corporate and proposition related initiatives in the HUB group of businesses and the Group's holding companies. This reflects the Group's commitment to investing in delivery against our longer-term strategic priorities.

These, combined with Development costs and other, net of Finance income of £13m (2023: £16m) representing holding company income on intra-group debt holdings, to the overall operating loss of £5m (2023: £1m loss).

Total Group – Other activities**Strategic expenditure**

Strategic expenditure was £23m (2023: £17m). This included increased investment to scale and bring to market various retail related propositions, corporate project costs and costs in relation to the implementation of Consumer Duty, Solvency UK reforms, and the internal model update.

Adjustment for transactions reported directly in equity in IFRS

On a statutory IFRS basis, the Restricted Tier 1 coupon is accounted for as a distribution of capital, consistent with the classification of the Restricted Tier 1 notes as equity, but the coupon is included as a finance cost on underlying operating profit and consequently also on adjusted operating profit basis. Also, see Finance cost in section A.2.1.2.

Lease arrangements

The Group's lease liabilities, excluding operating leases, are not material at £7m (2023: £9m). JRL and PLACL do not have any lease liabilities.

Chapter B – System of Governance

Contents

B System of Governance	30
B.1 General information on the system of governance	30
B.1.1 Governance of the Group	30
B.1.2 Governance structure in Group subsidiaries	34
B.1.3 Key functions roles and responsibilities	36
B.1.4 Changes in the system of governance	36
B.1.5 Remuneration policy	36
B.1.6 Material related party transactions	39
B.1.7 System of governance - assessment of adequacy	39
B.2 Fit and proper requirements	40
B.2.1 Requirements concerning skills, knowledge and expertise	40
B.2.2 Assessing fitness and propriety pre-appointment	40
B.2.3 Assessing fitness and propriety on an on-going basis	40
B.3 Risk management system including the Own Risk and Solvency Assessment	41
B.3.1 Risk governance and management framework	41
B.3.2 Internal Model Governance	42
B.3.3 ORSA (Own Risk and Solvency Assessment)	42
B.4 Internal control system	44
B.4.1 Internal control system description and procedures	44
B.4.2 Roles and responsibilities of the Compliance function	45
B.5 Group Internal Audit function	46
B.5.1 Internal Audit function role	46
B.5.2 Independence and objectivity of Internal Audit	46
B.6 Chief Actuarial function	47
B.7 Outsourcing	47
B.7.1 Outsourcing Policy	47
B.7.2 Principal outsourcing arrangements	48
B.7.3 Intra-group outsourced activities	49
B.8 Any other information	49

B System of Governance

This chapter sets out information regarding the system of governance in place at Just Group and its UK regulated insurance entities, considering the requirements and headings specified by the Regulation.

B.1 General information on the system of governance

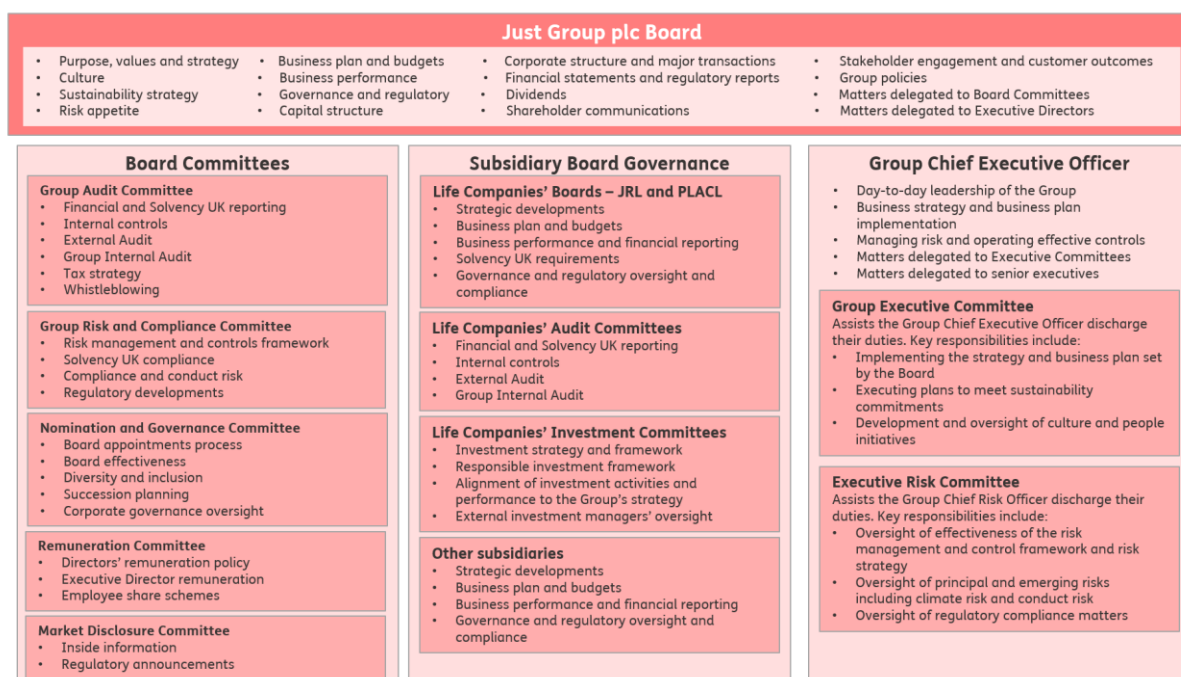
B.1.1 Governance of the Group

Just Group plc is the ultimate parent company of the group. The Board of Directors of Just Group plc (the “Group Board”) is responsible for the overall direction of the Group and setting its purpose, values and strategy, including its sustainability strategy. The Boards of JRL and PLACL are each responsible for developing and delivering their respective companies’ strategic aims and objectives consistent with the Group’s purpose, values, culture and strategy. The Group, JRL and PLACL Boards have approved a list of certain matters that are reserved for the decision of the respective Boards known as “Matters Reserved for the Board”. The Matters Reserved for the Board also set out the authorities delegated to the Group Chief Executive Officer (“CEO”).”, which includes the responsibility for the day-to-day management of the Group.

Each year, the Board assesses whether it has complied with the UK Corporate Governance Code (the “Code”). The Board concluded that Company applied the Principles and complied with all Provisions of the 2018 Code in 2024. Further details can be found in the Just Group plc Annual Report and Accounts for the year ended 31 December 2024 at www.justgroupplc.co.uk. The Company will report against the 2024 iteration of the Code in its next Annual Report in 2026. Regular updates are received by the Board and Board Committees on the steps being taken to ensure compliance with the new requirements. This includes changes relating to the Board’s role to monitor the effectiveness of the Company’s risk management and internal controls framework under Provision 29, which will be effective from the financial year beginning on 1 January 2026.

Governance structure

The Group Board has agreed an effective governance framework, and our governance structure is set out below.



B.1.1.1 Group Board

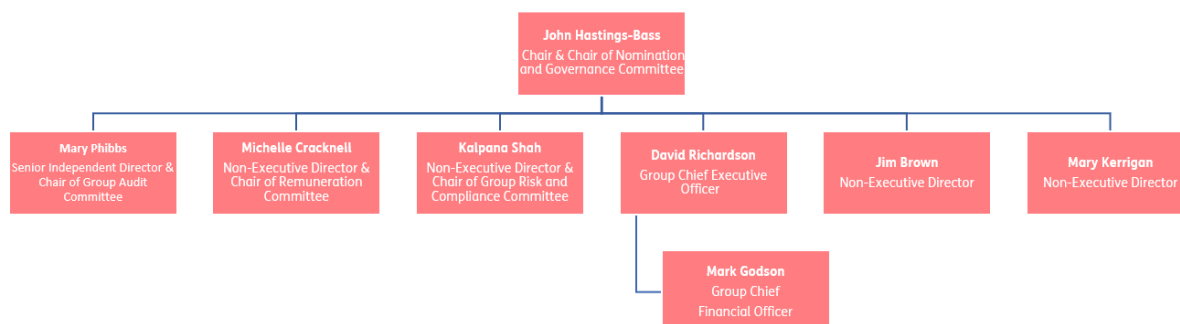
The Group Board has the following responsibilities:

- sets purpose, values and strategy for the group of companies of which Just Group plc is the ultimate shareholder;
- approves the Group’s sustainability strategy and targets, and any material changes to them;
- monitors the delivery of the Group’s business strategy, including its sustainability strategy, and its priorities and goals, and ensures that any corrective action is taken if required;
- assesses the basis on which the Group generates and preserves value over the long-term, taking into consideration opportunities and risks to the future success of the business and the sustainability of the Company’s business model;
- approves the Group’s Business Plan, including the Group’s business strategy and objectives, budget and forecasts and any material changes to them;
- assesses and monitors culture and how the desired culture has been embedded, to ensure behaviours and practices are aligned with the Group’s purpose, values and strategy;
- sets risk appetite and oversees risk management including climate related risks, internal control systems, corporate governance and regulatory matters;
- approves major changes to the Group’s corporate structure including, but not limited to, major acquisitions or disposals, and its presence in various jurisdictions;
- approves the capital structure of the Group and any changes to capital, and monitors capital risk appetite;
- approves major changes to the operational structure of the Group;
- approves the financial statements, half-year reports and regulatory reports;
- delegates oversight for some of its activities to committees of the Board; and
- approves matters that are recommended to it for approval by committees of the Board.

The Board has a standing agenda item to engage on sustainability matters each quarter to oversee strategic priorities and initiatives as well as any regulatory developments. It also receives regular updates on progress to reach sustainability targets for the Group’s operations to be carbon net zero by 2025 and its investments and supply chain to be net zero by 2050, with a reduction of 50% by 2030 as Just’s roadmap is aligned to the Association of British Insurers’ (“ABI”) climate change roadmap.

There were eight Board members at the end of 31 December 2024: the Chair (independent on appointment), two Executive Directors and five independent Non-Executive Directors. The Board considers that the current mix of Executive and Non-Executive Directors is appropriate, preventing the Board from being too large and ensuring that the Board remains predominantly independent.

The diagram below shows the Just Group plc Board members as at 31 December 2024.



There were no changes to the composition of the Board in 2024. Kalpana Shah resigned as a Non-Executive Director of Just Group plc, JRL and PLACL on 1 March 2025.

The Group Board recognises that documented roles and responsibilities for Directors, with a clear division of main responsibilities between the Chair and the Group Chief Executive Officer, are essential elements in the

Group's governance framework and facilitate the effective operation of the Board. An overview of the key Executive and Non-Executive Director accountabilities, which support the integrity of the Board's operations is provided below.

Chair

The Chair is responsible for the effective leadership and governance of the Board but takes no part in the day-to-day running of the business. His key responsibilities include:

- leading the Board effectively to ensure it is primarily focused on strategy, performance, long term value creation and accountability in line with the Group's purpose, values and culture;
- ensuring the Board determines the risk appetite of the Group and considers material risks when setting Just's strategy and business plan;
- leading the succession planning process (except for his own succession) and chairing the Nomination and Governance Committee;
- encouraging all Directors to contribute fully to Board discussions and decision-making, and ensuring that there is constructive challenge on major proposals;
- fostering relationships within the Board and providing a sounding board for the Group Chief Executive Officer on important business issues;
- identifying development needs for the Board and individual Directors;
- leading the process for evaluating the performance of the Board, its Committees and individual Directors; and
- ensuring effective communication with major shareholders, regulators, and other stakeholders.

Group CEO

The Group CEO is responsible for leadership of the Group's business and managing it within the authorities delegated by the Board. His key responsibilities include:

- proposing and developing the Group's strategy and significant commercial initiatives;
- leading the executive team in the day-to-day running of the Group;
- ensuring the Groups operates in accordance with the business plan approved by the Board including the Board's overall risk appetite, the policies adopted by the Board, and applicable laws and regulations;
- representing the Group's interests to external parties;
- maintaining dialogue with the Chair on important business and strategy issues;
- recommending budgets and forecasts for Board approval;
- providing recommendations to the Remuneration Committee on remuneration strategy for Executive Directors and other senior management;
- leading the communication programme with shareholders and ensuring the appropriate and timely disclosure of information to the stock market; and
- leading and ensuring effective engagement with regulators.

The Board has delegated responsibility for implementing the strategy and business plans and for managing risk and operating effective controls across the Group to him.

The Group CEO has established a committee of senior executives to assist him with the discharge of the duties delegated to him by the Board and to act as a management forum for the Group's senior management, the Group Executive Committee ("GEC"). Further details of the GEC are included in section B.1.1.3.

Group Chief Financial Officer (the "Group CFO")

The Group CFO leads the actuarial reporting and management information, finance operations and reporting, investment operations and reporting, legal, company secretarial and tax functions. He actively engages with shareholders and other key stakeholders and deputises for the Group CEO.

Senior Independent Director

The Senior Independent Director provides a sounding board for the Chair and serves as an intermediary for the other Directors when necessary. The Senior Independent Director also meets annually with each Non-Executive Director without the Chair being present to appraise his performance and, as required, to address any other

matters which the Directors might wish to raise. The Senior Independent Director conveys the outcome of their discussions to the Chair.

Independent Non-Executive Directors

The Non-Executive Directors of the Board provide constructive challenge and scrutiny of the performance of management and bring an external perspective, knowledge and experience to the Board. The Non-Executive Directors assist in the development of strategy and the decision-making process and promote the highest standards of integrity and governance. They meet regularly without the Executive Directors being present.

B.1.1.2 Group Board Committees

The following Committees are constituted by the Group Board. The full responsibilities of the Committees are set out in their terms of reference, which can be found on the Just website.

Group Audit Committee (the “GAC”)

The GAC is responsible for assisting the Board in discharging its responsibility for oversight of the Group’s financial and solvency reporting, including the MA attestation, and the effectiveness of the Group’s systems of internal controls and related activities. The Committee is also responsible for the oversight of the work and effectiveness of Group Internal Audit and the external auditor.

The Group Audit Committee and Group Risk and Compliance Committee periodically meet on a nested basis to oversee compliance in relation to Provision 29 of the Code concerning the Company’s risk management and internal controls framework.

Remuneration Committee

The Remuneration Committee determines the policy for the remuneration, benefits, pension rights and compensation payments of the Group Chair, Executive Directors of the Group Board, the Group Company Secretary and members of the GEC. It also has oversight of employees subject to the requirements of Solvency II and any other employees for whom the Committee determines it will have oversight.

Nomination and Governance Committee

The Nomination and Governance Committee is responsible for regularly reviewing the structure, size and composition of the Group Board and its Committees, and where appropriate makes recommendations to the Group Board for the orderly succession of Executive and Non-Executive Director appointments. It oversees the refreshment of the Group Board and its Committees, and the boards of principal subsidiaries, and seeks to maintain an appropriate balance of skills, knowledge, independence, experience and diversity, taking into account the Group’s strategic priorities, its challenges and opportunities, all relevant corporate governance standards, and associated guidance on Board composition.

The Nomination and Governance Committee is also responsible for keeping under review compliance with the UK Corporate Governance Code, monitoring emerging trends in, and consultations on, corporate governance matters. It is responsible for overseeing the induction, training and continuous professional development of the Non-Executive Directors.

Group Risk and Compliance Committee (the “GRCC”)

The Group Risk and Compliance Committee assists the Group Board in discharging its responsibility to maintain effective systems of risk management, compliance and internal control throughout the Group. It oversees and provides effective challenge on the continued appropriateness and effectiveness of the risk management and internal control framework and risk strategy, and of the principal and emerging risks inherent in the business. The Committee is also responsible for the oversight of regulatory compliance matters.

In addition to its standalone meetings, the GRCC meets bi-annually on a nested basis with the JRL and PLACL Investment Committees to consider various investment related risk matters. It also periodically meets with the Group Audit Committee to oversee compliance in relation to Provision 29 of the Code concerning the Company’s risk management and internal controls framework.

Market Disclosure Committee

The Market Disclosure Committee oversees the identification of inside information and disclosure of information by the Group to ensure it complies with its obligations in accordance with (i) UK Market Abuse Regulation; (ii) the UK Listing Rules; and (iii) the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority (the “FCA”), and to authorise the release of unplanned trading, event or development announcements through the Regulatory Information Service within the scope of its terms of reference.

Other Board Committees

The Board may establish other committees of the Board when required from time to time. All committees are established by approval of the Board with an agreed remit and delegated authorities.

B.1.1.3 Executive Committees

Underlying the governance framework between the Board, Board Committees and Group CEO, are various senior management committees and forums strengthening Just’s governance and improving Board oversight. These bodies support the Group’s strategic priorities, business needs or specific projects and meet regularly with approved terms of reference to discharge their duties on behalf of the Group. An overview of some of the main Executive Committees is provided below.

Group Executive Committee (the “GEC”)

The Group CEO has established the GEC, a committee of senior executives, to assist him with the discharge of the duties delegated to him by the Board. Key responsibilities of the Committee include implementing the strategy set by the Group Board and recommending the business plan and budget to the Group Board for approval, as well as any strategic developments. The Committee ensures the organisation has a robust approach to business risk management and oversees the implementation of effective controls to manage and mitigate risks, and to ensure compliance with legal and regulatory obligations. It also executes plans to meet the sustainability commitments set by the Group Board and it develops and oversees initiatives to ensure people within the organisation feel well led, managed and supported with opportunities for development.

Executive Risk Committee

The Executive Risk Committee, which is chaired by the Group Chief Risk Officer (the “Group CRO”), focuses on risk management across Just. This includes oversight of risk appetite, risk controls, and regulatory and compliance matters. The Committee is also responsible for reviewing and challenging the overall effectiveness of the Group’s systems and controls, and risk management including emerging risks. The Committee reviews reports from management before they are presented to the Group Risk and Compliance Committee.

Executive Sustainability Steering Committee

The Executive Sustainability Steering Committee, which is chaired by the Group Chief Risk Officer, oversees the implementation of various sustainability initiatives across the Group and recommends items to the Group Executive Committee and Group Board (and other committees as appropriate) for consideration and approval. The Committee also reviews the appropriateness and clarity of climate-related disclosures before they are shared with the GAC and Group Board.

B.1.2 Governance structure in Group subsidiaries**B.1.2 Governance structure in Group subsidiaries****B.1.2.1 JRL and PLACL Governance**

The governance structures established for JRL and PLACL are aligned with the structure for Just Group plc. Each legal entity within the Group has its own Board responsible for taking key decisions regarding the conduct of its business and its responses to the challenges and opportunities presented by changing markets, as well as alignment of the entity’s strategy with that of the Group as a whole. The Boards of Group, JRL and PLACL also

have approved Matters Reserved for the Board to govern what matters are for Board approval or delegation to Board Committees, Executive Directors or Senior Management.

In accordance with the Companies (Miscellaneous Reporting) Regulations 2018, the Audit Committees and Boards of JRL and PLACL applied the 2018 Code as far as applicable to an unlisted and wholly owned private limited subsidiary in relation to its governance requirements during 2024. The Boards of JRL and PLACL have noted the 2024 iteration of the Code, which will apply with effect from the reporting year commencing 1 January 2025. As such, JRL and PLACL will first report against the new Code in the Annual Reports in 2026. Regular updates are received by the Boards and Board Committees on the steps being taken to ensure compliance with the new requirements.

JRL and PLACL Audit Committees

The JRL and PLACL Audit Committees monitor the integrity of the financial statements of their respective companies and gain an understanding of the current areas of greatest financial reporting risk and how these are being managed to ensure the accurate production of the financial statements. They also review and challenge significant accounting and reporting issues, and review Solvency II calculations and reporting. The JRL and PLACL Audit Committees also have some responsibilities in the oversight of external and internal audit matters insofar as they relate to the Companies.

JRL and PLACL Investment Committees

The JRL and PLACL Investment Committees assist the respective Boards in achieving their investment objectives (not including capital management and asset liability management), in line with the Group Companies' risk appetite. The Committees are responsible for the oversight and management of investment management activities within an investment management governance framework and assist the Group Board with the oversight of these activities on behalf of JRL and PLACL. The Committees oversee the alignment of investment activities and performance to the Group's strategy, including the Group's targets for investments to be carbon net zero by 2050 with an interim target of a reduction of 50% by 2030. Other responsibilities include reviewing climate-related risks to the investment portfolio, overseeing the performance of external investment managers and the effectiveness of reporting procedures, and approving entry into investment management agreements and other documentation within the remit of their terms of reference.

In addition to the scheduled quarterly meetings, the JRL and PLACL Investment Committees also meet biannually on a nested basis with the Group Risk and Compliance Committee to consider investment related risk matters.

B.1.2.2 Other subsidiary companies

The effective governance of all subsidiaries in the Just Group of companies is of utmost importance to the Group Board to ensure its strategy, purpose, values and culture flows across all its business areas. In addition to JRL and PLACL, there are three other UK regulated subsidiaries and one South African regulated subsidiary which all have enhanced governance arrangements to ensure compliance with relevant statutory and regulatory requirements. Processes are in place to manage potential conflicts of interests, which may arise from cross-directorships within the Just Group of companies. An overview of the governance arrangements for the other UK regulated subsidiaries is provided below.

Regulated distributor and advice services

HUB Financial Solutions Limited ("HUB FS") specialises in the provision of integrated financial retirement solutions and the distribution of products in the retirement market. The Board currently comprises three Non-Executive Directors and one Executive Director.

Regulated lifetime mortgage providers

The principal activity of the two UK regulated LTM providers, JRML and PHLL, is the origination and administration of loans secured by residential mortgages. Both JRML and PHLL Boards comprise three Non-Executive Directors and two Executive Directors.

B.1.2.3 Subsidiary Board responsibilities

The remit of each Board is defined in its Matters Reserved for the Board, which set out its principal role and scope of responsibilities. Certain matters are reserved for decision by the Board of Just Group plc as ultimate shareholder, notably matters relating to strategy, policies, processes and procedures where consistency throughout the Group would be appropriate.

Each Board is responsible for: (with a detailed list contained in their Matters Reserved for the Board):

- The strategy and management of the Company and developing and delivering the Company's aims and objectives consistent with the Group's strategy and direction.
- Developing and approving business plans.
- Holding management to account and seeking assurance that the strategy and plans are being delivered.
- Structure and capital of the Company.
- Financial reporting and finance matters.
- Approval of entering into material contracts relating to the Company in accordance with relevant Group and Company policies.
- Oversight of risk management and internal controls so far as they relate to the Company.
- Corporate governance and compliance matters in relation to the Company.

B.1.3 Key functions roles and responsibilities

In accordance with the PRA rulebook, insurance undertakings must identify functions within it which are important and critical (referred to as "Key Functions") and ensure that those individuals responsible for those functions (referred to as "Key Function Holders") are fit and proper, adhere to defined conduct standards and are remunerated in a certain way.

As a minimum, the risk-management function, the compliance function, the internal audit function and the actuarial function must be identified as Key Functions. In addition to these, the function of "effectively running the firm" and "any other function which is of specific importance to the sound and prudent management of the firm" must also be defined as Key Functions. In addition, all other PRA-Senior Management Functions are regarded as Key Functions (and therefore Key Function Holders).

Just Group plc regards the following functions as Key Functions:

- GEC members
- Actuarial function
- Risk function
- Compliance function
- Internal Audit function
- Investment management function

B.1.4 Changes in the system of governance

There were no material changes to the system of governance during 2024. Also, there were no changes to the Group Board or UK subsidiary regulated Boards during the year.

Kalpna Shah resigned as a Non-Executive Director of Just Group plc, JRL and PLACL on 1 March 2025.

B.1.5 Remuneration policy

B.1.5.1 Principles of remuneration policy

Remuneration policy in the current year

The Company's directors' remuneration policy was renewed at the 2023 AGM with over 95% of shares voted in favour, both for the new policy and for the annual advisory vote on the remuneration report.

The directors' remuneration policy has been developed taking into account the principles of the UK Corporate Governance Code, guidelines from major investors and guidance from the UK regulators, the PRA and the FCA, on best practice.

Consistent with the approach adopted each year, the Remuneration Committee considers and approves the performance measures attached to variable remuneration which includes the Short-Term Incentive Plan ("STIP") and the Long-Term Incentive Plan ("LTIP") to ensure they remain aligned with both our strategic priorities and our approach to risk mitigation.

The STIP has evolved to reflect our focus on profitable and sustainable growth and our ongoing commitment to consumer duty.

In 2024 changes were made to the measures in the LTIP. Organic Capital Generation was replaced with Cash Generation as this metric aligns to our strategic objectives and is not constrained by new business growth.

As such, the Remuneration Committee is satisfied that the approach to reward continues to support the strategic priorities of the business and aligns with company purpose and our values.

Future remuneration policy

The existing policy was approved by shareholders at the 2023 AGM and following three years of its use we are required to submit a new policy for shareholder approval at the 2026 AGM.

The 2023 policy took account of the various developments in best practice guidelines. While the business itself continues to evolve, the policy includes sufficient flexibility to cater for these developments and the Company and the Remuneration Committee regularly reviews the performance measures to ensure they still remain relevant.

B.1.5.2 Fixed and variable remuneration

In setting Executives' pay, the Committee seeks to ensure that the underlying principles, which form the basis for decisions on Executive Directors' pay, are consistent with those on which pay decisions for the rest of the workforce are taken. There are some structural differences in the Executive Directors' remuneration policy compared to that for the broader employee base, which the Committee believes are necessary to reflect the differing levels of seniority and responsibility. A greater weight is placed on performance-based pay through the quantum and participation levels in incentive schemes. This ensures the remuneration of the Executive Directors is aligned with the performance of the Group and therefore the interests of shareholders.

Executive Directors fixed remuneration includes salary, £20,000 benefits allowance and pension allowance of 10%. Fixed remuneration provides a competitive and appropriate level of basic fixed pay to help recruit and retain Executive Directors of a sufficiently high calibre.

Variable remuneration includes the Short-Term Incentive Plan ("STIP") and the Long-Term Incentive Plan ("LTIP"). The STIP incentivises the execution of annual goals by driving and rewarding performance against individual and corporate targets. The LTIP rewards the achievement of sustained long-term operational and strategic performance and is therefore aligned with the delivery of value to shareholders. It facilitates share ownership to provide further alignment with shareholders.

Non-Executive Director (NED) remuneration is fixed. The Chair is paid a single fixed fee. The NEDs are paid a basic fee, with additional fees paid to the Chairs of the main Board Committees, the Senior Independent Director and other specific roles including roles on subsidiary boards, to reflect their extra responsibilities. Since the last SFCR report there have been no changes to the fees paid to the Chair and NEDs.

Variable remuneration performance criteria

The tables below illustrate the performance measures for the STIP and LTIP.

STIP

For the STIP, the core bonus opportunity is determined through a balance of financial measures and strategic performance measures which creates a bonus pool. The pool is then distributed to Executive Directors against achievement of their personal objectives.

The financial performance measures are shown below:

Financial performance measure	New business strain	IFRS New business profit	Underlying operating profit
Weighting	30%	40%	30%

The strategic performance measures which can either increase or decrease the bonus pool available (subject always to a maximum bonus pool of 100%) are:

- Customer (customer experience)
- People (engagement, belonging and gender diversity)
- Operating Efficiency (reduction in operating cost to revenue)

LTIP

LTIP awards are normally subject to a combination of measures which may include financial and/or strategic measures and/or total shareholder return relative to the constituents of a relevant comparator index or peer group.

The performance criteria for the awards made in 2024 are:

Performance measure	Cash Generation	Relative Total Shareholder Return (TSR)*	Return on Equity	Environmental, Social and Governance (ESG)**
Weighting	15%	25%	45%	15%

* TSR performance relative to FTSE 250 companies, excluding investment trusts

** Investments emissions reduction by 2026

Further detail on remuneration of directors and the latest in-force triennial policy review is provided in the remuneration report on pages 108 to 122 of the Just Group plc 2024 Annual Report and Accounts and can be found on the Group's website.

B.1.6 Material related party transactions

Just Group plc has related party relationships with its key management personnel and group companies.

Key management compensation

Key management personnel comprise the Directors of the Companies. There were no material transactions between the Group and its key management personnel other than those disclosed below:

	Group		JRL		PLACL	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Aggregate emoluments including benefits	3	3	3	2	0.3	0.3
Share-based payments	2	2	-	-	-	-
Total key management compensation	5	5	3	2	0.3	0.3
Loans owed by Directors	0.4	0.4	-	-	-	-

In addition, there are loans owed by Directors of £0.4m (2023: £0.4m) which accrue interest fixed at 4% per annum and are repayable in whole or in part at any time.

The only material transactions with shareholders and other owners of the Group who were not members of key management were the payment of dividends and distribution in respect of the Restricted Tier 1 notes.

B.1.7 System of governance - assessment of adequacy

The Board is responsible for the strategic direction and risk appetite of the Group. The Board promotes the long-term sustainable success of the Group, generating value for shareholders and the wider society. The Board has agreed an effective governance framework whose structure is set out in the sections above. It is the view of the Board that the system of governance is appropriate.

As part of the assessment of the adequacy of the system of governance, an annual Board effectiveness review is performed. In line with the Code requirements, the review is facilitated externally every three years. In 2024, the Board, Board Committees and individual Directors' performance evaluations were conducted internally. In line with prior years, the effectiveness review covered both Just Group plc and the two regulated life companies (JRL and PLACL). Questionnaires were issued to all Directors in accordance with a tailored agenda set by the Chair of the Group Board with the assistance of the Group Company Secretary. Following a review of the findings, the Board concluded that it was effective and performing strongly. Levels of skills, knowledge and experience are high, and the Boards display an independent mindset.

The Group Board's diversity, equity, inclusion and belonging policy was reviewed and updated in 2024 to align it with changes to the wider Group's diversity, equity, inclusion and belonging strategy, and associated governance and regulatory requirements. Ensuring diverse representation on the Just Group plc, JRL and PLACL Boards continues to be a focus area for the Boards. The Just Group plc Board satisfied the diversity targets set by the FTSE Women Leaders and Parker reviews, and FCA Listing Rules in 2024. The Senior Independent Director is female and, until 1 March 2025, one Non-Executive Director was from a minority ethnic background.

As at 31 December 2024, female representation was 50% and minority ethnic representation was 12.5%. As at the date of this report, the Just Group plc Board comprises three females representing 42.9% of the Board. The Board temporarily does not have a director from an ethnic minority background. As part of the Board's succession planning, it is committed to appointing a new Director from an ethnic minority background in accordance with the Board Diversity, Equity, Inclusion and Belonging Policy.

B.2 Fit and proper requirements

This section aims to provide a description of the processes for assessing the fitness and propriety of persons who effectively run the insurance undertakings/ Group or have other Key Functions. The Key Functions are set out in section B.1.3.

The Group maintains a Regulatory Governance and Accountability Company policy which includes a framework for appropriate processes and procedures to ensure that all persons performing Senior Management Functions and Certification functions (including Key Function Holders) under the Senior Managers and Certification Regime (SM&CR) are fit and proper both at recruitment, and on an ongoing basis.

B.2.1 Requirements concerning skills, knowledge and expertise

The Group has specific requirements for the various roles of those who effectively run the organisation and have other Key Functions, including executive management roles. Requirements include, but are not limited to:

- **Skills** that facilitate strong governance and effective decision-making. These include leadership, influencing and managerial skills, a high level of business acumen, the ability to identify and assess the impact of significant issues, and the ability to interpret financial information.
- **Personal attributes** including integrity, probity and high ethical standards, ability to challenge rigorously and decide dispassionately, and the ability to manage conflicts.
- **Knowledge** of external and internal factors. This includes the wider market environment and the regulatory framework in which the business operates. Internal knowledge includes requirements for an understanding of the business strategy, financial information, risk management and controls, and governance arrangements.
- **Qualifications** where relevant to the role, including actuarial and accountancy qualifications.
- **Experience** both at board level and in financial services.

B.2.2 Assessing fitness and propriety pre-appointment

When recruiting individuals for Senior Manager and Certification roles (including persons who effectively run the Company or have other Key Functions), the Group will:

- Ensure a formal, rigorous and transparent procedure for appointment;
- Ask the applicant to disclose any criminal convictions, relevant adverse legal proceedings, previous regulatory history (including any investigations or revocations);
- Obtain sufficient information about the individual's previous relevant activities and experience to make an informed recruitment decision;
- Take into account the knowledge, skills, expertise and ethics of the individual in relation to the requirements for the role (i.e. perform a 'gap' analysis). This also includes considering current and previous directorships;
- Conduct background financial standing or credit checks using a recognised credit reference agency; and
- Conduct Disclosure and Barring Service ("DBS") checks.

The appointment of individuals holding Executive Director, Non-Executive Director or Group CEO positions within the Group requires Board approval and approval acting on recommendation from the Nomination and Governance Committee.

B.2.3 Assessing fitness and propriety on an on-going basis

All directors and other employees including those performing Senior Management and Certification Functions, must be assessed on a regular basis as part of the Company's Performance Management Framework to ensure that they remain competent to perform their roles.

All individuals who perform Senior Management and Certification Functions are also required to complete the Group’s Fit and Proper assessment on an annual basis. This annual assessment is undertaken on an individual basis by the Chair and Senior Independent Director of the Group Board in respect of NEDs, and by the Group Chief Risk Officer and/or the Chair of the Group Risk and Compliance Committee in respect of the Group CEO, Executive Directors and other Senior Management Function Holders. Other staff are assessed by their line manager or Director, who are the most relevant to assess their fitness and propriety.

B.3 Risk management system including the Own Risk and Solvency Assessment

B.3.1 Risk governance and management framework

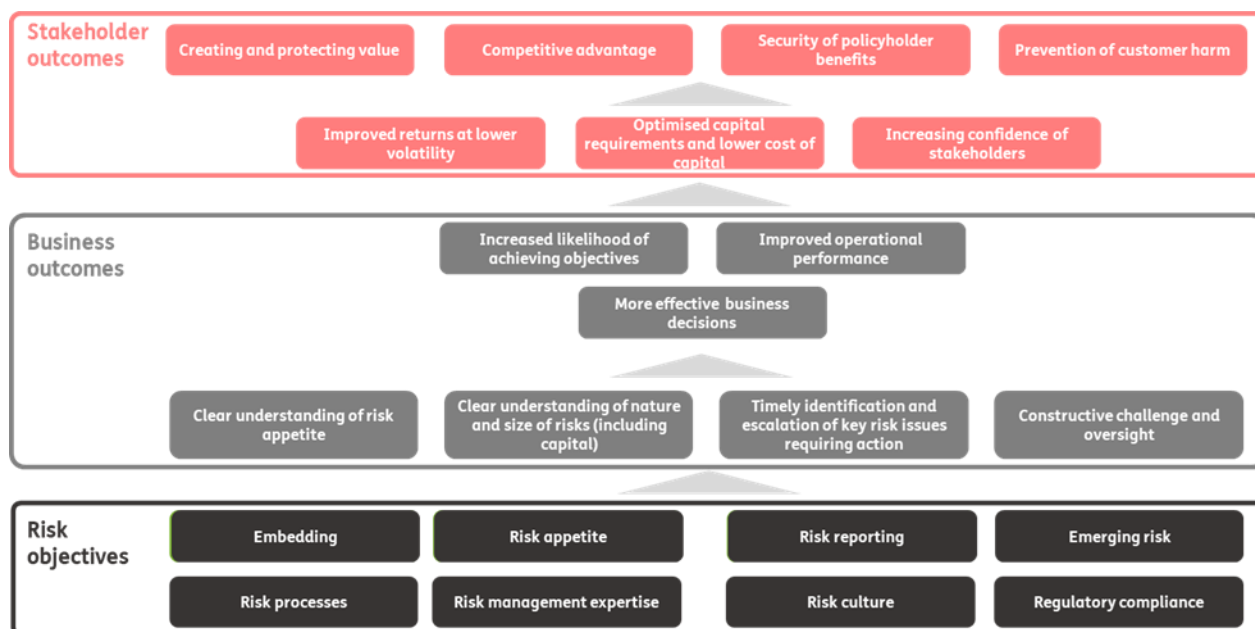
The Group’s risk management framework, owned by the Group Board, covers all aspects involved in the successful management of risk, including governance, reporting and policies. The Group’s appetite for types of risk is embedded across the business to create a culture of confident risk-taking. The framework is continually developed to reflect the Group’s risk environment and emerging best practice.

An overview of the Group’s risk management strategies, objectives, processes and reporting procedures, which form part of the Group risk management framework, is set out below.

Risk strategy

The Group’s risk strategy ensures that effective risk-taking and management supports Just’s purpose, overall profitability, competitive market positioning, and long-term viability. As a business, the Group prefer those risks that are central to achieving our vision and strategy and our reward targets.

Underpinning this strategy are risk management objectives.



Risk management processes

The risk management processes are integrated into the Group’s organisational structure and decision-making processes. Good integration is assisted by the Group’s risk identification, measurement, management, monitoring and reporting process as set out in the Group Risk Management policy.

All categories of risk, as set out in the Group's core risk categories, must be considered and appropriate processes executed to review and understand them effectively.

The risk processes applied across all our core risks include:

- Risk identification – of risks to the business, including when there are changes within the group or external environment.
- Risk measurement - taking into consideration the likelihood of the risk occurring and the potential impact to the business.
- Risk management - strategies deployed to manage risk (i.e. avoid, transfer, mitigate, or accept) to remain within risk appetite following established processes and ensuring governance requirements have been followed.
- Risk monitoring – to understand how effectively risk impacts are being measured and managed, supporting consideration of whether a change to the risk management strategy is required.
- Risk reporting - to ensure that all levels of the organisation have an appropriate understanding of the risk profile of the business and actions being taken to mitigate any weaknesses. Risk reporting assists with strategic and business decision-making, facilitates risk challenge amongst the Executives, and provides assurance that the risk management framework and processes are working effectively.

Own Risk and Solvency Assessment (ORSA)

The Group's Own Risk and Solvency Assessment ("ORSA") process embeds comprehensive risk reviews into the Group's management activities. The Group's annual ORSA report summarises its overall risk exposures and their management and is an important part of the business risk management cycle.

It reports the status of risks and the risk management in place for the Group related to its strategy and business model. This is supported by a variety of quantitative scenarios and integrates findings from recovery and run-off analysis. Further details on the ORSA are included in section B.3.3.

B.3.2 Internal Model Governance

The Group is operating a full internal model for JRL, PLACL and Group. Just received approval to extend the use of the full internal model to PLACL and Group in 2024.

The internal model is governed by the Internal Model Governance Forum ("IMGF"), which is a management forum constituted to help the Group CRO discharge his duties with respect to model design and validation. The IMGF is chaired by the Group CRO and attended by senior members of the first and second lines. The forum oversees all changes to the internal model, whether minor or major. Results calculated using the internal model are independently validated by the second line, which provides an annual report to the Group Risk and Compliance Committee.

Checks and balances are in place, including model validation, to reduce the incidence of error.

The GRCC oversees the internal model including material changes. The Actuarial function performs validation of the internal model in accordance with the plan agreed with the GCRO. The Risk function Provides oversight that the internal model is appropriately governed and remains fit for purpose to calculate the Group's solvency requirements.

B.3.3 ORSA (Own Risk and Solvency Assessment)

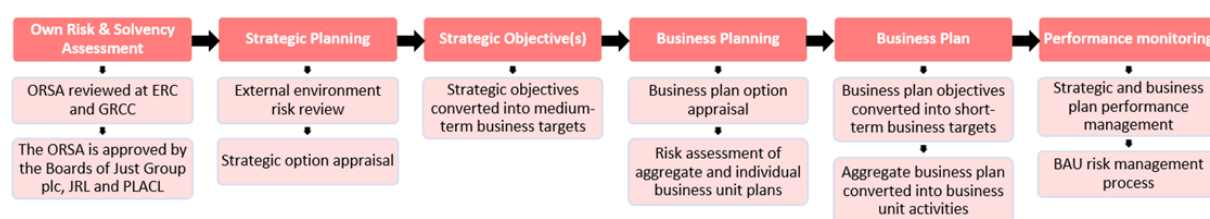
The ORSA provides a current and forward-looking assessment of the significant risks the Group may face and should consider during the Strategy and Business Planning Processes. The ORSA integrates the Group's approach to managing risk and capital and enables senior management to understand these risks and how they translate into solvency needs.

B.3.3.1 ORSA process

Performing its Group ORSA is an essential part of the Group’s risk management framework - the Group ORSA processes and reporting are integrated into the Group’s and subsidiaries’ organisational structures and decision-making processes.

The primary purpose of creating the Full Group-wide ORSA Management document, and the GCRO Summary used as a discussion aid at both management and board level committees, is to provide a forward-looking assessment of the risks the Group may face and should consider during Strategy and Business Planning Processes. A waiver from the PRA permitting the preparation of a single Group ORSA (rather than separate ORSAs for JRL and PLACL) remains in place (see section F.3).

The consideration of risk, over short and long-term time horizons, is an integral part of the Group’s strategic and business planning process. This process is designed to help the business understand, manage and control the risks inherent in the chosen strategy and associated business plans. An overview is below:



*ERC “Executive Risk Committee”; GRCC “Group Risk & Compliance Committee”; BAU: “Business as Usual”.

The purpose of the ORSA is to:

- provide a comprehensive overview of the risks to which the Group is exposed to or could face in the future;
- inform strategic decision making and business planning;
- enable senior management to understand the risks and solvency needs;
- inform management actions on risk retention, transfer, mitigation, or avoidance;
- ensure that the Group operates within the constraints of risk capacity and appetite; and
- integrate the Group’s risk & capital management.

B.3.3.2 Review and approval

The Group ORSA process is led by the Risk Function, who provide review and challenge of inputs provided by management before presentation to the Group CRO. The Full Group ORSA is also reviewed by the Group’s Prudential Compliance function.

The Group ORSA is reviewed by the ERC and the GRCC and approved by the Boards of Just Group plc, and JRL and PLACL (in relation to the risks and solvency position specific to JRL and PLACL).

B.3.3.3 Timing and frequency of the ORSA

The full Group ORSA is approved annually, preceding the Strategy and Business Planning processes. The Group considers that the availability of an up-to-date Group ORSA in line with both its year end reporting activities and its strategy and business planning cycle, as well as quarterly risk reports in between, is appropriate to provide management with timely and relevant risk, capital and solvency information to inform business decision making.

The Group will perform a Full Group ORSA outside the normal annual cycle (a non-regular Full Group ORSA), where there has been a fundamental change in the risk profile of the business or a major change to the Group’s Internal Model.

B.3.3.4 Determination of own solvency needs

For the purpose of ORSA, the capital requirements of the Group and its insurance subsidiaries, JRL and PLACL, are measured on the basis of Solvency II requirements for determining Solvency II own funds and SCR.

B.3.3.5 Interaction between capital management and risk management

Solvency II capital, as a risk-based capital measure, is central to the Group's risk and capital evaluation and is an important input to business and strategic decisions.

Following the PRA approval for PLACL Internal Model application, both of the UK life entities now use an in-house full internal model to measure and manage their regulatory capital requirements and drives informed business decisions.

The Group capital requirement is also calculated using the full internal model and is used to manage the aggregate capital risk exposures.

B.4 Internal control system

B.4.1 Internal control system description and procedures

The Board is ultimately responsible for the effectiveness and monitoring of the Group's systems of internal control, covering all material financial, insurance, conduct and operational controls, including compliance, and for undertaking an annual review of the control systems in place. The implementation of internal control systems and remedial actions to improve them is the responsibility of management. The Group's systems of internal control are applied consistently across all Group companies. The systems of internal control are designed to manage within appetite, rather than eliminate, the risk of failure to achieve business objectives and can provide only reasonable, and not absolute, assurance against material financial misstatement.

The Group's internal control systems include the following features:

- Comprehensive terms of reference for the Board and each of its Committees;
- A clear organisational structure, with documented delegation of authority from the Board to senior management;
- A Group risk policy framework, which sets out risk management and control standards for the Group's operations; and
- Defined procedures for the approval of major transactions and capital allocation.

Culture

The Group aims to have an organisational culture in which its values, and the importance of internal control to manage risks, are understood. The leadership style and management structures prevalent in the Group are intended to support the desired organisational culture, backed by appropriate HR policies and reward structures.

Also, the Group take overall culture very seriously, demonstrated through its Human Resources department owning a core risk called Culture and Engagement, which is defined as inappropriate culture or lack of employee engagement.

Positive behaviours and attitudes among employees towards risk management and internal control are encouraged. Sanctions are implemented in response to any inappropriate behaviour such as a wilful disregard for risk management or controls, or a deliberate or negligent breach of control procedures.

Employees are encouraged to speak up if risk exposures or control weaknesses are identified and structures are in place to allow this to happen. Arrangements that are in place and the whistleblowing policy are overseen by the Chair of the GAC.

Internal Control Framework

The Internal Control Framework comprises controls that are embedded into the Group's infrastructure and processes. The aim is to use controls that are prudent, appropriate and proportionate to the risks involved. Controls are used to keep risk exposures within agreed risk appetites and are not intended to eliminate risks.

The Internal Control Framework has a close relationship with the Enterprise Risk Management Framework. The Internal Control Framework takes account of risk concentrations and of intra-group transactions and interdependencies. Guidance on effective internal controls is available to management.

Risk and Control Self-assessment

Management undertake a quarterly risk review and a monthly control self-assessment process. Management attest to the operation of its controls each month through the risk management system reporting any risk issues, control weaknesses or failures, together with remedial action taken or planned. The attestation process provides confirmation of the continued effectiveness of the design and operation of internal controls.

Material risk events such as controls failures and near-misses are reported and analysed so the experience can be used to improve the Internal Control Framework going forward.

Monitoring, Reporting and Executive Attestation Process

Core risk owners report quarterly to the Compliance and Operational Risk Committee and the Executive Risk Committee on the risk appetite status of their risk, based on relevant key risk indicators. The Committee challenges management on the adequacy of actions to bring any risks reported as outside appetite back within appetite. Any concerns are escalated to the Group Executive Risk Committee.

Each Executive provides an attestation to the Group CEO twice yearly in respect of the Internal Control Effectiveness in his or her area of responsibility. The attestation confirms the extent to which effective controls have operated to keep material risks within risk appetite. The attestation also confirms whether there has been material compliance with legal and regulatory requirements, codes of conduct, business standards and Group policies, as well as positive behaviours towards standards, risk management and internal control.

Oversight

The Group Board, its Committees and its subsidiary Boards keep the internal control environment under ongoing review through the reports received from Executives, the control functions and other sources, including annual Internal Controls effectiveness review performed by Group Internal Audit

The Internal Control Framework is subject to a formal annual Effectiveness Review by the Group Board. This review is based on a report to the Group Board from the Group CEO, based on a review conducted by Group Internal Audit. The report is supported by the process of Executive attestations as set out above.

B.4.2 Roles and responsibilities of the Compliance function

The Group CRO is the accountable executive for the Compliance department and is responsible for leading the Compliance department with ultimate responsibility for performance of its duties. The function is incorporated into the Group's organisational structure in a way that ensures that it is free from influences that may compromise its ability to undertake its duties in an objective, fair and independent manner. Compliance co-operates with other control functions, i.e. the Risk, Internal Audit, Finance, and Actuarial functions, in order to ensure effective oversight of the Group's activities. The Compliance function includes a range of employees with relevant experience across the range of activities for which it has oversight who collectively are able to:

- interpret and communicate on regulatory matters;
- monitor and report on compliance with regulation and the Group's policies; and
- influence the business at all levels.

The Compliance function reports any significant concerns in its areas of responsibility to the Executive Risk Committee, Group Risk and Compliance Committee, and the Boards. An open and honest relationship with the Regulators is maintained, informing them as necessary of relevant developments and issues.

Staff within the Compliance function are able to communicate at their own initiative with any other staff members of Group companies. They have unrestricted access to information necessary for the discharge of their responsibilities. The Compliance function provides a consultancy service to all companies within the Group

on compliance matters, undertakes compliance due diligence reviews and participates in business projects to provide compliance advice and direction.

The Compliance function monitors and provides oversight of the operation of the Group's Performance Management frameworks for advisers, sales managers and back-office staff, which incorporate the requirements of the FCA's training and competence regime. The Compliance function has oversight of the SM&CR. The Regulatory Governance and Accountability Company Policy and the supporting SM&CR Framework sets out the framework for the processes and procedures to ensure that all Senior Managers, Certification employees and Key Function Holders are fit and proper both at recruitment and on an ongoing basis. It also ensures that there are high-level governance arrangements necessary to meet the requirements of the SM&CR in respect of Handover Procedures, Conduct Rules and Standards and Regulatory References.

B.5 Group Internal Audit function

B.5.1 Internal Audit function role

In accordance with the PRA rulebook, an insurance undertaking is required to have an effective Internal Audit function. The primary role of Group Internal Audit (GIA) is to help the Board and Executive Management protect the assets, reputation, and sustainability of Just Group. It does this by assessing and challenging whether the control frameworks implemented to manage the significant risks of the business are identified, evaluated, and appropriately reported by Management to the Board and Executive Management.

Internal Audit activity and responsibilities are defined by the Board of Directors and the GAC as part of their oversight role and are documented in GIA Charter. GIA Charter is subject to formal review/approval by the GAC on at least an annual basis. The GAC has responsibility for monitoring and reviewing the effectiveness of GIA's activities, resources, and structure.

An annual risk based Internal Audit Plan is reviewed and approved by the GAC. It is updated regularly to ensure it remains appropriate. Any material changes to this plan are agreed with the GAC.

Structure

Following the departure of the Director of Internal Audit (DoGIA) on 31 December 2023, the Group Chief Financial Officer temporarily performed the role of day-to-day management activities and accountabilities for Internal Audit with the leadership of the function performed by an Interim Head of Audit. A new, permanent DoGIA started in September 2024.

The DoGIA reports to the GAC Chair for Internal Audit matters with regular dialogue and reporting to the GEC. The DoGIA reports directly into the CEO for operational matters. The DoGIA attends the GAC and GRCC meetings.

Via the Chair of the GAC, the GAC participates in matters relating to the performance evaluation, appointment, or removal of the DoGIA as well as input into their annual remuneration terms as set by the Remuneration Committee.

B.5.2 Independence and objectivity of Internal Audit

The DoGIA has no direct operational responsibilities over any of the activities in Just Group. GIA colleagues will not undertake an audit where there is, or could potentially be, personal conflict of interest.

Any GIA colleague engaged in an assurance audit will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair the Internal Auditor's judgement. However, they are entitled to give recommendations for strengthening internal controls and provide opinions on specific matters related to internal control procedures.

Within an advisory engagement colleagues may, as a segregated activity, proactively provide a range of potential solutions for discussion with the business. The type and level of advice provided will vary depending on the nature of the engagement. To avoid the potential for self-review conflicts of interest, any GIA colleague involved in a consulting activity that involves the design and implementation of internal controls will not be part of any assurance team that subsequently audits these business processes.

The DoGIA will confirm to the GEC and GAC at least annually the independence of the GIA.

B.6 Chief Actuarial function

The Chief Actuary's team is led by the Chief Actuary and reports functionally to the Capital Management and Investment executive. The Chief Actuary's team provides oversight of the actuarial function requirements, which are delivered by various business teams, and provides the Board with an annual report summarising the activities of the Actuarial Function.

The primary responsibility of the Actuarial Function is to ensure the adequacy of technical provisions and ensure the adequacy of new business pricing and reinsurance arrangements. In meeting these aims the function is responsible for:

- Reviewing the reliability and adequacy of the technical provisions which are calculated by the Finance function;
- Expressing an opinion on the appropriateness of methodologies, models and assumptions used in calculations of the technical provisions;
- Monitoring the assessment of the sufficiency and quality of the data used in the calculation of technical provisions;
- Informing the Board of risks and uncertainties in the calculation of technical provisions;
- Expressing an opinion on the overall underwriting policy;
- Expressing an opinion on the adequacy of reinsurance arrangements; and
- Contributing to the effective implementation of the risk management system and ORSA, in particular, in respect of risk modelling within the ORSA and internal model along with input to the main conclusions of the ORSA.

The Chief Actuary presents his reports to the Audit Committee, GRCC and the Boards summarising the activities performed, along with any recommendations.

The Chief Actuary contributes to the effective implementation of risk management through membership of key committees such as the Asset Liability Committee (the "ALCO"), Insurance Committee and Internal Model Governance Forums.

The Chief Actuary is authorised by the Board to have full and unrestricted access to such information, records and staff appropriate to delivering its responsibilities. The Chief Actuary will also have the right to submit reports to the Just Group plc Board, JRL and PLACL Boards, Audit Committees, Investment Committees and Just Group Risk and Compliance Committee, as deemed necessary to fulfil the role.

B.7 Outsourcing

B.7.1 Outsourcing Policy

The Group outsourcing policy is to consider outsourcing functions or services where:

- there are clear financial and/or operational benefits, on condition that the associated risks can be adequately mitigated;
- associated operational and other risks can be monitored and controlled in line with risk appetite without unduly increasing overall risk exposure;
- the arrangement will not materially impair the quality of the Group's system of governance including its risk management and internal control framework;

- the arrangement will not impair the ability of the Group's supervisory authorities to monitor compliance with regulatory requirements;
- the arrangement will comply with the PRA guidelines for outsourcing and third party risk management ("SS2/21");
- there is confidence that standards of service to the Group's commercial counterparties and customers will be maintained or enhanced by outsourcing, and
- the remuneration arrangements with outsourced service providers do not encourage risk-taking that is excessive in view of the undertaking's risk management strategy.

The Group recognises and accepts that it remains fully responsible for any critical or important business function or activity it chooses to outsource. The Group further recognises that, while potentially beneficial, outsourcing can change its exposure to operational risk and in particular its degree of control over people, processes and systems.

Outsourcing arrangements determined to be "High Risk", including Material Outsourcing arrangements, require prior approval of the Group Board and notification to Group Compliance, which will then notify the appropriate Regulators.

The Accountable Executive responsible for the Group Procurement and Outsourcing Policy is the Chief Financial Officer and is responsible for deciding whether a particular arrangement meets the definition of "outsourcing".

Due diligence processes conducted during third party onboarding will determine the level of operational risk of the arrangement (High, Medium or Low risk). This includes assessment of whether the arrangement is material outsourcing or material third party, and whether it is critical or important to the Group's operations. In the case of a dispute as to the nature of the outsourcing arrangement, the Accountable Executive will make the final decision in consultation with the Group Chief Risk Officer.

The business case for establishing an outsourced activity is the responsibility of the executive manager for the area proposing the outsourcing. That area is also responsible for oversight of the outsourced activity and the requisite safeguards.

B.7.2 Principal outsourcing arrangements

The principal activities that are outsourced are:

- Investment Management (relevant primarily for illiquid assets) – Just has adopted a hybrid investment management approach, whereby certain activities for origination and management of invested assets are outsourced to third party asset managers across various jurisdictions worldwide. This applies to both JRL and PLACL. There are currently 13 investment managers: 8 in the UK, two in the Netherlands, one in Switzerland and another based in the US. A further investment manager is based in the UK and has its headquarters in Australia;
- Defined benefit (buy out/ buy in) policy administration - outsourced by both JRL and PLACL to service providers in the UK;
- Administration of post completion policies - outsourced by PLACL to service providers in the UK including policy administration offshored to India; and
- IT data centre services – outsourced by JRMS on behalf of all operating companies within the Just Group (being Just Group Plc and its subsidiaries)

B.7.3 Intra-group outsourced activities

In addition, within the Group, there exist the following material Intra-group outsourcing arrangements:

Employee and management services recharges

All staff are employed by JRMSL and as such there are outsourcing arrangements between JRMS and all other entities within the Group in respect of recharging of management services including employee costs.

Origination and servicing of LTM

LTMs that are originated or acquired by group subsidiaries JRML and PHLL are transferred to JRL and PLACL. Each of JRL and PLACL also enter into transactions with special purpose entities (Just Re 1 Limited ("JRe 1") and PLACL Re 1 Limited ("PLACL Re 1") respectively) whereby the respective special purpose entity acquires portfolios of LTMs from JRL and PLACL in exchange for the issue of loan notes to support JRL and PLACL's Solvency II MA requirements.

JRML carries out mortgage servicing activities on behalf of other group entities.

B.8 Any other information

The directors consider that the contents of this section on the system of governance provides all material information to be provided in the SFCR.

Chapter C. Risk Profile

Contents

C. Risk Profile	51
C.1 Underwriting risk	54
C.1.1 Nature of material underwriting risks	54
C.1.2 Underwriting risk concentration	55
C.1.3 Underwriting risk mitigation	55
C.2 Market risk	56
C.2.1 Nature of material market risks	56
C.2.2 Market risk concentration	57
C.2.3 Market risk mitigation	57
C.3 Credit risk	58
C.3.1 Nature of material credit risks	58
C.3.2 Credit risk concentration	58
C.3.3 Credit risk mitigation	60
C.4 Liquidity risk	61
C.4.1 Nature of material liquidity risks	61
C.4.2 Liquidity risk concentration	61
C.4.3 Liquidity risk mitigation	61
C.5 Operational risk	62
C.5.1 Nature and concentration of material operational risks	62
C.5.2 Operational risk mitigation	63
C.6 Other material risks	64
C.6.1 Regulatory changes and supervision	64
C.7 Any other information	65
C.7.1 Sensitivities	65
C.7.2 Sensitivity to operational risks	66
C.7.3 Stress and scenario analysis	67

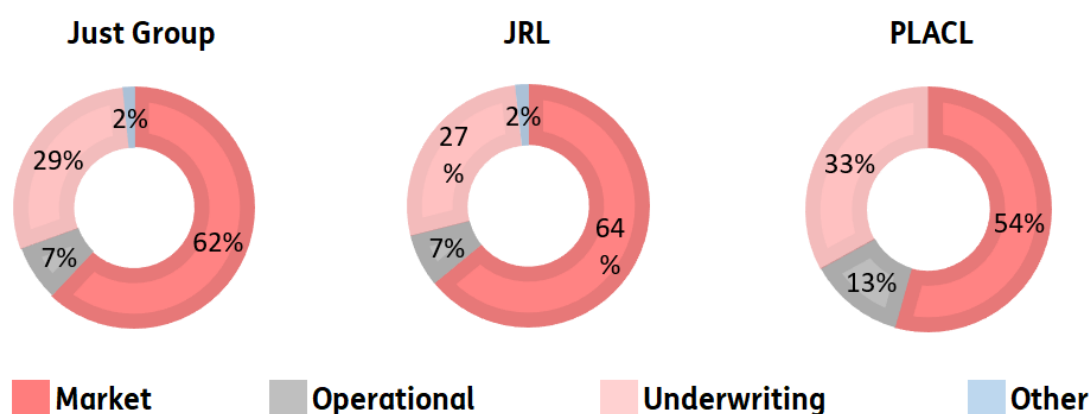
C. Risk Profile

Introduction

This chapter provides information on material risks of the Group and UK regulated insurance entities, including how those material risks are assessed and managed. It considers the risk profile across the major risk categories under the Regulation, as follows:

- Underwriting risk
- Market risk
- Credit Risk
- Liquidity risk
- Operational risk

The charts below show the composition of the material risk categories of the Group, JRL and PLACL before diversification as calculated using the internal model. Liquidity is closely managed with no explicit risk allowance within the SCR.



Credit risk is included within the Market risk SCR calculation. See section E.2.2 for further details on the SCR.

Changes to risk profile

In July 2024, the Group received approval to expand the scope of its internal model, to include the Partnership business from 30 September 2024, which previously had its capital requirement calculated using standard formulas. The application of a full internal model from this date has also led to increased diversification benefits between the Group's two UK life insurance entities, which has resulted in a reduction to the Group SCR. This one-off effect accounted for 6% of the increase in the proforma capital coverage ratio (31 December 2024: 204%). The Capital Management summary of this report provides details on the difference between the regulatory and pro-forma bases.

Sensitivity to an immediate 10% fall in UK house prices has reduced to 6% of the proforma capital coverage ratio (31 December 2023: 10%). This reduction has mainly been driven by the lower proportion of LTMs of the asset portfolio and partly by modelling refinements following implementation of the internal model on the Partnership business. The reduced LTM backing ratio on new business contains the Solvency II sensitivity to house prices well within risk appetite. Further information on Solvency II balance sheet sensitivities can be found in section C.7.1.

Risk Management Processes

Risk identification

Risk identification is a continuous process carried out as part of the business-as-usual risk management activities. These activities include strategic, financial, underwriting and operational risk management; business change; resilience risk management; stress testing and scenario analyses and risk reporting. In 2024 a detailed risk identification process was undertaken to support management of the increasing exposure to gilts-swap spread risk.

Risk measurement and monitoring

Capital resources are measured and monitored on a Solvency I regulatory basis and the Group and its UK regulated insurance entities are required to maintain 'Eligible Own Funds in excess of the value of its SCR. The SCR represents the capital required to provide policyholders with the statutory level of required protection and the coverage of which is sufficient for the Group to absorb a combined 1-in-200-year stress based on the quantifiable risks to which Just is materially exposed. These include market risks, underwriting risks, as well as operational risks. These risks are all aggregated with appropriate allowance for diversification benefits.

Both of Just's UK life insurance entities now use a full internal model for their SCR calculation. The Group SCR incorporates the benefits of diversification between entities.

Separately, individual risks are measured and monitored using various risk limits or exposure thresholds which aim to prevent risk concentrations and accumulations in accordance with Just's risk appetites. These are detailed further in the relevant risk sections below.

Monitoring the effectiveness of risk mitigation techniques

Risk mitigation techniques are monitored and approved by the appropriate governance committees responsible for oversight of specific individual risks.

The Group Risk function oversees and reviews the effectiveness of the Group's and business units' overall risk management and their control environments in mitigating operational risk.

The effectiveness of market, credit, underwriting, and liquidity risk management is monitored regularly through reports to the GAC, the GRCC, other Group Board sub-committees where relevant and the Insurance entities' Investment Committee.

The monitoring of the effectiveness of financial and underwriting risk mitigation techniques is carried out in a number of ways, which include:

- Quantitative assessment of risks against Board approved risk appetites for material risks within the capital risk appetite framework;
- Measuring the sensitivity of the capital adequacy ratio to individual risk factors;
- Stress and scenario analysis to monitor the volatility of the capital adequacy ratio to real world scenarios;
- Analysing actual experience against expectations and forecasts which provides a feedback loop to the actuarial and risk control cycles;
- Management MI reporting via existing governance framework with appropriate escalation mechanism; and
- Executive attestation that processes to mitigate, manage, monitor and report on risks are adequate to enable the Group's business to be conducted in line with the applicable Policy Statement(s) and Risk Appetite.

Further information on the Group's principal risks and how these are managed and mitigated can be found on pages 64-69 of the Annual Report and Accounts. Further information on the Group's financial and insurance risk management can be found in note 28 of the Annual Report and Accounts.

Sensitivity analyses

The Group carries out sensitivity testing and stress and scenario analysis in order to understand the sensitivity of the Group's capital adequacy ratio and risk profile to changes in the underlying risks. Refer to section C.7.1 for further details.

Prudent Person Principle

The Group ensures that investments are made in adherence to the Prudent Person Principle ("PPP") to ensure the security, quality, liquidity and profitability of the portfolio as a whole, with well understood risks and capital requirements. Assets backing liabilities are selected to be appropriate to the nature and duration of the liabilities and invested in the best interest of policyholders and beneficiaries taking into account policy objectives. Derivatives are only used insofar as they reduce risks or to facilitate efficient portfolio management. Assets which are not admitted to trading on a regulated financial market are kept to prudent levels as is the Group's exposure to concentration risk.

Financial investments include corporate, municipal and emerging market bonds, corporate loans, infrastructure debt, private placements, LTM, income producing real estate, gilts and cash, and liquidity fund holdings.

Operational risks in respect of invested assets could arise from the following areas:

- Outsourcing risk, failures by external asset managers e.g. manager underperformance, failure to adhere to mandate guidelines, business failure of primary service providers etc;
- Inadequate contracts with third parties including outsourcing agreements, counterparty agreements, loan documentation and other commercial agreements;
- Internally managed assets are exposed to execution risk, origination risk and risk of ineffective oversight.
- Human errors by internal teams (e.g. incorrect execution and management of derivatives or failure to monitor portfolios effectively);
- Lack of appropriate mark-to-market valuation techniques for less liquid assets;
- Inadequate IT infrastructure which includes the systems, controls and processes for investment management; and
- Failure of checks resulting in investments made in fraudulent assets.

The Group and its UK regulated insurance entities manage their fixed income portfolio using a mix of in-house specialists and external fund managers, External fund managers are predominantly used for specialist asset classes. These external managers execute a diversified investment strategy under signed Investment Management Agreements ("IMAs"), which are designed to be PPP compliant. The IMAs clearly set out the investment strategy and mandate guidelines including the permissible investable universe and various limits such as credit rating and counterparty limits. The external asset managers are only able to invest in permissible assets and instruments defined in the IMAs. Invested assets including the concentration limits are closely monitored by the Group's Investment and Finance Teams. If there are any breaches or non-compliance with the IMA, the asset managers are required to take any necessary actions and report the issues to Just Group as soon as possible.

Any investment in new asset classes, or the appointment of new asset managers are subject to detailed internal approval processes which includes approvals from the sub-committees of JRL and PLACL's Boards. Extensive due diligence on both the new asset class and the new asset manager is carried out prior to investing. This includes ensuring the fund managers have the necessary skills, experience, processes and controls to ensure the Group can discharge its obligations under the PPP.

Risk exposures for internally managed assets are mitigated through adherence to a clear end to end process and investment guidelines. LTM exposure is monitored to ensure compliance with the Board approved backing asset ratio. Outcomes are reported to appropriate governance forums. In addition, limits for other significant asset classes have been established using an approach aligned to the requirements of the PPP.

Climate change and Sustainability

The Group Board sets and oversees sustainability strategy and targets. They are managed in accordance with the Group's Enterprise Risk Management Framework. The GRCC considers climate risk and sustainability developments and concerns and receives regular updates on initiatives.

Over recent years, we have developed our capabilities to better manage the opportunities and risks that arise for the Group due to climate change and sustainability. The area is sponsored by the Group CRO, who is responsible for climate-related financial risk under the FCA's SM&CR and accountable for delivery of the Group's sustainability strategy.

Scenario analysis is used to deepen understanding of the climate change risks facing the Group and permit a consideration of a long-term time horizon. Within each scenario, events with varying degrees of certainty can be combined, including adaptive behaviours or political action. Just's climate scenarios are anchored on two parts: detailed property scenarios and the wider Network for Greening the Financial System ("NGFS") climate scenarios. The scenario analysis indicates that the Group's primary exposure is to transition risk before the carbon net zero 2050 target, with a secondary exposure to physical risk over a more extended timescale.

For further information including the climate value-at-risk on the liquid bond portfolio and considerations of climate risk on our illiquid investments and LTMs, and also the potential impacts on longevity risk associated with our insurance liabilities see pages 45–53 of the Annual Report and Accounts.

Reporting on climate risk is being integrated into the Group's regular reporting processes to GRCC, including the Group ORSA. Reporting will evolve as quantification of risk exposures develops and further key risk indicators ("KRIs") are identified.

C.1 Underwriting risk

C.1.1 Nature of material underwriting risks

The Group and its UK regulated insurance entities are exposed to underwriting risk as a consequence of offering the principal products outlined in Section A.1.2 Material lines of business. Uncertainties related to the occurrence, frequency, or severity of insured events may cause the premiums charged or provisions set aside to be inadequate, leading to financial losses. Internally, underwriting risk is classified as insurance risk and further subcategorized into demographic risk and expense risk. Insurance risk policies outline the risk management processes and controls that govern the systematic identification, measurement, management, monitoring, and reporting of each risk.

Demographic risk arises from exposure to longevity, mortality and, morbidity and includes factors such as levels of transfer from defined benefit deferred business and withdrawal from LTM.

Expense risk arises from expenses incurred in servicing and maintaining the business being higher than anticipated. This can occur due to estimation error, inflation being higher than expected or policy volumes being lower than expected.

The Group prefers annuitant longevity and LTM mortality risks, as these risks are central to achieving our vision and strategy. We have expertise in the selection of these risks, and understanding and evaluating them is a core competency of the Group. The Group tolerates the associated morbidity, LTM withdrawal and expense risks which arise from our strategy. Detailed below are the underwriting risks to which the Group is exposed, presented by reference to the products.

Longevity and Mortality Risk

Contracts with survival-based annuity payments expose the Group to annuitants living longer than expected. Some of these contracts include spousal and/or dependent death benefit provisions which expose the Group to deaths occurring earlier than expected.

LTM contracts expose the Group to NNEG risk, which increases if policyholders live longer than expected. Earlier than expected policyholder deaths adversely impact LTM returns due to the fixed nature of some costs.

Morbidity risk

The Group is exposed to morbidity risk because LTM's include a contractual provision that triggers repayment when the customer moves into long-term care due to ill health.

Withdrawal risk

For contracts with options, the Group faces the risk that the options are not exercised in line with expectations.

For DB deferred, the Group is exposed to the risk that the proportion of pre-retirement pensioners who choose to transfer differs from expectations. For LTM's the Group is exposed to the risk that the proportion of loans repaid early differs from expectations, or the proportion of additional withdrawals taken from pre-approved withdrawal facilities differs from expectations.

Expense risk

The Group is exposed to the risk that the actual expense incurred in servicing and maintaining the business is higher than expected.

The Group is exposed to expense risk for all contracts it has on the book from inception to fully run-off.

C.1.2 Underwriting risk concentration

Improved longevity arises from enhanced medical treatment and improved life circumstances. Concentration risk to individual groups whose longevity may improve faster than the population is managed by writing business across a wide range of different medical and lifestyle conditions to avoid excessive exposure. Reinsurance is also an important mitigant to concentrations of insurance risk.

C.1.3 Underwriting risk mitigation

Underpinning the management of insurance risk are:

- the use of controls around the development of suitable products and their pricing;
- adherence to approved underwriting requirements;
- the development and use of medical information including Prognosis™ for both pricing and reserving to assess longevity risk;
- the use of reinsurance to transfer longevity risk outside the Group. The Group retains oversight of the risks transferred, uses a range of reinsurers and monitors exposures to ensure the Group remains within the reinsurance counterparty risk appetite;
- review and approval of insurance assumptions used by the Board; and
- regular monitoring and analysis of actual experience and expense levels.

With the exception of LTM mortality and Care business, which is fully retained, longevity risk on new business written has a high proportion of longevity risk reinsured. The majority of retained longevity risks relates to business written prior to 2016.

Reinsurance treaties include provisions to minimise collateral risk. Analysis of reinsurance collateral arrangements can be found in note 28 of the Annual Report and Accounts.

Risk management, measurement and monitoring practices are subject to regular reporting and oversight as described earlier in this section.

C.2 Market risk

C.2.1 Nature of material market risks

For Just and its UK regulated insurance entities, market risk is the risk of adverse financial impact resulting, directly or indirectly, from fluctuations in interest rate, property, credit spreads, inflation, and currency risks. The Group is not exposed to any material levels of equity risk. Some very limited equity exposure arises from investment into credit funds which have a mandate that allows preferred equity to be held. Our balance sheet sensitivities to market risks can be found in section C.7.1.

For each of the material components of market risk described in more detail below, the Capital Risk Appetite Framework and the Market Risk Policy sets out the risk appetite and management processes governing how each risk should be measured, managed, monitored and reported.

The sensitivity of the fair value of investment assets that are valued using alternative valuation techniques to reasonably possible alternative assumptions can be found in note 16 of the Annual Report and Accounts and alternative valuation techniques for Solvency II can be found in Section D.1.2 Valuation for solvency purposes.

Interest rate risk

Interest rate risk is the risk arising from the changes in the values of assets or liabilities as a result of changes in risk-free interest rates. Exposure is primarily from any cashflow mismatch between assets and liabilities held.

Credit spread risk

The Group is exposed to changes in credit spreads on assets. Changes in credit spreads can impact the capital coverage position, depending on the investment position of the Group. The use of cashflow matching and recognition of MA benefit can help mitigate spread risk.

Property risk

Exposure to property risk arises from indirect exposure to the UK residential property market through the provision of LTMs and the associated NNEG shortfall. A substantial decline or sustained underperformance in UK residential property prices, against which the Group's LTMs are secured, could result in proceeds on sale of the property on which the mortgage is secured being lower than the mortgage debt at the date of redemption, creating shortfalls where the NNEG applies. A fall in property values may also reduce sales of LTMs, as a lower proportion of customers would meet our loan-to value underwriting criteria.

The Group also has indirect exposure to property via commercial real estate lending and residential ground rents as part of its overall investment strategy. Investments in these assets are subject to overall limits and must adhere to strict underwriting criteria.

Inflation risk

Inflation risk primarily arises from inflation-linked retirement income products and defined benefit pension products as well as management expenses and is mitigated through inflation hedging using both inflation linked assets and derivatives.

The Group and its UK regulated insurance entities are also materially exposed to low house price growth leading to additional NNEG costs. This is covered in the property risk section above.

Currency Risk

Currency risk arises from currency mismatch between the insurance liabilities and the underlying investment assets. A material part of investments are denominated in non-Sterling assets, primarily USD and EUR. These are hedged back to Sterling using cross currency swaps or rolling FX Forwards. All material liabilities are evaluated in Sterling.

C.2.2 Market risk concentration

LTM and hence residential property risk exposure remains a material contributor to the Group's risk profile. The LTM investments are monitored to ensure diversification in the LTM portfolios across geographic, demographic and property dimensions. The Group continues to reduce the LTM proportion of the total in-force investments portfolio.

The Group manages other market risk concentrations through diversification, matching and hedging, among other controls.

Market risk concentrations are regularly monitored and reported via the Market Risk Forum and the Asset Liability Committee. Concentration risks are escalated to higher level committees where appropriate.

Further information on the sector analysis of the Group's financial investments can be found on page 38 of the Annual Report and Accounts.

C.2.3 Market risk mitigation

All market risks are measured and managed in accordance with the Group's risk appetite framework.

The Group and its UK regulated insurance entities do not actively seek any of the aforementioned market risks and are not materially exposed to credit spread risk as a result of permission to use MA to offset this risk. Some risks, such as property and interest rate, arise as a consequence of taking risks that are central to our vision and strategy. We aim to mitigate these risks where it is cost and capital efficient to do so.

Retirement income product monies are invested to match the asset and liability cash flows as closely as practicable. In practice it is not possible to eliminate market risk in a cost effective manner.

We continue to manage the balance sheet by hedging all foreign exchange and inflation exposure, while maintaining an interest rate hedging programme that aims to minimise the IFRS exposure, while containing the Solvency II sensitivity within Board approved risk appetite limits (see section on Solvency II sensitivities).

Risk management, measurement and monitoring practices are subject to regular reporting and oversight as described in the introduction to this chapter.

For each of the material components of market risk, we set out how each risk is mitigated below:

Interest rate risk

The Group is averse to taking interest rate risk. This exposure is managed by investing in assets which closely match the interest rate sensitivity of the liabilities, with both duration and cash flow matching taken into consideration. We monitor the effectiveness through regular reviews of the asset and liability position, sensitivity testing and scenario analyses.

The Group actively hedges its interest rate exposure to protect balance sheet positions on both Solvency II and economic bases in accordance with its risk appetite framework and principles.

Just's sensitivity to interest rates is included in our sensitivities in section C.7.1.

Credit spread risk

The Group has permission to use the Solvency II Matching Adjustment which partially offsets the movement in credit spreads in the MA Portfolio. The Group uses cash flow matching, as is necessary to claim the MA as part of its long-term buy-and-maintain strategy. Tolerance and limits are set in accordance with our risk appetite to manage any temporary under or over-investment positions.

Property Risk

Property risk mainly arises from the NNEG feature of LTM products. Exposure is managed via limits on new LTMs as a proportion of new business and through underwriting criteria such as limits on the loan value as a proportion of the property's value ("loan-to-value") at outset and obtaining independent third-party valuations

on each property before initial mortgages are advanced. Lifetime mortgage contracts are also monitored through dilapidation reviews and periodic revaluation of samples of our portfolio. House prices are monitored and the impact of exposure to adverse development of house prices (both regionally and nationally) is regularly reviewed and reserved for.

Inflation Risk

The Group is averse to inflation risk. This exposure is managed through the matching of index-linked liabilities with index-linked assets. Where mis-matching exists, derivative instruments such as inflation swaps and inflation forwards are used to manage such risk.

Currency Risk

The Group is averse to currency risk. Derivative or quasi-derivative contracts are entered into to eliminate the foreign exchange exposure as far as possible. Cross-currency swaps are used as the primary tool in hedging currency risk exposures.

C.3 Credit risk

C.3.1 Nature of material credit risks

Credit risk arises when a counterparty or borrower becomes insolvent and/or is unable to pay the amounts due to Just resulting in a financial loss.

Credit risk exposures arise from:

- Holding fixed income investments where the main risks are default, downgrade, and concentration risk. Just tolerates credit default risk from its investments, recognising that it is a consequence of investing to generate returns to meet policyholder liabilities.
- The use of reinsurance to manage longevity risk and to fund new business. Credit risk exposure arises should a reinsurer fail to meet its claim repayment obligations.
- The use of financial instruments to mitigate interest rate and currency risk exposures. Credit risk arises from the counterparties of these financial instruments.
- Holding cash balances with financial institutions.

C.3.2 Credit risk concentration

Just's investment activities are governed by a Board approved Investment Framework. For both liquid and illiquid assets, the Framework prescribes constraints in respect of asset class, issuer and sector as well as considering future requirements. The framework ensures that credit risk is suitably diversified to avoid over concentration of credit risks over the planning period.

The Group's (including those of its UK regulated insurance entities') credit assets backing liabilities are overwhelmingly investment grade bonds or loans. As a long-term insurer with illiquid liabilities, it is financially beneficial for Just to invest in illiquid assets. However, an excessive concentration in illiquid assets (or a particular illiquid asset class) could expose Just's policyholders to unnecessary risks. Just's assessment of which assets are illiquid is closely aligned to whether they trade in a deep and liquid market. Quantitative limits are set for illiquid assets in order to maintain overall volumes within prudent limits. The Group maintains a robust valuation model which considers the additional risks for illiquid assets, such as valuation uncertainty (including valuation under stressed conditions). The risks are analysed by experienced individuals who are also responsible for ensuring the credit ratings assigned to the assets appropriately reflect the risks.

We are committed to further growing and diversifying the non-LTM illiquid portfolio, in particular through continued investment in infrastructure projects, commercial real estate mortgages, long income real estate (being commercial ground rents, and income strips), social housing and private placements.

In parallel to our internal origination and structuring capabilities, the roster of 13 external asset managers provide a healthy pipeline of investment opportunities, both domestic and international. Each external asset manager is carefully selected based on their particular area of expertise. Our illiquid asset origination strategy

allows us to efficiently scale origination of new investments, and to flex allocations between sectors depending on market conditions and risk adjusted returns.

To date, Just has invested £6.6bn in illiquid assets (excluding LTMs), representing 24% of the investments portfolio (31 December 2023: 21%), spread across more than 360 investments (average £18m), both UK and abroad. We have invested in our in-house credit team as we have broadened the illiquid asset origination and work very closely with our specialist asset managers on structuring to enhance our security, with a right to veto on each asset. LTM at £5.6bn represent 21% of the investments portfolio, which we expect to continue reducing over time as we originate fewer new LTMs and diversify the portfolio with other illiquid assets. The loan-to-value ratio of the in-force LTM portfolio was 39% (31 December 2023: 38%), reflecting the gradual seasoning of the mortgages across our geographically diversified portfolio, as house price growth partially offset the interest roll-up during the year.

In 2024, the Group funded £2.4bn of illiquid assets, of which £1.1bn were originated by the external asset managers and £1.3bn originated internally (split £1.0bn other illiquid assets and £0.3bn LTMs). 2024 illiquid asset origination increased by 40% compared to 2023 (£1.7bn), in line with the 36% growth in the Group's shareholder funded retirement income sales. This resulted in a 45% illiquid assets new business backing ratio (2023: 44%). Our illiquid asset strategy continues to increasingly diversify the Group's £27bn investments portfolio, which backs the annuity liabilities.

The Group and its UK regulated insurance entities also actively manage their exposures to reinsurance and derivative counterparties to ensure exposures remain within prescribed limits and collateral is appropriately valued and managed. The Group uses reinsurance as a risk management tool. This increases Just Group's exposure to counterparty credit risk, which is managed within the Group's appetite in accordance with the framework. In 2024 the Group evaluated its management of exposure to Funded Reinsurance counterparties and the concentration risk which may arise. The Group's exposures remain inside the limits the Group has set.

The Group and its UK regulated insurance entities also actively manage their exposure to derivative and deposit counterparties to ensure exposures remain within prescribed limits and collateral is appropriately valued and managed.

The Group invests in a well-diversified portfolio of assets to avoid over concentration of credit risks. A number of limits are in place (e.g. sector, single issuer, asset class) to mitigate default risk.

The table below analyses the credit rating exposure of financial investments, including privately rated investments allocated to the appropriate rating.

<u>Credit Rating</u>	Group	Group	JRL	JRL	PLACL	PLACL
	2024	2023	2024	2023	2024	2023
AAA	8%	4%	6%	4%	16%	7%
AA and gilts	24%	21%	25%	22%	14%	13%
A	26%	21%	27%	22%	15%	14%
BBB	23%	29%	23%	30%	20%	25%
Other (BB or below, unrated)	3%	3%	4%	2%	5%	9%
LTM (unrated)	16%	22%	15%	21%	30%	32%

During the year, the Group's financial investments increased by £4.9bn to £34.5bn (£29.6bn), with the credit ratings are shown in the table above.

Excluding derivatives and collateral, and gilts purchased in relation to the interest rate hedging, the core Investments portfolio on which we take credit risk increased by 13% to £27.0bn (see page 37 and 38 of the Group's Annual Report and Accounts). The credit quality of the Group's bond portfolio remains resilient, with 62% rated A or above (31 December 2023: 54%), driven by an increase in allocation to UK government gilts. Our diversified portfolio continues to grow and is well balanced across a range of industry sectors and geographies.

The Group continues to have very limited exposure to those sectors that are most sensitive to structural change or macroeconomic conditions, such as auto manufacturers, consumer (cyclical), energy and basic materials. The Group has further increased its infrastructure investments, driven by social housing and private placement assets. We continue to increase long income real estate assets from a low base as we originated a number of large investments internally through our in-house team but reduced the allocation towards other sectors. The increase in government bonds and liquidity is driven by the tighter corporate credit spreads, with excess cash and gilts expected to be recycled into corporate credit and illiquid assets as opportunities arise. The BBB rated bonds are weighted towards the most defensive sectors including utilities, communications and technology, and infrastructure.

Further analysis of financial instrument credit ratings can be found in note 28 of the Annual Report and Accounts. The sensitivity of the balance sheet to changes in credit spreads and credit quality step downgrades are included in section C.7.

C.3.3 Credit risk mitigation

The risk of default on fixed income investments (where the counterparty fails to make contractual repayments in full and on time) is managed through analysing the credit quality of the investments and being selective based on expertise, guided by the risk appetite limits and framework.

Just ensures fundamental analysis on a credit name is undertaken prior to investing. New asset classes or asset managers are subject to appropriate due diligence performed by Line 1 with challenge from Line 2 and approval by the Investment Committee. Credit rating downgrades are actively monitored and escalated via appropriate governance.

The Group and its UK regulated insurance entities uses financial instruments to mitigate interest rate and currency risk exposures. It therefore has credit exposure to various counterparties through which it transacts these instruments. Credit risk on hedging instruments is managed by the use of collateral arrangements. The Group holds collateral from derivative counterparties in the form of cash and liquidity facilities only, and margin calls are daily based on minimum transfer thresholds.

Reinsurance is used to manage longevity risk as well as asset risk in the DB partnering business. Reinsurance default risk arises from the exposure to reinsurer failure to meet its claim repayment obligations. Credit risk on reinsurance balances is also mitigated by the use of collateral arrangements. The Group employs careful selection of qualifying collateral types at the outset of the contract and frequently monitors and re-values the reinsurance contract and collateral.

Counterparty default risk is managed by a number of processes which include margining, collateralisation, imposing restrictions over the credit ratings of third parties with whom cash is deposited and limiting the concentration of exposure to any individual counterparties.

Risk management, measurement and monitoring practices are subject to regular reporting and oversight as described in the introduction to this chapter.

On 9 November 2023, the previous Government published a consultation seeking views on capping the maximum ground rent that residential leaseholders can be required to pay, but did not implement any reform of residential ground rent before dissolution of parliament ahead of the election. The Group continues to closely monitor developments as leasehold reform was included in the new government's manifesto and subsequent King's Speech, and any adverse impact this may have on the Group's £157m by market value (2023: £176m market

value) portfolio of residential ground rents. Reflecting the uncertainty associated with the Consultation, an adjustment was made at year end 2023 and the same approach to that adjustment has been followed at year end 2024.

The valuation of residential ground rents is adjusted to reflect an expected increase in credit spread. The Group has taken the view that the uncertainty surrounding residential grounds rents represents a higher risk of default on these assets which should be reflected through a higher credit risk deduction. With the new Matching Adjustment Attestation process being implemented this year, the additional credit risk deductions have been applied as fundamental spread add-ons which reflect a lower rating than implied by ECAI assessment, hence increasing valuation of liabilities. The SCR is increased to allow for the uncertainty of the valuation of residential ground rents and the additional credit risks resulted from a lower rating than implied by ECAI assessment.

C.4 Liquidity risk

C.4.1 Nature of material liquidity risks

Liquidity risk is the risk that the Group and its UK regulated insurance entities do not have sufficient eligible assets available in order to meet financial obligations as they fall due.

Exposure to liquidity risk arises from:

- Volatility of expected cash flows in the short term giving rise to mismatches between cash flows from assets and liabilities, particularly in maintaining and servicing collateral requirements arising from the changes in market value of financial derivatives and longevity swap reinsurance agreements;
- Market liquidity risk in liquidation of assets to meet liabilities during stressed market conditions;
- Lower LTM redemptions than expected or higher than expected funding requirements for further advances on existing LTM contracts; and
- Liquidity transferability risk across the Group.

Liquidity risk is not included in the Solvency Capital Requirement (SCR) calculation because it is managed through operational measures and stress testing rather than capital allocation.

C.4.2 Liquidity risk concentration

The Group and its UK regulated insurance entities is not exposed to liquidity concentration risk. The Group's primary concentration risk relates to investments which are exposed to market concentration risk (see section C.2.2).

The Group's short-term liquidity requirements are wholly funded by assets we hold against individually underwritten annuity business and defined benefit de-risking business, mortgage redemptions and investment coupon receipts and maturities.

Further analysis of the maturity profile of financial liabilities can be found in note 28 of the Annual Report and Accounts.

C.4.3 Liquidity risk mitigation

Holding liquid assets mitigates liquidity risk; these comprise of cash, cash equivalents such as liquidity funds, short dated gilts and other deep and liquid assets. The Group deposits cash with strong, highly rated banks. In addition, other liquid resources are held in several liquidity funds managed by well-known counterparties which have a substantial asset size.

Liquidity risk management tools include:

- Stress and scenario testing and analysis: Just's liquidity risk framework sets out details of liquidity stresses, in particular, covering collateral margin stresses and asset eligibility and haircuts under stress. These stresses form the basis of the short term liquidity risk appetite monitoring;
- Increased corporate collateral capacity: Further increasing corporate collateral arrangements can reduce the liquidity demand against derivative collateral margin movements and therefore improve the firm's short-term liquidity stress resilience;
- Risk assessment reporting and Risk Event logs: Regular risk assessment is performed and Management Information presented to the appropriate management committees with clear escalation procedures and thresholds. Any risk events or exceptional liquidity outflows are recorded appropriately and analysed to improve resilience; and
- A contingency funding plan: A separate contingency funding plan is maintained and regularly reviewed, detailing the different funding options (including revolving credit facilities), the timescale of obtaining the funding, and the relative cost and difficulty of each option, and the decision points and decision making process for implementing actions. These allow the Group and its UK regulated insurance entities manage liquidity stress events in a timely and orderly manner.

Risk management, measurement and monitoring practices are subject to regular reporting and oversight as described earlier in this section.

C.5 Operational risk

C.5.1 Nature and concentration of material operational risks

Operational risk is defined as the risk of loss arising from failed or inadequate processes and systems, from people or from external events. Operational risks are not actively sought out but arise as a consequence of doing business or as a consequence of other risks we choose to seek or take. The Group aims to mitigate its exposures to operational risks through its control environment.

Inherently the most material operational risks, as identified through scenario analysis, are:

Model Risk

There is an inherent risk of adverse consequences from model errors or the inappropriate use of modelled outputs to inform business decisions and whilst checks and balances are in place to reduce the incidence and materiality of errors, including external review, model validation and model health checks, it is not possible to eliminate all risk.

Mis-selling/Misconduct

The Group is exposed to the inherent risk of systemic conduct failure such as systemic mis-selling. The Group has a comprehensive governance structure, including a Group Conduct and Operational Risk Policy and a Conduct and Customer Risk Framework, which together with key controls minimise the potential for the occurrence of conduct risk incidents.

The Group is also exposed to the inherent risk of systemic mis-selling through its advice company. This risk is controlled through advice quality checking (including for automated advice) and a comprehensive Training and Competency framework.

Information security

Cybercrime remains a continued threat, and we recognise that threats can change quickly. Just Group's exposure increased due to the implementation of a hybrid working model, and through continued expansion of our online presence, (both digital and ecommerce capability). Information security remains under constant review as cyber-threats evolve and security tools are being deployed commensurate to the identified threats.

Proposition and Product design and maintenance errors

Flaws or errors in the design, delivery and maintenance of products and propositions is an inherently high risk. Policies and procedures are in place to govern new product development and lifecycle management of existing products.

Just has outsourced the provision of some customer service operations and relies on material third parties for the provision of technology and important business services and, therefore, third party risk management remains an important area of focus.

Financial crime

The inherent risk of financial crime is high; however, the control framework in place ensures financial crime incidents are infrequent.

Product Pricing

Inherently the impact of errors in product pricing could be high, either from pricing being too prudent or too generous, resulting in an opportunity loss or written business not achieving required targets. Reconciliations and tolerance checks are in place to identify errors.

Identify and comply with regulation

The volume of regulatory change remains high and has the potential to impact the viability of products and services. A robust system for identification of regulatory change and implementation tracking is in place. Implementation of regulatory change can be a significant overhead for the business.

Business Disruption

The business has an effective hybrid working model which reduces the dependency on physical office space while still promoting collaborative working. Just Group continues to focus on ensuring availability, recoverability and resilience capabilities are appropriate and is committed to ensuring onsite workspace availability. Continuing to enhance business resilience remains a priority for the business.

Investment Management

Just Group's internally managed asset portfolios are growing, and more diverse asset classes are being invested in. An increasing degree of complexity results in the potential for and increase in the inherent exposure to operational error, and with larger investments the size of the error could also increase. The investment management control framework, combined with increasing investment in skilled resources help to mitigate the risks.

C.5.2 Operational risk mitigation

Risk management, measurement and monitoring practices are subject to regular reporting and oversight as described in the introduction to this section. The Group maintains a risk taxonomy, including core operational risks. Each core operational risk has an assigned risk owner who is responsible for overseeing the management of that risk and the assessment and reporting on risk exposure; this includes key risk indicators and actions in progress (or planned) to reduce risk exposure or to mitigate risk events. Risks are assessed against the standard impact and likelihood risk rating criteria.

Risk owners are required to implement control environments commensurate to the operational risk exposure and record and maintain the key controls for the risk that they are responsible for managing on a risk management database. Controls effectiveness is assessed regularly, with supporting evidence of the controls maintained.

The Risk Policies and associated frameworks define the objectives to be achieved by the control framework to manage each core operational risk. Company Risk Policy owners are required to review their policies annually and to attest to the Group's material adherence to policy requirements.

Material enhancements to the operational risk environment may take the form of a change project or a programme of work, for example a new system implementation. For major changes, an independent assessment of the risks involved and how they will be mitigated is prepared for the Executive Risk Committee and Group Risk and Compliance.

It is the Group's intent that its corporate insurance programme mitigates all conceivable, and insurable, financial impacts of operational risk events.

C.6 Other material risks

C.6.1 Regulatory changes and supervision

Just and its UK regulated insurance entities monitor and assess regulatory developments on an on-going basis. We seek to actively participate in all regulatory initiatives which may affect or provide future opportunities. Our aims are to implement any changes required effectively and deliver better outcomes for our customers and competitive advantage for the business. We develop our strategy by considering planned political and regulatory developments and allowing for contingencies should outcomes differ from our expectations. We also keep under review the possible need for capital management actions, such as reducing new business volumes.

The financial services industry continues to see a high level of regulatory activity and regulatory supervision. This is shown in the PRA's 2024 priorities for insurance supervision and the Business Plans of the PRA and the FCA. The regulatory agenda for the coming year covers many areas directly relevant to Just. Significant regulatory and political changes impacting Just are summarised below.

The PRA have concluded their phased consultation approach to the Solvency II Review and have fully established the "Solvency UK" framework with the publication of PS15/24 which took effect from 31 December 2024. Whilst this brings a level of certainty to the prudential regulatory regime in the UK, the PRA have committed to continue to evolve its prudential regulatory framework for the insurance sector in 2025 and beyond.

The preceding publication PS10/24 – Reform of the Matching Adjustment (MA) brought with it a widening of the range of investments that firms may hold in MA portfolios, establish a streamlined MA application process, and introduce an attestation process for the amount of MA benefit being claimed to ensure firm accountability. MA is a key element of the reform for the Group and provides a good opportunity for the Group allowing for greater flexibility of MA eligible investments.

This publication is likely to be just the first step in opening up the potential asset 'universe' for annuity writers with discussions on the use of sandboxes which have explored mechanisms for facilitating the inclusion of assets that do not currently have MA approval within MA portfolios. Initial discussions have focused on an 'Investment Accelerator' which is intended to speed up the investment process by allowing firms to invest in eligible assets with new risks and / or features prior to receiving PRA approval, and a Consultation Paper is now expected in H1 2025 in respect of such.

The Group has utilised funded reinsurance including to fund part of the Group's largest DB transaction to date, a £1.8bn full buy-in transaction signed in August 2024. That and that which it has already, is collateralised with awareness of the recapture risks and correlated risks the PRA is concerned with in PS13/ 24.

In its SS5/ 24 effective from July, the PRA outlined its new expectations focusing on risk management, solvency capital requirements, and structuring arrangements. The Group completed a self-assessment against these expectations which will inform its business strategy and review of its reinsurance counterparty risk framework.

The next Life Insurance Stress Test will take place in 2025. Just Retirement Limited and Partnership Life Assurance Company Limited are both participating. This will be the first time that the PRA publishes the individual results of the largest annuity-writing firms and the first time an exploratory scenario will be included to assess exposure to the recapture of funded reinsurance contracts. The PRA believe such results will help inform it and other stakeholders about the vulnerabilities to which firms are exposed and their overall resilience. The PRA have published its scenario specifications and approach document and continues to engage with the industry on the approach to disclosure.

Just Group and its UK regulated insurance entities is committed to delivering better outcomes for its customers. The FCA's rules for a new Consumer Duty sets higher and clearer standards for consumer protection across financial services and require firms to put customers' needs first. The new Consumer Duty was implemented in full by 31 July 2024, and the Group completed its first annual report to the Board in support of its assessment that the firm is delivering good outcomes for its customers which are consistent with the Duty. The FCA will

continue to test for higher consumer protection standards through its embedding of Consumer Duty and specifically through multi-firm work and market studies across different sectors to drive up standards, in addition to reviewing firms' treatment of customers in vulnerable circumstances. The Group continues in its commitment to delivering better outcomes for its customers and the implementation of enhancements to its products and services continues where possible.

Observing regulatory changes emerging against a backdrop of continuing global events provides challenges and opportunities, driving continuous improvement.

C.7 Any other information

C.7.1 Sensitivities

The sensitivities as at 31 December 2024 are determined on proforma Solvency II basis, which reflects the repayment of £155m of Tier 3 debt on 7 February 2025. We use sensitivity analysis to understand the impact that changes to the material individual risks would have on the solvency coverage ratio. The choice of sensitivities are simple stresses that have been disclosed over time to allow for comparison purposes. The sensitivities are not intended to represent any probability of occurrence.

Market Risk

- Interest rate -50 bps: In this stress, the Solvency II basic risk-free interest rate term structure is reduced by 50 basis points. We apply this as a parallel shift to the curve and with a recalculation of the TMTP.
- Property values: The stress has been modelled as an immediate fall in property prices by 10%. This sensitivity has been performed with a recalculation of the TMTP. Effective Value deferral rate management action assumptions partially offset balance sheet sensitivity.
- Credit Spread: We assume credit spreads on credit risky corporate bonds increase by 100 basis points. Fundamental spreads are unchanged so there is no increase in default within the MA portfolios.

Underwriting Risk

- Mortality: In this stress, we assume that mortality rates reduce by 5% (on annuities and LTMs) with no change in longevity trend assumptions.
- LTM Early Redemptions: In this stress, we assume that there is a 10% increase to LTM early redemption rates.

Credit Risk

- Credit Migration: This stress covers the cost of an immediate full letter downgrade on 10% of all assets where the capital treatment depends on a credit rating except for LTMs/LTM notes. Downgraded assets are assumed to be traded to their original credit rating, so the impact is primarily a reduction in Own funds from the loss of value on downgrade.

Solvency II sensitivities

Sensitivities are performed on the proforma Solvency II balance sheet after the impact of a notional recalculation of TMTP.

Proforma solvency coverage ratio/excess own funds for the Group at 31 December 2024^{1,2},

Solvency II sensitivities	2024 ^{3,4}		2023	
	Excess own funds	Capital Coverage Ratio	Excess own funds	Capital Coverage Ratio
	£m	%	£m	%
YE capital position	1,561	204	1,527	197
-50 bps fall in interest rates (with TMTP recalculation)	+59	-4	+26	-6
+100 bps credit spreads (with TMTP recalculation)	+106	+11	+109	+14
Credit quality step downgrade ⁵	-89	-6	-109	-7
+10% LTM early redemption	+22	+2	+19	+2
-10% property values (with TMTP recalculation) ⁶	-84	-6	-141	-10
-5% mortality	-129	-8	-147	-10

1 The sensitivities above are determined by applying stresses to single risk factors. Stresses to multiple risk factors at the same time can create more severe outcomes than on individual factors as reported above.

2 The results do not include the impact of capital tiering restriction, if applicable.

3 The Effective Value Test ("EVT") deferment rate is allowed to change subject to the minimum deferment rate floor of 3.5% as at 31 December 2024.

4 Sensitivities are applied to the reported proforma capital position which includes a TMTP recalculation.

5 Credit migration stress covers the cost of an immediate big letter downgrade (e.g. AAA to AA or A to BBB) on 10% of all assets where the capital treatment depends on a credit rating (including corporate bonds, long income real estate/income strips; but lifetime mortgage senior notes are excluded). Downgraded assets are assumed to be traded to their original credit rating, so the impact is primarily a reduction in Own Funds from the loss of value on downgrade. The impact of the sensitivity will depend upon the market levels of spreads at the balance sheet date. In addition, for residential ground rents, the Group has identified that the impact of downgrading the entire portfolio to BBB would reduce Excess own funds (the capital surplus) by £22m and CCR% by two percentage points.

6 After application of NNEG hedges.

Property prices

The property sensitivity for an immediate 10% fall in UK house prices has reduced to 6% (31 December 2023: 10%). This reduction has mainly been driven by the lower proportion of LTMs of the asset portfolio and partly by modelling refinements following implementation of the internal model on the Partnership business. The reduced LTM backing ratio on new business contains the Solvency II sensitivity to house prices well within risk appetite.

Interest rates

The decrease in the sensitivity from FY23 is primarily driven by management decisions to increase interest rate hedging (of downside exposure) by purchasing £1.6bn of Gilts over the period. Interest rate hedging strategy includes the use of swaps to reduce exposure to gilt-swap-spreads.

Credit quality step downgrade

The credit quality step downgrade sensitivity has slightly reduced due to credit spreads narrowing during the period, which decreases the cost of trading the 10% of our credit portfolio assumed to be downgraded back to their original credit rating.

Mortality rates

The sensitivity has marginally improved in FY24 following the major model change to PLACL internal model and the allowance of a TMTP recalculation. A high proportion of longevity risk on new business Just writes is reinsured, apart from the Care business for which the risk is retained in full. Most of the financial exposure to the longevity risks that are not reinsured relate to certain business written prior to 2016.

C.7.2 Sensitivity to operational risks

A suite of scenarios is developed covering the core operational risks to which the Group and its UK regulated insurance entities are exposed.

Workshop analysis is carried out for each scenario attended by subject matter experts within the Group. Workshop analysis derives an agreed likelihood and two severity data points for the risk scenario being

examined. Where appropriate and available, external and internal data are used to support this consideration. This information is then used as the basis for capital modelling of the potential financial impact of the core operational risk being analysed.

Validation checks and sensitivity analysis are incorporated throughout the calibration process. The tests include:

- Testing points further into the tail, like 1-in-500, 1000 and 2000
- Backtesting of fitted distributions against ORIC data
- Testing the shape of the fitted loss distribution and comparing that to scenario analysis assumptions
- Testing the sensitivity of the SCR to correlations
- Sensitivity testing the distributions used to model severity
- Examining the risk ranking of the scenarios post diversification within operational risk

C.7.3 Stress and scenario analysis

The Group uses stress testing, reverse stress testing and scenario analysis which includes risk appetite assessments, experience variance projections, interaction and scenarios as well as reverse stress testing to better understand the robustness of its business plans and balance sheet to all risks represented by real world scenarios. The stress and scenario analysis is carried out as part of the Group's ORSA process, run-off and recovery planning, and liquidity risk management.

The Group is participating in the PRA's Life Insurance Stress Test exercise in 2025 and expect the results to be published in the second half of 2025. We expect LIST results to inform regulatory policy and supervisory activity going forward. The Group holds a capital buffer above that required by regulation to withstand a 99.5% 1 year VaR shock. The target level of buffer is maintained in line with industry peers.

Chapter D – Valuation

Contents

D. Valuation for Solvency Purposes	69
D.1 Assets	73
D.1.1 Asset valuation	73
D.1.2 Valuation for solvency purposes	74
D.2 Technical Provisions	77
D.2.1 Methodology used in the calculation of Technical Provisions	77
D.2.2 Valuation of Technical Provisions	79
D.2.3 Differences to statutory IFRS reporting	80
D.2.4 Key assumptions used in calculation of Technical Provisions	81
D.2.5 Level of uncertainty in valuation	83
D.2.6 Long-term guarantee measures	84
D.2.7 Transitional measures	87
D.3 Other liabilities	88
D.3.1 Other liabilities	88
D.3.2 Valuation for solvency purposes	88
D.4 Alternative methods for valuation	90
D.5 Other information	93

D. Valuation for Solvency Purposes

This section provides information on the excess of assets over liabilities resulting from valuation of assets, technical provisions and other liabilities for solvency reporting purposes. The solvency valuation bases, including the methods and assumptions, are applied consistently from last year.

To the extent this section relates to risk margin and TMTP, they are not subject to external audit and have not been audited.

Method of consolidation

The Group Solvency II balance sheet has been prepared using the default accounting consolidation method ('method 1'). This differs to the methods applied under IFRS for the Group consolidated financial statements as noted in the table below. All principal subsidiaries of the Group are 100% held.

Type of undertaking	Solvency II Group balance sheet	IFRS Group balance sheet
Insurance undertakings, insurance holding companies and ancillary service companies	Full consolidation, excluding JRSA (see below)	Full consolidation, including JRSA (see below)
Other financial sectors	Own funds according to relevant sectoral rules, with values included in 'Participations' line of balance sheet	Full consolidation
Other, including related undertakings	Valued according to Solvency II rules and included in 'Participations' line of the balance sheet	Full consolidation if entity is controlled by Just, otherwise equity accounted in a single line in IFRS balance sheet
JRSA	Excluded from consolidation	Full consolidation

The bases, methods and assumptions used at Group level for the valuation of assets and liabilities are consistent to those used by its UK regulated insurance entities except the difference arising on consolidation including investments in property unit trusts that are fully consolidated, or equity accounted in the Group consolidated accounts. These investments are accounted for at fair value in the UK regulated insurance entities' IFRS statutory accounts.

Just Group plc has waivers with references 00005140 / 00005141 effective from 1 January 2023 to 30 June 2027 from the PRA to exclude JRSA from the scope of its regulatory reporting as this regulated insurance business outside the UK has been deemed of negligible interest with respect to the objectives of group supervision. JRSA's IFRS net assets of £8m as at 31 December 2024 (2023: £7m) have therefore been excluded from the scope of the Solvency II balance sheet and supporting analyses within this report.

Reconciliations to IFRS statutory accounts

Just Group plc Statement of financial position

2024	IFRS value	Re-insurance Liabilities	Col-lateral	De-consolidation of non-insurance participations	Other Reclassifications	IFRS value in SII format (Statutory)	SII basis (Solvency)
	£m	£m	£m	£m	£m	£m	£m
Intangible assets	40	-	-	-	-	40	-
Property, plant and equipment	20	-	-	-	-	20	19
Investment property	27	-	-	-	-	27	27
Financial investments	34,390	-	233	(174)	-	34,449	33,591
Investment in joint ventures and associates	119	-	-	-	-	119	118
Reinsurance assets	2,067	(69)	-	-	(9)	1,989	1,707
Deferred tax assets	387	-	-	-	-	387	-
Current tax assets	1	-	-	-	(1)	-	-
Prepayments and accrued income	14	-	-	-	(14)	-	-
Other Receivables	49	-	-	202	24	275	293
Own shares directly held	-	-	-	-	-	-	3
Cash and cash equivalents	808	-	-	(28)	-	780	754
Total assets	37,922	(69)	233	-	-	38,086	36,512
Insurance liabilities ²	27,753	-	-	-	43	27,795	25,141
Reinsurance liabilities ¹	94	(69)	-	-	(25)	-	-
Investment contract liabilities	42	-	-	-	(42)	-	-
Loans and borrowings	839	-	-	-	-	839	800
Other financial liabilities	7,889	-	233	-	80	8,202	8,153
Accruals and provisions	59	-	-	-	(56)	3	3
Total liabilities	36,676	(69)	233	-	-	36,840	34,096
Excess of assets over liabilities	1,246	-	-	-	-	1,246	2,415

1 As the Solvency II balance sheet does not include a line for Reinsurance liabilities, this amount is netted off against reinsurance assets. Reinsurance receivables and reinsurance payables are within Other Receivables and Other Payables respectively.

2 The risk margin and transitional measures within technical provisions are unaudited.

Just Retirement Limited

Statement of financial position

2024	IFRS value £m	Re-insurance Liabilities £m	Collateral £m	Other Reclassifi- cations £m	IFRS value in SII format (Statutory) £m	SII basis (Solvency) £m
Property, plant and equipment	7	-	-	(1)	6	6
Financial investments	29,989	-	220	-	30,209	29,882
Reinsurance assets	1,737	(69)	-	-	1,668	1,442
Deferred tax assets	310	-	-	(1)	309	-
Current tax assets	1	-	-	(1)	-	-
Other receivables	260	-	-	3	263	285
Cash and cash equivalents	682	-	-	-	682	682
Total assets	32,986	(69)	220	-	33,137	32,297
		-				
Insurance liabilities ²	24,144	-	-	5	24,149	22,234
Reinsurance liabilities ¹	93	(69)	-	(24)	-	-
Investment contract liabilities	5	-	-	(5)	-	-
Loans and borrowings	509	-	-	-	509	484
Other financial liabilities	7,139	-	220	-	7,359	7,358
Deferred tax liabilities	-	-	-	-	-	36
Other payables	343	-	-	24	367	371
Accruals and provisions	1	-	-	-	1	1
Total liabilities	32,234	(69)	220	-	32,385	30,484
Excess of assets over liabilities	752	-	-	-	752	1,813

1 As the Solvency II balance sheet does not include a line for Reinsurance liabilities, this amount is netted off against reinsurance assets.

2 The risk margin and transitional measures within technical provisions are unaudited.

Partnership Life Assurance Company Limited

Statement of financial position

2024	IFRS value £m	Re- insurance Liabilities £m	Collateral £m	Reclassifi- cations £m	IFRS value in SII format (Statutory) £m	SII basis (Solvency) £m
Intangible assets	2	-	-	-	2	-
Financial investments	3,545	-	13	-	3,558	3,538
Reinsurance contract assets	330	-	-	(9)	321	265
Deferred tax assets	64	-	-	-	64	15
Other receivables	34	-	-	9	43	46
Cash available on demand	51	-	-	-	51	51
Total assets	4,026	-	13	-	4,039	3,914
Insurance liabilities ¹	3,181	-	-	-	3,181	2,907
Loans and borrowings	201	-	-	-	201	185
Payables and other financial liabilities	430	-	13	2	445	449
Accruals	2	-	-	(2)	-	-
Total liabilities	3,814	-	13	-	3,827	3,541
Excess of assets over liabilities	212	-	-	-	212	374

1 The risk margin and transitional measures within technical provisions are unaudited.

D.1 Assets

D.1.1 Asset valuation

The tables below show the composition of assets as at 31 December 2024 and 31 December 2023 presented on the Solvency II reporting basis, with statutory reporting valuation bases presented alongside for comparison purposes.

The IFRS statutory accounts values are presented after reclassification to the solvency reporting format, but before any valuation adjustments. Reconciliations of the IFRS statutory basis to the IFRS Report and accounts are provided in the summary to chapter D.

2024	Group		JRL		PLACL	
	Solvency	Statutory	Solvency	Statutory	Solvency	Statutory
	£m	£m	£m	£m	£m	£m
Goodwill	-	34	-	-	-	1
Intangible assets	-	6	-	-	-	1
Deferred tax assets	-	387	-	309	15	64
Property, plant & equipment	19	20	6	6	-	-
Property (other than for own use)	27	27	-	-	-	-
Participations	118	119	-	-	-	-
Equities	2	2	-	-	-	-
Bonds	19,397	20,040	17,627	17,954	1,770	1,790
Collective investment undertakings	2,022	2,149	1,380	1,380	336	336
Derivatives	2,756	2,756	2,630	2,630	126	126
Deposits other than cash equivalents	1,041	1,041	939	939	101	101
Loans & mortgages	8,373	8,460	7,306	7,306	1,204	1,204
Reinsurance recoverables	1,707	1,989	1,442	1,668	265	321
Insurance & intermediaries receivables	24	-	22	-	3	-
Reinsurance receivables	9	9	-	-	9	9
Receivables (trade, not insurance)	259	267	263	263	34	34
Own shares (held directly)	3	-	-	-	-	-
Cash and cash equivalents	754	780	682	682	51	51
Total Assets	36,512	38,086	32,297	33,137	3,914	4,039

2023	Group		JRL		PLACL	
	Solvency	Statutory	Solvency	Statutory	Solvency	Statutory
	£m	£m	£m	£m	£m	£m
Goodwill	-	34	-	-	-	1
Intangible assets	-	7	-	-	-	1
Deferred tax assets	-	406	-	328	17	72
Property, plant and equipment	22	22	9	9	-	-
Property (other than for own use)	32	32	-	-	-	-
Participations	149	149	-	-	-	-
Bonds	16,278	16,203	14,320	14,059	1,958	1,960
Collective investment undertakings	1,510	1,623	1,026	1,026	346	346
Derivatives	2,363	2,377	2,253	2,267	110	110
Deposits other than cash equivalents	838	838	739	739	98	98
Loans and mortgages	8,361	8,378	7,224	7,193	1,310	1,310
Reinsurance recoverables	572	1,102	283	754	289	348
Insurance and intermediaries receivables	1	-	-	-	1	-
Reinsurance receivables	7	7	-	-	7	7
Receivables (trade, not insurance)	206	209	193	193	10	10
Own shares (held directly)	5	-	-	-	-	-
Cash and cash equivalents	514	545	401	401	89	89
Total assets	30,858	31,934	26,449	26,971	4,236	4,353

D.1.2 Valuation for solvency purposes

Assets have been valued according to the requirements of the Solvency II Directive and related guidance, which requires that assets are recognised at the value that they could be exchanged between knowledgeable parties in an arm's length transaction. For the most part, measurement of assets under Solvency II is consistent with the IFRS valuations used in the statutory accounts. The most significant differences are:

- Valuation of goodwill and intangibles;
- Valuation of reinsurance recoverables;
- Valuation of the portfolio of gilts (and their corresponding repurchase arrangements) accounted for using an amortised cost basis for statutory reporting;
- Classification of deposits;
- Consequences of deferred tax on revaluation of technical provisions and reinsurance recoverable; and
- Treatment of participations

Extensive use of market data and alternative valuation methodologies are applied for the purpose of valuation of financial assets, similar to their treatment for IFRS reporting purposes. Individual assets and liabilities are valued separately in accordance with the PRA rulebook.

Solvency II valuation policies are as follows:**Goodwill**

Goodwill is valued at nil for Solvency II purposes in accordance with the PRA rulebook.

The IFRS valuation recognises goodwill as an asset which represents the excess of the cost of acquisition over the fair value of the Group's share of net assets acquired in a business combination.

Intangible assets

For Solvency II purposes, intangible assets that can be sold separately in an active market are valued at realisable value less sale costs. An active market for this purpose is one where prices can be observed. All other intangible assets are valued at nil value.

The Group holds distribution network, intellectual property, and software intangible assets, none of which are attributed any value under Solvency II reporting as they are considered non-separable assets.

Deferred tax assets and liabilities

The methodologies used for Solvency II reporting and IFRS reporting are consistent, with only the impact of valuation differences resulting in differences in carrying amount.

Provision is made for deferred tax liabilities and credit taken for deferred tax assets using the liability method on all material temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Solvency II and IFRS balance sheets. The principal temporary differences arise from the fair valuation of certain financial assets and liabilities, technical provisions and reinsurance recoverables, and tax losses carried forward. Temporary differences are determined by reference to the carrying amount of an asset or liability, this applies even where that carrying amount is itself determined on a discounted basis.

The eligibility of deferred tax assets including valuation uncertainty is considered in section E.1.3.

Within both Solvency II reporting and the IFRS statutory accounts, deferred tax assets and liabilities arising from distinct sources of timing differences are aggregated within categories and only net balances are reported where we have the ability to settle tax on a net basis.

Property, Plant and Equipment (held for own use)

Property assets in JRL relate to property held for own use. JRL applies the IFRS revaluation method as the regular revaluations under IFRS provide a fair value under Solvency II reporting purposes.

Property (other than for own use)

Included within the commercial ground rents is an investment held via a Jersey Property Unit Trust ("JPUT") which owns the freehold. JRL and PLACL collectively own 100% of the units in the JPUT, resulting in the Group having a controlling interest due to its power to remove the Trustees with unanimous consent of the unit holders.

The investments in the JPUT units by JRL and PLACL are accounted for as financial investments at fair value through profit and loss in their statutory accounts. At Group level, the assets and liabilities of the JPUT are consolidated.

Participations

For Just Group, the Solvency II value consists of a holding of 60% equity stake in the Guernsey Property Unit Trust ("GPUT") measured using the equity method, non-insurance subsidiary participations valued under either the adjusted equity method or sectoral rules, and the share of net assets of all associated undertakings valued on a Solvency II basis.

Under IFRS, all entities controlled by the Group are consolidated on a line-by-line basis and only associated undertakings are reported here. Associated undertakings are accounted for applying the equity method on an IFRS valuation basis resulting in a difference between Statutory and Solvency valuation on look-through to the underlying net assets of the associate. The GPUT under IFRS includes £11m capitalised transaction costs, which are removed under Solvency II reporting basis.

Financial investments, Bonds, Investment funds and Derivatives

With the exception of gilt purchases and associated repurchase agreements, all financial investments are measured at fair value for both Solvency II and IFRS purposes.

Consistent with IFRS reporting, Just Group uses alternative valuation methods in accordance with the PRA rulebook, where values are not readily available. Further information on financial investments valued using an alternative method to either a quoted market price or a quoted market price for a similar asset is included in section D.4. Details on IFRS valuations are included in section 1.13. Financial investments of the Group Report and Accounts.

The Group has entered into a number of repurchase agreements whereby a fixed amount is repayable at a certain date. At the inception of these agreements, they had durations of between 12 and 21 months. These gilts and corresponding repurchase agreements are measured at amortised cost under IFRS while under Solvency II they are reported at fair values.

Another difference between the IFRS and Solvency II investments values in Just Group is due to the removal of JRSA from the scope of Solvency II reporting.

On 9 November 2023, the previous Government published a consultation seeking views on capping the maximum ground rent that residential leaseholders can be required to pay, but did not implement any reform of residential ground rent before dissolution of parliament ahead of the election. The Group continues to closely monitor developments as leasehold reform was included in the new government's manifesto and subsequent King's Speech, and any adverse impact this may have on the Group's £157m by market value (2023: £176m market value) portfolio of residential ground rents. Reflecting the uncertainty associated with the Consultation, an adjustment was made at year end 2023 and the same approach to that adjustment has been followed at year end 2024.

Deposits and cash equivalents

Deposits are classified on the Solvency II balance sheet in accordance with the PRA rulebook.

- Deposits held within UCITS are reported within Collective Investments Undertakings.
- Deposits that cannot be used to make payments until before a specific maturity date are classified as deposits.
- Deposits exchangeable for cash on demand without penalty or restriction are classified as cash equivalents.

IFRS applies a three-month term beyond which balances are treated as deposits, unless they are immediately callable, in which case they are treated as cash. The Group does not currently hold any term deposits that would be considered against this IFRS treatment.

Investments in liquidity funds are classified as investment funds in Solvency II and in IFRS, as a separate component of financial instruments ("Liquidity funds"), as they do not meet the definition of cash available on demand.

Loans and mortgages (LTMs)

The Solvency II valuation of loans and mortgages is consistent with IFRS reporting as described in the Annual Report and Accounts. As a deep and liquid trading market for LTMs does not exist, the value of the residential mortgage portfolio is calculated by marking to model. The present value of the cash flows for each individual mortgage has been calculated using a discount rate equivalent to the risk-free rate based on the swap curve plus a liquidity premium adjustment. More detail on IFRS valuations is provided within sections 16.vi Fair Value of Financial Assets and Liabilities of LTMs of the Group Report and Accounts, 10 (d) (iii) Fair Value of Financial Assets and Liabilities of the JRL financial statements and 9 (d) (iii) Fair Value of Financial Assets and Liabilities of the PLACL financial statements.

Loans and mortgages (other items)

In addition to LTMs, Loans and mortgages include commercial mortgages, infrastructure loans and long only real estate (commercial and residential ground rents, and income strips). The Solvency II valuation of other loans and mortgages is consistent with IFRS reporting.

Reinsurance recoverables

Reinsurance recoverables are classified as assets in Solvency II reporting, irrespective of whether a balance is in an asset or in a liability position. The value of reinsurance is negative where the longevity swaps are out of the money. The risk-free discount rate used for the Solvency II valuation of reinsurance recoverables differs to that used in IFRS reporting. No matching adjustment is applied.

The amounts recoverable from reinsurance arrangements are calculated as the sum of the present value of the expected recoverable cash flows. Compared to IFRS 17, there is no associated risk adjustment or contractual service margin. The present value of the expected recoverable cash flows is calculated using the same methodology, bases and assumptions used to derive the Best Estimate Liability of the cash flows that are reinsured, as explained in section D.2.6 below.

Under IFRS and Solvency II any deposit back liabilities are offset within the reinsurance recoverables.

Under Solvency II, the reinsurance recoverable includes an adjustment to allow for the risk of reinsurer default using the methodology prescribed by the Regulations. As the Solvency II balance sheet does not include a line for Reinsurance liabilities, this amount is netted off against reinsurance assets.

Insurance and intermediaries receivables and reinsurance receivables

Under IFRS, insurance receivables are included within insurance contract liabilities. Insurance receivables under Solvency II are specified in accordance with the PRA rulebook as “Amounts past-due for payment by policyholders, insurers, and other linked to insurance business, that are not included in cash inflows of technical provisions.” Material insurance prepayments and receivables that are not overdue are therefore, not included in the insurance receivables line, but instead are part of the best estimate cash flow projections.

Receivables (trade, not insurance)

IFRS treats insurance and other receivables as short-term receivables, for which the time value of money does not have a material impact. The impact of the risk of defaults and credit risk is assessed and reflected in IFRS statutory accounts as a reduction in the value of the asset.

As a short-term receivable for which the time value of money is not material, carrying value after adjustments for default materially represents the value at which the assets could be exchanged with knowledgeable willing parties in an arm's length transaction and therefore meets the requirement of the Solvency II reporting.

The difference between the IFRS and Solvency II values in Just Group is due to the treatment of related undertakings as participations. Any balances within such related undertakings are not included in the Solvency II balance sheet.

Own shares (held directly)

Just Group plc shares held by the Group itself (to satisfy future exercises of employee share scheme awards) are presented as an asset on the Solvency II balance sheet and are ineligible in the calculation of own funds. Own shares are deducted from share capital for IFRS reporting purposes and reported within shareholders equity.

D.2 Technical Provisions

D.2.1 Methodology used in the calculation of Technical Provisions

Under Solvency II, technical provisions gross of reinsurance are the sum of the Best Estimate Liability (“BEL”) and Risk Margin (“RM”). Transitional Measures on Technical Provisions then reduce such technical provisions. The Risk Margin and Transitional Measures on Technical Provision are not subject to audit and have not been audited for FY24. Prior to 31 December 2024, the PLACL Risk Margin was audited when it was calculated using the standard formula.

BEL

BEL is calculated by projecting the expected future benefit outgoings (e.g. annuity payments), premiums and costs of maintaining such contracts. These cash flows are discounted to reflect the time value of money; the relevant discount rate is discussed further in section D.2.4.

The nature of insurance business means that the timing and, in some cases, the amount of future insurance cash flows paid to policyholders is uncertain. To allow for this uncertainty, assumptions are made using actuarial judgement, where appropriate.

The determination of future cash flows is made with reference to the contractual cash flows associated with the various products included within the 'life annuities' line of business. The structure of these products is described below.

- **Guaranteed Income for Life (GifL)**

These are non-profit individually enhanced pension annuities funded from occupational or personal pension funds, written on either a single life or joint life last survivor basis, which provide a level series of payments throughout the life of the annuitant(s), reducing where appropriate on the death of the first life, or incorporate a provision for payments to increase annually at a guaranteed rate. The annuity may incorporate a guaranteed period of payment. JRL's Secure Lifetime Income product, which includes flexibility to make changes in the early years of the plan, is included under this heading.

- **Defined Benefit schemes (DB) and Defined Benefit deferred (DB deferred)**

This business is similar to GifL, except that each scheme contains a number of individual policyholders. There are two propositions, a "buy-in", where in return for the payment of a single premium, pension scheme trustees buy a bulk purchase annuity insurance policy which provides pension benefit payments for identified scheme members and their qualifying beneficiaries. In the "bulk buy-out" proposition the scheme trustees secure member benefits by purchasing, in bulk, many individual annuity policies in the names of the individual scheme members. This wholly transfers the liability for paying member benefits from the pension scheme to Just. DB deferred is the part of DB de-risking transactions that relates to deferred members of a pension scheme. These members are no longer in active service in the pension scheme but have accrued benefits in respect of the period of service in the scheme and have not yet retired.

- **Defined Benefit Partnering**

DB partnering is a DB de-risking transaction that the Group enters into alongside a reinsurance partner with a reinsured quota share, transferring investment as well as longevity risk to the reinsurer. These schemes are usually larger in size, however the nature of the underlying product is consistent with the DB buy-in and buy-out propositions above.

- **Care Plans**

Care plans are a specialist insurance contract contributing to the costs of long-term care by paying a guaranteed income to a registered care provider for the remainder of a person's life. In return for a single premium, Just takes on the obligation to pay the care provider. The product also includes a "payment protection" option whereby the income paid by the policy can be set to be no less than a guaranteed minimum amount.

- **Term Assurance and Whole of Life Protection (discontinued)**

These are non-profit whole of life or fixed term assurances, written on a single life or joint life first death basis. The benefit is a single lump sum payable on death.

- **Fixed Term Annuity (FTA, discontinued)**

This is a non-profit single premium pension plan written under the capped drawdown rules. The plan provides a lump sum that is payable if the insured life survives to the end of the fixed term. There is an option at outset to select a lower sum at maturity and regular income until the earlier of death or maturity. Upon death of the policyholder and subject to the option selected at the outset, there may be a return of premium less income received or income payable to a dependant until the death of that dependant. Capped Drawdown pension business are classified as investment contracts under IFRS as there is no

transfer of longevity risk due to the premium protection option within these fixed term contracts but are within technical provisions under Solvency II.

Risk Margin (“RM”)

The RM is calculated using the assumptions and methodology prescribed by the Regulations which was updated in 2023 as part of HMT’s reform of Solvency II. The updated assumption and methodology are set out in the Insurance and Reinsurance Undertakings (Prudential Requirements) (Risk Margin) Regulations 2023. This change was beneficial for the Group and reduced risk margin by c.60%, partially offset by TMTP for business written prior to the introduction of Solvency II.

The Risk Margin is calculated separately for PLACL and JRL. The SCR calculations underlying the risk margin calculations for both PLACL and JRL are now based on the Internal Model, following the approval of its use for PLACL this year. The Internal Model Risk Margin is unaudited.

The regulations require an SCR for each future year to be calculated for non-hedgeable risks. the permissible simplified methods, subject to the assumptions inherent in each method being appropriate. These methods are:

1. Approximate risks or sub-risks by considering each risk individually, for example using the SCR simplifications for each risk;
2. Proportional approach (run-off in line with technical provisions);
3. Single calculation of present value of all future SCRs using liability duration; and
4. Percentage of the best estimate liabilities (only to be used where the other methods cannot be used).

Method 2 under the Regulations is used in the calculation of the Internal Model RM. However, this is equivalent to using Method 1, since if each of the individual risk capital amounts under Method 1 is assumed to run off proportionately with the same risk driver (e.g. BEL), then Method 1 equates to Method 2, i.e. if the components of SCR run off with BEL, then so will the SCR.

D.2.2 Valuation of Technical Provisions

A breakdown of Solvency II technical provisions by line of business (as defined in the Regulations) is shown in form IR.12, which is summarised in the table below.

	Group		JRL		PLACL	
	Solvency £m	Statutory £m	Solvency £m	Statutory £m	Solvency £m	Statutory £m
2024						
Gross Best Estimate	25,356	23,970	22,330	20,732	3,026	2,830
Risk Margin (unaudited) / Risk adjustment	194	1,052	167	947	26	103
TMTP (unaudited)	(409)		(263)		(146)	
IFRS 17 Contractual Service Margin (CSM)		2,731		2,465		248
Technical provisions - life	25,141	27,753	22,234	24,144	2,907	3,181
Investment contract liabilities		5		5		-
Technical provisions - Index-linked and unit-linked	-	37	-	-	-	-
Technical provisions - Gross total amount	25,141	27,796	22,234	24,149	2,907	3,181
Reinsurance recoverable/(liability)best estimate	1,707	838	1,442	631	265	212
Reinsurance risk adjustment		732		673		58
IFRS 17 Reinsurance CSM		403		340		61
Technical provisions - Net of reinsurance	23,434	25,823	20,792	22,504	2,642	2,851

	Group		JRL		PLACL	
	Solvency £m	Statutory £m	Solvency £m	Statutory £m	Solvency £m	Statutory £m
2023						
Gross Best Estimate	22,105	20,757	18,595	17,338	3,510	3,127
Risk Margin / Risk adjustment	196	924	162	782	34	139
TMTP (unaudited)	(637)		(325)		(312)	
IFRS 17 Contractual Service Margin (CSM)		2,449		2,186		251
Technical provisions - life	21,664	24,131	18,432	20,306	3,232	3,517
Investment contract liabilities		11		11		-
Technical provisions - Index-linked and unit-linked	-	24	-	-	-	-
Technical provisions - Gross total amount	21,664	24,165	18,432	20,316	3,232	3,517
Reinsurance recoverable/(liability)best estimate	572	(65)	283	(294)	289	232
Reinsurance risk adjustment		591		515		74
IFRS 17 Reinsurance CSM		492		441		49
Technical provisions - Net of reinsurance	21,092	23,147	18,149	19,653	2,943	3,162

The Group had a single line of business under Solvency II, "Life annuities", in which all of the Group's principal products are reported.

The RM and TMTP are both entirely allocated to the "Life annuities" line of business and are unaudited.

Index-linked technical provisions of £37m (2023: £24m) relates to JRSA. As explained in the Method of consolidation, JRSA is excluded from the Solvency II reporting basis.

D.2.3 Differences to statutory IFRS reporting

In this section we consider the differences between Solvency II and IFRS for technical provisions, with reference to the table in section 2.2 above.

Gross and reinsurance best estimates

- The projected future cash flows used for Solvency II and IFRS utilise the same standard mortality tables and consistent expense assumptions (See sections D2.4.1 and D2.4.2 respectively).
- The discount rates used in Solvency II are different from IFRS:
 - The Solvency II discount rate (see section D2.4.3) uses the PRA risk-free rates or PRA risk-free rates plus MA which represents an illiquidity premium. There are certain regulatory restrictions over the assets that can be used for MA purposes (see section D2.6.1). LTMs and ineligible callable bonds are structured into tranches of notes to be eligible for MA.
 - The IFRS discount rates are determined based on yields on reference portfolios of assets available to back the liabilities with a deduction of an allowance for expected and unexpected credit risk.
 - Under Solvency II, the fundamental spread is removed from the asset yields to allow for default risk and cost of downgrade when determining the MA.
 - Under IFRS 17, expected and unexpected credit risk is removed from the reference portfolio asset yield used to discount the liabilities.

Solvency II Risk margin / IFRS 17 Risk adjustment

- Under Solvency II, technical provisions include a RM which represents a regulatory allowance for holding risk capital for all types of modelled risks. This risk margin is computed on a net of reinsurance basis.
- The IFRS 17 risk adjustment represents the compensation that an entity requires for bearing non-financial risks: longevity risk, expense risk and operational risk directly associated with the insurance contracts. The value is computed separately for gross and reinsurance contracts.

TMTP

Technical provisions are reduced by the TMTP in Solvency II, which is being used to phase in the impact of moving from Solvency I to Solvency II for business written under the Solvency I regime over a period of 16 years commencing in 2016 (see section D2.7). The full value of the deduction is allocated to gross business within the Solvency II balance sheet. There is no equivalent in the IFRS valuation.

IFRS 17 Contractual Service Margin

Under IFRS 17, profits on insurance contracts are deferred in the Contractual Service Margin ("CSM") component of insurance liabilities on the balance sheet. Similarly, the cost or gain from reinsurance contracts is also spread over the life of the contracts covered by the reinsurance. There is no equivalent under Solvency II, which recognises day 1 gains/ losses immediately.

D.2.4 Key assumptions used in calculation of Technical Provisions

The key assumptions used in the calculation of technical provisions are as follows:

D.2.4.1 Mortality Assumptions

Mortality assumptions have been set by appropriate reference to the standard mortality tables. These tables have been adjusted to reflect the expected (current and future) mortality experience of the policyholders; allowing for the medical and lifestyle evidence collected during the underwriting process, socio-demographic indicators, gender and the Group's assessment of how these factors will develop in the future. The assessment takes into consideration relevant industry and population studies, published research materials, and management's own industry experience.

The Group continues to make an explicit allowance in the Group's mortality assumptions to reflect the emerging evidence of the future impacts of COVID infections and continuing and likely long-lasting disruption to healthcare services. This explicit allowance involved a mortality uplift of +2.8% in 2025, running down to +2.5% in 2030, +1.7% in 2040 and +1.3% in 2050. The revised allowance reflects the signal from the most recent mortality experience; updated views on future mortality drivers following the COVID-19 pandemic; and the impact of adopting the latest version of the CMI model. The Group will continue to follow closely the impact of COVID-19 as part of a comprehensive assessment of all factors influencing mortality trends, in keeping its assumptions under regular review.

For 31 December 2024, projected mortality rates are lower (versus 31 December 2023) in the short term, and higher in the long term. An age-standardised mortality rate for the population of England & Wales aged 50-89 for calendar year 2025 is 2.2% lower; whereas for calendar year 2035 it is 0.8% higher; and for 2045 it is 1.4% higher. For 31 December 2024, the average annual mortality improvement rate over the period 2025-35 is 0.8% p.a. (2023: 1.1% p.a.). Over the period 2035-45 the average annual mortality improvement rate is 1.1% p.a. (2023: 1.2% p.a.). The reference mortality tables which underpin the mortality assumptions are summarised in the table below.

Product group	2024	2023
Individually underwritten GifL Solutions (JRL)	Modified E&W* population mortality projected using mortality improvements from a version of CMI_2023** with a Covid overlay for both Merica and PrognSys™ underwritten business	Modified E&W* population mortality projected using mortality improvements from a version of CMI_2022** with a Covid overlay for both Merica and PrognSys™ underwritten business
Individually underwritten GifL Solutions (PLACL)	Modified E&W population mortality projected using mortality improvements from a version of CMI_2023 with a Covid overlay.	Modified E&W population mortality projected using mortality improvements from a version of CMI_2022 with a Covid overlay.
Defined Benefit (JRL)	Modified E&W population mortality projected using mortality improvements from a version of CMI_2023 with a Covid overlay for standard underwritten business; Reinsurer supplied tables underpinned by the Self-Administered Pension Scheme (“SAPS”) S1 tables, with CMI 2009 model mortality improvements for medically underwritten business	Modified E&W population mortality projected using mortality improvements from a version of CMI_2022 with a Covid overlay for standard underwritten business; Reinsurer supplied tables underpinned by the Self-Administered Pension Scheme (“SAPS”) S1 tables, with CMI 2009 model mortality improvements for medically underwritten business
Defined Benefit (PLACL)	Modified E&W population mortality projected using mortality improvements from a version of CMI_2023 with a Covid overlay.	Modified E&W population mortality projected using mortality improvements from a version of CMI_2022, with a Covid overlay
Care Plans and other annuity products (JRL/PLACL)	<p>Modified PCMA/PCFA and with modified projected using mortality improvements from a version of CMI_2023 without a Covid overlay for Care Plans.</p> <p>Modified E&W Population mortality projected using mortality improvements from a version of CMI_2023 with a Covid overlay for other annuity products.</p>	<p>Modified PCMA/PCFA and with modified projected using mortality improvements from a version of CMI_2022 without a Covid overlay for Care Plans.</p> <p>Modified E&W Population mortality projected using mortality improvements from a version of CMI_2022 with a Covid overlay for other annuity products.</p>
Protection (PLACL)	TM/TF00 Select	TM/TF00 Select

*E&W – England and Wales

**CMI – Continuous Mortality Investigation

The long-term improvement rates in the CMI 2023 model as at 31 December 2024 are 1.5% for males and 1.25% for females (CMI 2022: 1.5% for males and 1.25% for females). The period smoothing parameter in the modified CMI 2023 model has been set to 7.00 (CMI 2022: 7.00). The addition to initial rates (“A”) parameter in the model

has been set to 0% (CMI 2022: between 0% and 0.25% depending on product). Weighting of post 2019 data is 0% and all other CMI model parameters are the defaults (CMI 2022: 0% weight to post 2019 data and other parameters set to defaults).

D.2.4.2 Expenses

Assumptions for future costs of maintaining policies are set with reference to analysis of the existing expense base and actual fees payable under the contracts for those services outsourced. The assumptions cover both the direct and indirect costs of maintaining policies.

The JRL GifL maintenance expense assumption used at 31 December 2024 was £29.05 per plan (2023: £25.37), whilst the JRL DB maintenance assumption used at 31 December 2024 was £71.14 per scheme member (2023: £68.49).

The PLACL GifL maintenance expense assumption used at 31 December 2024 was £40.42 per plan (2023: £28.85), whilst the PLACL DB maintenance assumption used at 31 December 2024 was £119.74 per scheme member (2023: £203.50).

The assumed future policy expense levels incorporate a best estimate annual inflation rate allowance of 3.7% (2023: 3.6%) derived from the weighted average of three components:

- Proportion of expenses assumed to escalate with wage inflation;
- Proportion of expenses assumed to escalate with CPI; and
- Proportion of expenses assumed to escalate with RPI.

Assumptions for future policy expense levels are determined from the Group's recent expense analyses.

D.2.4.3 Discount rates

In order to calculate BEL, cash flows are discounted to reflect the time value of money.

Under Solvency II, the relevant discount rate is comprised of:

- A basic risk-free interest rate term structure, provided by the Prudential Regulation Authority (PRA); plus
- A flat adjustment to that rate, where approved by the PRA. The adjustment applied by the Group is the Matching Adjustment and is part of the Solvency II long-term guarantee measures (see section D.2.6).

Approval has been obtained by the PRA as follows:

- JRL: Written notice 00003692 dated 16 December 2021
- PLACL: Written notice 000008208 dated 29 June 2024. This revised MA application primarily captures the securitisation of LTMs for PLACL following PRA approval in June 2024 (see section D.2.6.1).
- PLACL previously also applied the Volatility Adjustment ("VA"), however PLACL obtained permission to cease the use of VA from 30 September 2020 under written notice 00002249 on 18 December 2020.

Further explanation on the matching adjustment and volatility adjustment are given in section D.2.6 below.

D.2.5 Level of uncertainty in valuation

Set out below are the main areas of uncertainty over the calculation of liabilities.

Technical provisions

The BEL corresponds to the probability-weighted average of future cash flows, taking account of the time value of money using the relevant risk-free interest rate term structure (plus a matching adjustment where applicable). Cash flows reflect estimates of how markets and the business might behave in the future given policyholder data, cash flow models and a set of assumptions.

All estimates are based on management's knowledge of current facts and circumstances, assumptions based on that knowledge, and their predictions of future events and actions. Actual results may differ from those

estimates, possibly significantly. Fluctuation in the amount and/or timing of claims events is considered particularly susceptible to valuation uncertainty, such as estimating the length of time for which an annuity will be paid which requires a projection of annuitant mortality rates in excess of 20 years into the future which cannot be done with certainty.

The best estimate liability assumptions are subject to a rigorous governance process, underpinned by actuarial judgement and peer review. The scope of assumption review papers includes considering the degree of uncertainty inherent in the assumptions being reviewed.

Data governance and model governance standards are in place, which help to ensure that the cash flow models used to calculate technical provisions are fit for purpose and are managed under appropriate change control processes.

Regulatory compliance

The Group allocates its resources to respond to regulatory developments in a way that it believes is appropriate and proportionate to its circumstances. However, all regulated financial services companies face the risk that their regulator could find that they have failed to comply with applicable regulations or have not undertaken corrective action as required or expected. The impact of any such finding could have a negative impact on the Group's reported results.

Further to the implementation of Solvency II, the PRA has published and continues to publish supervisory statements that set out its expectations for certain aspects of prudential regulation. The financial services industry continues to see a high level of regulatory activity and regulatory supervision.

The Group remains exposed to the changes following SS3/17 "Solvency II: Equity Release Mortgages", notably to the PRA changing the parameters used to determine compliance with the EVT, limiting the matching adjustment available from equity release mortgages. These changes are partially offset by TMTP for business written prior to the introduction of Solvency II. Management regularly assesses the level of buffer above the minimum deferment rate and considers appropriateness of the buffer against an established framework.

At 31 December 2024, JRL and PLACL passed the PRA EVT with a buffer 1.21% (unaudited) (2023: 1.12% - unaudited) and 1.02% (unaudited) respectively, over the current minimum deferment rate of 3.5% (2023: 3.0%) (allowing for a volatility of 13%, in line with the requirement for the EVT). By reducing the LTM backing ratio on new business and maintaining NNEG hedges on c.20% of the LTM portfolio, we have contained the Solvency II sensitivity to house price within an appropriate risk appetite level.

In December 2023, HMT revised the calculation of Risk Margin through the Insurance and Reinsurance Undertakings (Prudential Requirements) (Risk Margin) Regulations 2023 as part of HMT's reform of Solvency II started in November 2022. This was beneficial for the Group and reduced risk margin by approximately 60%, partially offset by TMTP for business written prior to the introduction of Solvency II.

The remaining aspects of HMT's Solvency II reform were implemented during 2024, with the main elements for the Group relating to the MA. The changes include the eligibility of MA portfolios, MA attestations, removal of sub-investment grade cliff and reflection of rating notches. The combined impact of these change resulted in a 2% decrease (unaudited) to the proforma Group Solvency II capital coverage ratio of 204% (unaudited) at 31 December 2024.

D.2.6 Long-term guarantee measures

The long-term guarantee and transitional measures are component of the Solvency II rules and regulations, which require specific approval, so that firms for which it is appropriate to use these components can do so.

For example, for firms that sell annuity business where the liability cash flows are illiquid, it is well-established practice to invest in assets with illiquid characteristics since they are a good match for the illiquid liabilities and set a discount rate which reflects this illiquidity. Under Solvency II, the MA long-term guarantee measure is the mechanism for doing this.

To obtain approval to use the MA, JRL and PLACL had to provide details to the PRA of the features of the assets and liabilities and operational structure that would be used to manage the portfolios. Once approval has been

obtained from the PRA, it can only be withdrawn in specific circumstances where, for example, a firm breaches the conditions of the approval.

The conditions for approval of the TMTP primarily involve demonstrating that the calculation will be carried out appropriately and that the firm is expected to have sufficient capital to cover its SCR as the TMTP runs off in future. JRL and PLACL were able to satisfy both of these requirements.

Firms are required to show the impact on the Solvency II balance sheet of removing each of these long-term guarantee and transitional measures. The impact of removing each of these measures on each of the following is disclosed in QRT form IR.22.01 for the Group, JRL and PLACL included in section F.1 of this report:

- the amount of technical provisions;
- the SCR;
- the MCR;
- the Basic Own Funds; and
- the amounts of own funds eligible to cover the Minimum Capital Requirement and the Solvency Capital Requirement

D.2.6.1 Matching Adjustment (“MA”)

The MA is defined in the PRA rulebook, as a single flat addition (spread), which can be applied to the basic risk-free interest rate term structure.

MA is applied to a large proportion of annuity business within the Group. The MA is based on the yield on the portfolio of assets that have been chosen to replicate the liability cash flows. An adjustment is made to allow for the risk of hedging and credit default and downgrade, based on inputs provided by the PRA. Reinsurance assets are valued at risk free for the purpose of the MA calculation.

The assigned assets consist primarily of GBP denominated corporate bonds, government bonds, derivatives, illiquid assets (including, LTM) and cash. A smaller volume of investments denominated in foreign currencies are held alongside derivatives (cross currency swaps), which transform the cash flows back to GBP. Inflation swaps are held in conjunction with inflation linked bonds to hedge the cash flows of insurance obligations that are linked to inflation.

LTM notes

LTM notes are structured assets that are issued by two wholly owned special purpose vehicles. Such special purpose vehicles hold a pool of LTMs, which provide the collateral for issuance of senior notes, eligible for inclusion in its matching portfolio. For the purposes of assessing the MA, it is assumed that the securitisation structure does not collapse when preparing the Group consolidated BEL and is not eliminated on consolidation. The LTM notes do not exist on the Group, JRL or PLACL Solvency II balance sheet.

The key assumptions in determining the MA on LTM notes are the spread and the credit rating which is used to evaluate the risk of hedging and risk default and downgrade. The ratings are set using a two-step internal rating process that consists of an ECAI-consistent assessment and an NNEG Overlay assessment. The NNEG Overlay is an alternative pricing of risk based upon an option pricing technique (Black 76). This also serves as our bespoke rating assessment. The main parameters that determine the magnitude of NNEG are:

- House price growth;
- Property volatility; and
- Risk-free rates.

Final note ratings are the lower of the two assessments and depend upon the fixed note cash flows and the security provided by the underlying LTMs, as collateral. The rating methodology is designed to ensure that the MA derived on LTMs is in line with PRA expectations, as set out in SS3/17.

The spread on the notes that have been included in the matching portfolio has been set taking into consideration the relevant requirements of the Solvency II regulations and guidance (as set out in section C.6.1 and section D.2.5 above). The resulting spreads on these notes are lower than the IFRS spread on the underlying LTM loans.

JRL's LTM notes were restructured in December 2020, September 2021 and March 2022 following three separate LTM portfolio sales. PLACL's LTM notes were structured for the first time in September 2024 following PRA approval in June 2024. The ratings of the LTM notes in the MA Portfolio in JRL have been set consistently with external ratings ranging from AAA to BB as at 31 December 2024 (31 December 2023: rating ranges from AAA to BB). PLACL's LTM Notes have external ratings ranging from AAA to B.

Compliance with the EVT test is detailed in section D.2.5 above.

Callable notes

A similar structure is used to convert callable bonds, issued by a wholly owned special purpose vehicle Just Re2 Ltd, into structured notes for inclusion in the matching adjustment portfolio, but with the credit rating based upon the external ratings of the underlying bonds. This only applies to JRL.

The following table sets out further information on the MA (net of reinsurance).

	JRL		PLACL	
	2024	2023	2024	2023
Matching Adjustment in bps	177bps	190bps	127bps	114bp
Value of Matching Adjustment (£m)	£4,301m	£3,858m	£264m	£151m

The MA (in bps) for JRL has decreased primarily due to the narrowing of credit spreads. The increase in amount of MA reflects the impact of new business, which outweighs the effect of the spreads narrowing. For PLACL, the MA (in bps) and £ amount has increased, mainly due to the securitisation of LTMs following PRA approval in June 2024.

The investment assets in the MA Portfolios are summarised as follows:

	JRL		PLACL	
	2024	2023	2024	2023
	£m	£m	£m	£m
LTM notes	3,590.5	3,713.6	852.1	-
Callable bond notes	88.6	112.6	-	-
Government bonds	2,496.3	1,146.5	357.2	198.2
Corporate bonds	8,304.9	9,021.5	1,199.9	1,277.9
Non-LTM illiquid assets	5,947.8	4,169.8	120.8	138.2
Swaps	(323.6)	(205.5)	(17.2)	(34.8)
Cash and cash equivalents	616.7	319.3	160.1	92.4
Total assets	20,721.3	18,277.7	2,672.8	1,671.8

In addition, assets in the PLACL MA include reinsurance recoverable of £271m (2023: £181m). JRL reinsurance recoverable is in an asset position of £1,069m (2023: liability of £233m).

Matching Adjustment Reforms

The MA reforms as published in "Policy Statement 10/24 - Review of Solvency II: Reform of the Matching Adjustment" came into effect on 30 June 2024. One of the changes is the introduction of the MA attestation where the CFO is required to confirm that the fundamental spread ("FS") used by each company in calculating the MA "reflects compensation for all retained risks" and the "MA can be earned with a high degree of confidence". In 2024, the Group has developed a MA Attestation methodology which has resulted in a voluntary FS add-on of 2.6bps and 0.3bps respectively (unaudited) for JRL and PLACL as at YE24.

Another change from the reform was the introduction of Highly Predictable ("HP") assets which firms can include in the MA portfolio. As at YE24, neither JRL or PLACL MA portfolio holds any HP assets.

D.2.6.2 Volatility Adjustment

The Volatility Adjustment is a flat adjustment to the basic risk free interest rate term structure. It is allowed by the PRA and can be used after approval has been obtained.

The Group does not apply the Volatility Adjustment. PLACL utilised VA in the past from 30 September 2020, which was approved under the written notice 00002249 dated 18 December 2020, this is no longer utilised.

D.2.7 Transitional measures

The Solvency II Regulations allow two alternative types of transitional relief:

1) Risk-free interest rate term-structure transitional measure

The Group has not applied to use the risk free interest rate term structure transitional measure.

2) Transitional Measures on Technical Provisions (unaudited)

TMTP has been used to phase in the impact of moving from Solvency I to Solvency II for business written under the Solvency I regime. It reflects differences between the value of the Solvency I and Solvency II technical provisions. This also includes the introduction of the RM under Solvency II.

JRL and PLACL obtained approval under written notices (2201404 and 2200963 respectively) dated 22 December 2015 to use the TMTP. The TMTP continued to be determined in line with these Regulations as at 31 December 2015 and thereafter. JRL and PLACL were required to recalculate the TMTP at 31 December 2024 due to implementation of the new TMTP simplification method following the finalisation of the Solvency UK reforms to Solvency II. The table below shows the TMTP and the tax impact on TMTP for Just Group, JRL and PLACL. During 2024, the TMTP in Just Group has decreased by £227m (£171m net of tax) to £409m (£307m net of tax). The reduction in TMTP over 2024 was predominately due to rise in risk free rates and the PLACL Major Model Change resulting in an increase in MA benefit.

	<u>2024</u>	<u>2023</u>
	<u>£m</u>	<u>£m</u>
TMTP in JRL	263	325
TMTP in PLACL	146	312
TMTP in Just Group plc	409	637
Tax impact of TMTP*	(102)	(159)

* The impact of tax does not allow for restrictions on the amount of the deferred tax asset that would be eligible due to capital tiering requirements.

In some of the forms (notably the IR.12), the TMTP needs to be allocated across BEL and RM. The approach taken is to allocate to RM (in respect of business written before 31 December 2015 and thus subject to the TMTP) first, with any remaining TMTP to the BEL for the line of business "Life annuities".

Following the implementation of the UK Reforms to Solvency II on 31 December 2024, TMTP will be recalculated quarterly going forward using the new simplified method. Firms are no longer required to seek PRA approval for their recalculations.

D.3 Other liabilities

D.3.1 Other liabilities

The table below shows the composition of other liabilities as at 31 December 2024 and 31 December 2023 presented on the Solvency II reporting basis, with the statutory reporting valuation basis presented alongside for comparison purposes.

The IFRS statutory accounts values are presented after reclassification to the solvency reporting format, but before any valuation adjustments. Reconciliations of the IFRS statutory basis to the IFRS Report and accounts are provided in the summary to chapter D.

	Group		JRL		PLACL	
	Solvency	Statutory	Solvency	Statutory	Solvency	Statutory
2024	£m	£m	£m	£m	£m	£m
Provisions other than technical provisions	3	3	1	1	-	-
Deferred tax liabilities	4	-	36	-	-	-
Derivatives	3,015	3,015	2,834	2,834	180	180
Debts owed to credit institutions	4,771	4,773	4,523	4,525	247	248
Insurance and intermediaries payables	9	-	4	-	5	-
Reinsurance payables	24	24	24	24	-	-
Payables (trade, not insurance)	330	390	343	343	16	16
Subordinated debt	800	839	484	509	185	201
Total other liabilities	8,956	9,044	8,249	8,236	633	645

	Group		JRL		PLACL	
	Solvency	Statutory	Solvency	Statutory	Solvency	Statutory
2023	£m	£m	£m	£m	£m	£m
Provisions other than technical provisions	3	3	1	1	-	-
Deferred tax liabilities	16	-	41	-	-	-
Derivatives	2,487	2,487	2,324	2,324	164	164
Debts owed to credit institutions	3,232	3,232	3,007	3,006	225	225
Insurance and intermediaries payables	9	-	3	-	6	-
Reinsurance payables	91	91	91	91	-	-
Payables (trade, not insurance)	248	66	234	24	10	10
Subordinated debt	619	686	460	509	174	201
Total other liabilities	6,705	6,565	6,161	5,955	579	600

D.3.2 Valuation for solvency purposes

The Solvency II valuation for reporting purposes and their corresponding IFRS accounting policies are as follows:

Deposits from reinsurers

In addition to the deposits received from reinsurers included within best estimates, certain reinsurance arrangements give rise to deposits from reinsurers that are not included in either the Solvency II or IFRS balance sheet as described below:

- PLACL has an agreement with two reinsurers whereby financial assets arising from the payment of reinsurance premiums, less the repayment of claims, in relation to specific treaties, are legally and physically deposited back. Although the funds are controlled by PLACL, no future benefits accrue to PLACL as any returns on the deposits are paid to reinsurers. Consequently, the deposits are not recognised as assets of PLACL and the investment income they produce does not accrue to PLACL.
- PLACL also has an agreement with a reinsurer whereby assets equal to the reinsurer's full obligation under the treaty are deposited into a ring-fenced collateral account. PLACL has first claim over these assets should the reinsurer default, but as PLACL has no control over these funds and does not accrue any future benefit, this fund is not recognised as an asset of PLACL.
- JRL has an agreement with a reinsurer whereby assets equal to the reinsurer's full obligation under the treaty are either deposited into a ringfenced collateral account of corporate bonds or held under a funds withheld structure of LTMs. The latter are legally and physically held by JRL. Although the funds are managed by JRL (as JRL controls the investment of the asset), no future benefits accrue to JRL as returns on the assets are paid to reinsurers. Consequently, the LTMs are not recognised as assets of JRL and the investment income they produce does not accrue to JRL. The reinsurer also deposits cash into a bank account held legally by JRL to fund future LTMs but as this cash is ring fenced for issued LTM quotes agreed by the reinsurer, it is also not recognised as an asset by JRL.
- JRL has agreements with three reinsurers whereby assets equal to the reinsurers' full obligation under the treaties are deposited into ring-fenced collateral accounts of notes/shares issued through the dedicated Investment vehicles. The investments in these vehicles are restricted only for the purpose of these reinsurance agreements. Consequently, the collateralised assets are not recognised as assets of JRL and the investment income they produce does not accrue to JRL. The reinsurers also deposit cash into bank accounts and liquidity funds held legally by JRL to fund reinsurance claims but as this cash is ring-fenced for the reinsurers purpose, it is also not recognised as an asset by the JRL.

The IFRS and Solvency II balance sheet treatment for reinsurance treaties with deposit back arrangements are described in section D.1.2 "Reinsurance recoverables."

Derivative liabilities

Derivative liabilities are valued on an equivalent basis to derivative assets as described in section D.1.2.

Debts owed to credit institutions

For both Solvency II and IFRS, collateral is recognised at fair value. No adjustment is made for changes in the value of own credit risk under Solvency II. Repurchase agreements in connection with the amortised cost gilt portfolio are valued at fair value under Solvency II.

Insurance intermediaries and reinsurance payables

As noted in section D.1 'Insurance and other receivables', the PRA rulebook for the Solvency II balance sheet states that balances under this heading should represent amounts that are overdue. Amounts that are not considered overdue, and are material, are adjusted for in the best estimate projected cash flows rather than reported under this Solvency II balance sheet heading.

Payables (trade not insurance)

Other payables primarily include unsettled investment purchases. These are short-term payables, for which the time value of money does not have a material impact. Mismatch between IFRS and Solvency II is due to deconsolidation of non-insurance subsidiaries as explained in chapter D. Valuation for Solvency Purposes.

Subordinated debt

In the Solvency II balance sheet, subordinated debt is held at fair value with no adjustment for own credit risk and is included as capital in the own funds, whereas in IFRS, it is held at amortised cost and is included within liabilities or as shareholders fund (equity).

The fair value of issued debt is marked-to-model based on a current market premium for UK insurance entities based on a basket of listed corporate bonds and a company specific premium fixed at the time of issuance of the tranche of debt.

D.4 Alternative methods for valuation

The Group and its UK regulated insurance entities holds certain financial and other investments and liabilities for which the markets are not active comprising:

- Investment property;
- Residential and commercial loans secured by mortgages (including, LTMs);
- Infrastructure, private placement bonds and other loans;
- Investment funds;
- Long income real estate, including those secured by property held other than for own use;
- Derivative assets and liabilities; and
- Subordinated debt

When the markets are not active, there is generally no or limited observable market data to determine fair values. In these cases, the fair values are determined using alternative valuation techniques in accordance with the PRA rulebook.

The determination of whether an active market exists for the above requires management’s judgement. The following hierarchy of methods are used to determine fair valuation:

Valuation methods hierarchy
Quoted market prices for the same assets in active markets; i.e. current bid prices to value any investments with quoted prices.
Quoted market prices in active markets for similar assets with adjustments to reflect differences where quoted market prices for same assets are not available; i.e. actively traded investments without quoted prices are valued using prices provided by third parties.
Alternative valuation methods i.e. if there is no active established market for an investment or financial liability, we apply an appropriate valuation technique such as discounted cash flow analysis, i.e. Marked-to-Model.

The valuation technique is chosen with the objective of arriving at fair value measurement which reflects the price at which an orderly transaction would take place between market participants on the measurement date. The valuation techniques include the use of recent arm’s length transactions, reference to other instruments that are substantially the same, and discounted cash flow analysis. The valuation techniques may include a number of assumptions relating to variables such as credit risk and interest rates and, for LTMs, mortality, future expenses, voluntary redemptions and house price assumptions.

Valuation of subordinated debt uses current prices of actively traded corporate debt of other UK insurance companies, with adjustments for entity specific features. As can be seen above, the default valuation method is to use quoted market prices in active markets. This method is used extensively for bonds and other fixed income securities.

Investments which are actively traded but for which there are no quoted prices, or prices are provided by third parties instead, include holdings in liquidity and unit-linked funds.

The Group’s policy is that if the market for a financial investment or liability is not active, the fair value must be determined using alternative valuation techniques. The Group’s over the counter derivatives and residential and commercial mortgage portfolios, Infrastructure, private placement bonds and other loan and properties are not quoted on active markets and consequently fall into this category.

The market for Just Group’s external subordinated debt has been assessed as active. The internal group subordinated debt does not have a direct back-to-back relationship with the external debt and therefore has no active market to determine fair values as at 31 December 2024. In these circumstances, fair values are determined by using quotations from independent third parties or internally developed valuation models. These models utilise an income approach with market observable inputs, with conversion of projected future cash

flows into a single current amount. Where possible, the adequacy of valuations made using alternative valuation techniques are compared against experience.

Total financial investments and property other than for own use that are valued using Alternative Valuation methods explained above, are as follows:

	Group		JRL		PLACL	
	Solvency	Statutory	Solvency	Statutory	Solvency	Statutory
	£m	£m	£m	£m	£m	£m
2024						
Investment property ¹	26.8	26.8	-	-	-	-
Investment funds	289.4	289.4	284.4	284.4	5.1	5.1
Debt securities and other fixed income securities	4,755.5	4,755.5	4,755.5	4,755.5	-	-
Derivative financial assets	2,756.0	-	2,629.7	-	126.4	-
Loans secured by residential mortgages	5,610.1	5,610.1	4,530.9	4,530.9	1,079.1	1,079.1
Loans secured by commercial mortgages	809.0	809.0	684.1	684.1	124.9	124.9
Long income real estate	791.0	791.0	817.6	817.6	0.2	0.2
Infrastructure loans	1,245.7	1,245.7	1,245.7	1,245.7	-	-
Associates	106.5	106.5	106.5	106.5	-	-
Other loans	133.7	133.7	133.7	133.7	-	-
Total	16,523.6	13,767.6	15,188.0	12,558.3	1,335.6	1,209.2

	Group		JRL		PLACL	
	Solvency	Statutory	Solvency	Statutory	Solvency	Statutory
	£m	£m	£m	£m	£m	£m
2023						
Investment property ¹	32.1	32.1	-	-	-	-
Investment funds	397.6	397.6	235.4	235.4	162.2	162.2
Debt securities and other fixed income securities	2,914.3	2,914.3	2,914.3	2,914.3	-	-
Derivative financial assets	2,377.4	-	2,267.3	-	110.1	-
Loans secured by residential mortgages	5,674.6	5,680.5	4,507.7	4,507.7	1,166.9	1,166.9
Loans secured by commercial mortgages	763.6	763.6	621.1	621.1	142.5	142.5
Long income real estate	919.7	919.7	951.4	951.4	0.5	0.5
Infrastructure loans	1,113.3	1,113.3	1,113.3	1,113.3	-	-
Other loans	122.8	122.8	122.8	122.8	-	-
Total	14,315.5	11,944.0	12,733.2	10,466.0	1,582.2	1,472.1

¹ Investment property relates to JRL and PLACL's investment in a JPUT, which is classified as a financial instrument in JRL and PLACL's statutory accounts. Investment property is recognised on consolidation of the JPUT.

The valuation methods are consistent with those used in IFRS and these can be found in note 16 to the Annual Report and Accounts.

The majority of the assets valued using alternative valuation methods use discounted cashflow models, and described more fully below:

A) Investment funds

Investment funds classified as Level 3 are structured entities that operate under contractual arrangements, which allow a group of investors to invest in a pool of corporate loans without any one investor having overall control of the entity. Discount rates are the most significant assumption applied in calculating the fair value of investment funds. The average discount rate used is 8% (2023: 10%).

B) securities and other fixed income securities

In line with market practice, fixed-income securities are generally valued using independent pricing services such as Bloomberg and Thomson Reuters. When pricing data is unavailable from pricing services, prices are sourced from external asset managers or internal models and classified as Level 3 under the fair value hierarchy due to the use of significant unobservable inputs. These include private placement bonds, asset-backed securities and illiquid corporate bonds.

C) Loans secured by commercial mortgages

Loans secured by commercial mortgages are valued using a discounted cash flow model. The contractual cash flows are discounted by a risk-free discount rate with additional spreads to allow for credit and illiquidity risks. The additional spreads used in the discount rate are calculated using an internally developed methodology, which takes into consideration the credit rating of each loan and refers to external market spread indices to assess market movements in spreads and the impact of changes in credit ratings.

D) Long income real estate

Long income real estate is valued using discounted cash flow analysis using assumptions based on the repayment of the underlying loan.

E) Infrastructure loans

Infrastructure loans are valued using a discounted cash flow model. The contractual cash flows from the loans are discounted by a risk-free discount rate plus additional spreads to allow for credit and illiquidity risks. The additional spreads used in the discount rate are calculated using an internally developed methodology, which takes into consideration the credit rating of each loan and refers to external market spread indices to assess market movements in spreads and the impact of changes in credit ratings.

F) Lifetime mortgages

The valuation of lifetime mortgages is determined using internal models which project future cash flows expected to arise from each loan. Future cash flows allow for assumptions relating to future expenses, future mortality experience, voluntary redemptions and repayment shortfalls on redemption of the mortgages due to the NNEG. The fair value is calculated by discounting the future cash flows at a swap rate plus a liquidity premium.

Under the NNEG, the amount recoverable by the Group on eligible termination of mortgages is capped at the net sale proceeds of the property. A significant judgement is with regard to the calculation approach used. The Black 76 variant of the Black-Scholes option pricing model has been used in conjunction with an approach using best estimate future house price growth assumptions.

Cash flow models are used in the absence of a deep and liquid market for lifetime mortgages. The bulk sales of the portfolios of Just LTMs in recent years represented market prices specific to the characteristics of the underlying portfolios of loans sold, in particular: loan rates; loan-to-value ratios; and customer age. This was considered insufficient to affect the judgement of the methodology and assumptions underlying the discounted cash flow approach used to value individual loans in the remaining portfolio. The pricing of these portfolio sales did not indicate a bias in either direction and, as such, any suggestion that the current valuation approach was inappropriate. The methodology and assumptions used would be reconsidered if any information is obtained from future portfolio sales that is relevant and applicable to the remaining portfolio.

G) Other loans

Other loans classified as Level 3 are mainly commodity trade finance loans. These are valued using discounted cash flow analyses.

A significant difference between the Solvency II and Statutory reporting valuation approach relates to derivatives: On a statutory IFRS basis, the valuation method for most derivative assets is “Level 2” in the IFRS fair value hierarchy. Whereas in Solvency II, the valuation methods meet the definition of Alternative Valuation Methods.

The 2023 comparatives are below:

	Group		JRL		PLACL	
	Solvency	Statutory	Solvency	Statutory	Solvency	Statutory
	£m	£m	£m	£m	£m	£m
Investment property ¹	32.1	32.1	-	-	-	-
Investment funds	397.6	397.6	235.4	235.4	162.2	162.2
Debt securities and other fixed income securities	2,914.3	2,914.3	2,914.3	2,914.3	-	-
Derivative financial assets	2,377.4	-	2,267.3	-	110.1	-
Loans secured by residential mortgages	5,674.6	5,680.5	4,507.7	4,507.7	1,166.9	1,166.9
Loans secured by commercial mortgages	763.6	763.6	621.1	621.1	142.5	142.5
Long income real estate	919.7	919.7	951.4	951.4	0.5	0.5
Infrastructure loans	1,113.3	1,113.3	1,113.3	1,113.3	-	-
Other loans	122.8	122.8	122.8	122.8	-	-
Total	14,315.5	11,944.0	12,733.2	10,466.0	1,582.2	1,472.1

D.5 Other information

The directors consider that the contents of this section on valuation for solvency purposes provides all material information to be provided in the SFCR.

Chapter E. Capital Management

Contents

E. Capital Management	95
E.1 Own funds.....	97
E.1.1 Basic own funds.....	97
E.1.2 Management of Own Funds	97
E.1.3 Own funds structure	98
E.1.4 Eligible own funds to meet SCR and MCR	102
E.1.5 Equity reconciliation between IFRS statutory and Solvency II valuations	104
E.2 Solvency Capital Requirement and Minimum Capital Requirement	106
E.2.1 Solvency Capital Coverage ratios.....	106
E.2.2 Solvency Capital Requirement.....	106
E.2.3 Minimum consolidated Group Solvency Capital Requirement	108
E.2.4 Change in MCR and SCR over the reporting period	108
E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR.....	108
E.4 Internal model	108
E.4.1 Scope and purpose of Internal Model	108
E.4.2 Internal Model Methodology	109
E.4.3 Internal Model data appropriateness	109
E.4.4 Differences between the standard formula and internal model used.....	109
E.5 Non-compliance with the MCR and SCR	111

E. Capital Management

This section provides information on the own funds and on the components of the solvency capital. It then considers the adequacy of own funds coverage of the capital requirement. Finally, it describes the use of the Internal Model and the differences from the Standard Formula.

To the extent the disclosure in chapter E relate to risk margin, TMTP and SCR (unless standard formula applies), they are not subject to external audit.

The solvency capital coverage ratios (measured as the Eligible Own Funds divided by SCR) for Just Group plc, JRL and PLACL is a key metric for the management business. The Boards of Just Group plc, JRL and PLACL have risk appetite limits and tolerances for the solvency levels and monitor them regularly.

The key solvency metrics are presented in the table below:

	Group		JRL		PLACL	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Eligible Own Funds	3,159	3,104	2,297	2,316	494	572
SCR	1,494	1,577	1,287	1,214	270	329
Excess Own Funds	1,665	1,527	1,010	1,102	224	243
Solvency Capital Coverage (SCR)	211%	197%	178%	191%	183%	174%

The figures for both 31 December 2024 and 31 December 2023 allow for the impact of a TMTP recalculation. Following the Solvency II reform, we recalculated the TMTP at 31 December 2024 using the new simplification method, in addition to the mandatory recalculation performed in 2023.

The Group and its regulated insurance subsidiaries are required to maintain eligible capital, or “Own Funds”, in excess of the value of the SCR. The SCR represents the risk capital required to be set aside to absorb 1 in 200 year stress tests of each risk type that the Group is exposed to, including Underwriting risk, Market risk, Credit risk, Liquidity risk, Operational risk. These risks are all aggregated with appropriate allowance for diversification benefits.

The surplus of Own Funds over the SCR is called “Excess Own Funds” and this effectively acts as an additional capital buffer, which provides further reassurance to policyholders. Both JRL and PLACL have approval to calculate its Solvency II capital requirements using a full internal model following PRA approval for PLACL in 2024.

Further details regarding the capital position are set out in section E.1 below.

Movement in excess own funds (unaudited)

The table below analyses the movement in Excess Own Funds for Just Group plc:

	Investor view ¹	
	2024	2023
	£m	£m
Excess own funds at 1 January (Regulatory as reported)	1,527	1,370
Operating		
In force run-off net of TMTP amortisation	178	168
Finance cost	(48)	(49)
Group and other costs	(11)	(8)
Cash generation	119	111
New business strain ²	(71)	(35)
Development costs and other	(25)	(18)
Underlying organic capital generation⁵	23	57
Management actions and other items	58	69
Total organic capital generation³	81	126
Non-operating		
Strategic expenditure	(17)	(13)
Dividend	(23)	(19)
Regulatory changes	(42)	109
Economic movements ⁶	(3)	(22)
Capital actions ⁴	143	(24)
Excess own funds at 31 December	1,665	1,527

1 Results are presented on the "Investor view" basis whereby all figures are net of tax and include a recalculation of TMTP as at the respective dates.

2 New business strain calculated based on pricing assumptions.

3 Organic capital generation includes run off from in-force, new business strain and other expenses, interest and other operating items. It excludes economic variances, regulatory changes, dividends and capital issuance.

4 Capital actions are the effect of Tier 2 issuance and buyback in 2024 and 2023.

5 Alternative performance measure, see glossary for definition.

6. Capital restrictions of £53m included in 2024 (2023: £nil).

Organic capital generation (Investor view)

The Group's estimated Solvency II capital coverage ratio has increased to 211% (31 December 2023: 197%) as the capital position benefited from management actions and rising interest rates.

In-force run off after TMTP amortisation was up 6% to £178m (2023: £168m), and over the medium term is expected to grow in line with asset growth. Underlying organic capital generation ("UOCG") was £23m (2023: £57m), as we continue to invest the majority of cash generation into funding new business growth. Within this, the £71m capital strain from writing the increased level of new business was 1.3% of premium (2023: £35m and 0.9% of premium), well within our target of 2.5% of premium and ahead of the 1.5% average over the past five years. This low new business strain reflects continued strong pricing discipline, focused risk selection and our ability to originate increasing quantities of high-quality illiquid assets. Management actions and other items contributed a further £58m (2023 £69m), leading to £81m of organic capital generation (2023: £126m). In 2024, we paid a £23m shareholder dividend. We continue to closely monitor and prudently manage our risks, including interest rates, inflation, currency, residential property and credit.

For further analysis of the investor view of movement in excess own funds see section A.2.1.1 Capital performance.

E.1 Own funds

E.1.1 Basic own funds

The table below shows the value and structure of Basic Own Funds by tier.

	Group		JRL		PLACL	
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
Ordinary share capital	104	104	43	43	22	22
Share premium account	95	95	36	36	-	-
Tier 1 restricted	322	322	250	250	-	50
Reconciliation reserve	1,886	1,962	1,484	1,528	337	335
Own shares (held directly)	3	5	-	-	-	-
Participations in other financial undertakings	5	5	-	-	-	-
Minority interests	-	(2)	-	-	-	-
Deferred tax assets	-	0	-	-	15	-
Solvency balance sheet	2,415	2,490	1,813	1,857	374	407
Deferred tax assets	-	0	-	-	(15)	-
Own funds not eligible	-	(2)	-	-	-	-
Own shares (held directly and indirectly)	(3)	(5)	-	-	-	-
Participations in other financial undertakings	(5)	(5)	-	-	-	-
Minority interests	-	2	-	-	-	-
Total Tier 1	2,407	2,480	1,813	1,857	359	407
Subordinated debt	643	465	434	411	185	174
Total Tier 2	643	465	434	411	185	174
Subordinated debt	157	153	51	49	-	-
Deferred tax assets	-	-	-	-	15	17
Total Tier 3	157	153	51	49	15	17
Total Basic Own Funds	3,207	3,099	2,297	2,316	559	599

Basic Own Funds of £3,207m (2023: £3,099m) excludes participations in other financial sectors of £5m (2023: £5m). Participations in other financial sectors relates to Just Retirement Money Ltd and Partnership Home Loans Ltd. These participations are included within Group Eligible Own Funds of £3,159m (2023: £3,104m). There was a £54m reduction for tiering restrictions (2023: £nil).

Eligible Own Funds for PLACL are impacted by tiering restrictions as explained in section E1.4.

E.1.2 Management of Own Funds

The management of capital in all Just Group companies, including JRL and PLACL, is governed by the Group's Capital Management Policy which describes the policies and responsibilities for managing and monitoring capital. The policy also describes the procedures for ongoing monitoring of the quality of Own Funds items as well as the forward-looking view of projected adequacy of Own Funds, and therefore their ongoing suitability for coverage of the SCR and Minimum Capital Requirements ("MCR") at entity and consolidated group levels. This ensures that the Group meets the requirements in accordance with the PRA rulebook.

Medium term capital management plans covering a five-year time horizon are produced on a regular basis, in order to meet the requirements of the ORSA and any other internal or external reporting processes.

A Capital Risk Appetite statement is produced and reviewed at least annually, and more frequently if the risk profile of the business changes materially. The capital position is monitored on a timely basis in order to identify any deteriorations and to help plan any appropriate remedial actions. An assessment is maintained of the contingent capital actions that could be deployed to restore capital positions in the event of a deterioration.

The Group targets a position such that Own Funds items are of sufficient quality, structured and managed so as not to lead to tiering restrictions in determining SCR and MCR coverage. When tiering restrictions are restricting Own Funds, management will consider actions to reduce the impact of tiering restrictions.

The capital position can be adversely affected by a number of factors, in particular factors that erode the capital resources and/or which impact the quantum of risk to which the Group is exposed. In addition, any event which erodes current profitability and is expected to reduce future profitability and/or make profitability more volatile could impact the capital position, which in turn could have a negative effect on the Group's results of operations.

The Group's objectives when managing capital for all UK regulated subsidiaries are:

- to comply with the insurance capital requirements required by the regulators of the insurance markets where the Group operates. The Group's policy is to manage its capital in line with its risk appetite and in accordance with regulatory expectations;
- to safeguard the Group's ability to continue as a going concern, and to continue to write new business;
- to ensure that in all reasonable foreseeable circumstances, the Group is able to fulfil its commitment over the short term and long term to pay policyholders' benefits;
- to continue to provide returns for shareholders and benefits for other stakeholders;
- to provide an adequate return to shareholders by pricing insurance and investment contracts commensurately with the level of risk; and
- to generate capital from in-force business, excluding economic variances, management actions, and dividends.

The Group regularly assesses a wide range of actions to improve the capital position and resilience of the business.

To improve resilience, the Group developed its interest rate hedging framework in 2023 to significantly reduce the residual Solvency II exposure (that results from focussing on hedging the IFRS interest rate risk. The IFRS Adjusted net assets amount is our primary measure of value).

In managing its capital, the Group undertakes stress and scenario testing to consider the Group's capacity to respond to a series of relevant financial, insurance, or operational shocks or changes to financial regulations should future circumstances or events differ from current assumptions. The review also considers mitigating actions available to the Group should a severe stress scenario occur, such as raising capital, varying the volumes of new business written and a scenario where the Group stops writing new business.

E.1.3 Own funds structure

Basic Own Funds analysis

The quality of Basic Own Funds is described using the regulatory capital tiering analysis whereby Tier 1 is the highest quality and Tier 3 the lowest, based on the attributes of availability to absorb losses and sustainability of the various forms of capital funding.

The Basic Own Funds comprised mainly Tier 1 capital as shown in the table above, representing the ordinary share capital, share premium and reconciliation reserve. Ordinary share capital is classified as unrestricted as there are no restrictions on cancellation of the Companies' dividends prior to payment, as set out in the Companies' Articles of Association.

The reconciliation reserve

The reconciliation reserve represents the total excess of Solvency II assets over liabilities reduced by the Other Basic Own Funds items that have been separately identified on the IR.23 Own Funds QRT shown in F.1, the main elements being share capital and share premium.

Subordinated debt

Tier 1 unrestricted capital includes the highest quality assets with quality features such as permanence, subordination, undated, absence of redemption incentives, mandatory costs and encumbrances. The remainder of own funds mainly represented subordinated debt all of which are classified as Tier 2 or Tier 3, and comprised:

Entity / Tier	Description	Internal/ external	Issue date / Redemption date	Solvency II value	
				2024 £m	2023 £m
Just Group plc					
Tier 1					
	5% £325m notes	External	Sep 21 / perpetual	322	322
				322	322
Tier 2					
	9% £250m notes (£76m redeemed in 2022 & £24m redeemed in 2023)	External	Oct 2016 / Oct 2026	144	142
	8.125% £125m notes	External	Oct 2019 / Oct 2029	108	110
	7% £250m notes (Fully redeemed in 2024)	External	Oct 2020 / Apr 2031	-	213
	6.875% £400m notes	External	Oct 2024 / Mar 2035	390	-
				643	465
Tier 3					
	3.5% £155m notes	External	Feb 2018 / Feb 2025	157	153
				157	153

Just Group plc SFCR 31 December 2024

Just Retirement Limited

Tier 1

9.375% £250m notes (Fully redeemed in 2024)	Internal	April 2019 / perpetual	-	250
9.75% £250m notes	Internal	Sep 2024 / perpetual	250	-
			250	250

Tier 2

9% £250m notes	Internal	Oct 2016 / Oct 2026	241	238
8.125% £25m notes	Internal	Oct 2019 / Oct 2029	22	22
7% £75m notes	Internal	Nov 2020 / Apr 2031	73	64
8.2% £100m notes	Internal	May 2020 / May 2030	98	87
			434	411

Tier 3

5% £50m notes	Internal	Dec 2018 / Feb 2025	51	49
			51	49

Partnership Life Assurance Company Limited

Tier 1

9.375% £50m notes (Fully redeemed in 2024)	Internal	April 2019 / perpetual	-	50
			-	50

Tier 2

8.125% £100m notes	Internal	Oct 2019 / Oct 2029	88	89
7% £100m notes	Internal	Nov 2020 / Apr 2031	97	85
			185	174

Changes in subordinated debt during the year

During 2024, the Group tendered for and cancelled £250m 7% Tier 2 external debt due in 2031 (callable 2025) and raised £400m 6.875% Tier 2 subordinated debt due in 2035.

On first call, JRL redeemed £250m 9.375% perpetual restricted Tier 1 loan notes to Just Group plc, which was replaced with £250m 9.75% restricted Tier 1 new loan notes advanced to JRL by Just Group plc on 26 April 2024 with no fixed maturity date.

PLACL redeemed £50m 9.375% perpetual restricted Tier 1 loan notes to Just Group plc. These notes were first callable by PLACL in April 2024.

Deferred tax

The table below presents the deferred tax balances included in the Solvency II balance sheet. Deferred tax assets are treated as Tier 3 capital.

	Group		JRL		PLACL	
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
Deferred Tax Asset	-	-	-	-	15	17
Deferred Tax Liability	(4)	(16)	(36)	(41)	-	-

The deferred tax balance represents the deferred tax balance on IFRS reporting basis adjusted by the tax effect recognised on Solvency II valuation adjustments:

- The IFRS deferred tax balance includes adjustments for transitional relief on the implementation of IFRS 17 as the corporation tax basis. This transitional relief will run-off over a period of 10 years commencing on 1 January 2023; and
- All Solvency II valuation adjustments are tax effected including the TMTP adjustment, except where adjustments are in respect of 'capital items', notably the revaluation of the intra-group subordinated debt on the balance sheet.

As noted in section D.1.2, the measurement of deferred tax assets reflects management's expectations, at the end of the reporting period, as to the manner in which the carrying amount of its assets and liabilities will be recovered or settled, and are therefore expected to be available as basic own-fund items in accordance with the PRA rulebook. The full amount of the deferred tax asset at 31 December 2024 of £15m in PLACL has been recognised in the Solvency II balance sheet and Basic Own Funds based on projected future taxable profits.

Transitional relief

There was no transitional relief on capital items, as the loans noted above comply with the Solvency II requirements to be counted as capital. Own funds are calculated after allowing for amortisation on transitional measures applied to technical provisions.

Consolidation of Own Funds

Consolidation of Own funds is in accordance with Method 1 'Accounting consolidation-based method', as described in the PRA rulebook. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are excluded from the date of disposal. Entities included in scope of consolidation are those entities in which the Group, directly or indirectly, has power to exercise control over the financial and operating policies in order to gain economic benefits.

Just Group plc has approval from the PRA to exclude JRSA from its regulatory scope. As a result, adjustment is made to remove JRSA when comparing IFRS basis results with Solvency II basis.

Availability and transferability of own funds

The balance sheet includes matching portfolios of assets and liabilities. Under the regulatory capital rules, there is a restriction on the transferability of assets out of the matching portfolio and into the non-matching portfolio. There are no restrictions other than meeting the eligibility criteria on transfers into the matching asset portfolio.

The matching portfolio of assets is carefully managed to ensure that liabilities are cash flow matched. The net asset value of matching assets less liabilities was lower than the Solvency Capital Requirement so no own fund restriction is applied.

The Group maintains an Employee Benefits Trust which holds Just Group plc shares and cash which are not considered transferable.

Dividends

The Board assessed the affordability and sustainability of a dividend with regard to the solvency position, business performance, liquidity of the business across the plan period and reviewed the outcome of various stress tests. The Board also considered the impact of the dividend decision on shareholder expectations as it relates to the Group's dividend policy. Following due consideration of the various matters, the Board declared a final dividend of 1.50 pence per share, which was paid to shareholders on 15 May 2024. An interim dividend was declared of 0.7 pence per share which was paid to shareholders on 4 October 2024. Dividends paid to shareholders in calendar year 2024 were £23m (2023: £19m).

Subsequent to 31 December 2024, the Directors proposed a final dividend for 2024 of 1.80 pence per ordinary share (2023: 1.50 pence) and together with the interim dividend of 0.7 pence per ordinary share paid in 4 October 2024, bringing the total dividend for the year ended 31 December 2024 to 2.5 pence per share, or £26m (2023: £22m). The 20% growth in total dividend is a repeat of the 2023 dividend growth rate and is in line with the Just Group Board's policy to grow the dividend over time. Subject to approval by shareholders at the Company's 2025 AGM, the dividend will be paid on 14 May 2025 to shareholders on the register of members at the close of business on 11 April 2025 and will be accounted for as an appropriation of retained earnings in year ending 31 December 2025.

Ancillary Own funds

The Group had no ancillary Own funds at 31 December 2024 or 31 December 2023.

E.1.4 Eligible own funds to meet SCR and MCR

	Ref	Group		JRL		PLACL	
		2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Available own funds							
Total available own funds excluding participations in other financial sectors 1	E1.1	3,207	3,099	2,297	2,316	559	599
Total available own funds including participations in other financial sectors	E1.1	3,212	3,104				
Eligible Own Funds							
Total Eligible Own Funds to cover SCR	E1.4	3,159	3,104	2,297	2,316	494	572
Total Eligible Own Funds to cover minimum consolidated group SCR	E1.4	2,508	2,572				
Total Eligible Own Funds to cover MCR				1,900	1,933	372	424

1 £5m Participations in other financial sectors relates to Just Retirement Money Ltd and Partnership Home Loans Ltd (2023: £5m)

When assessing solvency against the SCR, the regulations require that Restricted Tier 1 capital is restricted to 20% of the total Tier 1 capital, with the excess treated as Tier 2. Tier 3 is restricted to 15% of SCR and the total of Tier 2 and Tier 3 is restricted to 50% of the SCR. Further restrictions are applied in circumstances where Basic Own Funds are negative, this can include the removal of the benefit of tier 2 and tier 3 subordinated debt.

In 2024 there was a restriction on Group and PLACL Own Funds eligible to cover the SCR and this is shown in E.1.5.

When assessing solvency against the MCR for JRL and PLACL, or Eligible Own Funds to cover the minimum consolidated group SCR for Group, the regulations require that Restricted Tier 1 capital is restricted to 20% of

Just Group plc SFCR 31 December 2024

the total Tier 1 capital, with the excess treated as Tier 2, and that Tier 2 capital is restricted to 20% of the MCR. Tier 3 capital cannot be used. The eligible own funds to cover minimum consolidated group SCR in the table above is presented excluding participations in other financial sectors.

The Eligible Own Funds to cover the SCR and MCR by tier after the impact of tiering restrictions are included in the tables below:

2024	Group		JRL		PLACL	
	SCR £m	Minimum consolidated group SCR £m	SCR £m	MCR £m	SCR £m	MCR £m
Own Funds by Tier, eligible to cover:						
Tier 1 unrestricted	2,085	2,085	1,563	1,563	359	359
Tier 1 restricted	322	322	250	250	-	-
Tier 2	643	100	434	87	135	14
Tier 3	103	-	51	-	-	-
	3,154	2,508	2,297	1,900	494	372
Participations in other financial sectors	5					
	3,159					

2023	Group		JRL		PLACL	
	SCR £m	Minimum consolidated group SCR £m	SCR £m	MCR £m	SCR £m	MCR £m
Own Funds by Tier, eligible to cover:						
Tier 1 unrestricted	2,159	2,158	1,607	1,607	358	358
Tier 1 restricted	322	322	250	250	50	50
Tier 2	465	92	411	76	164	16
Tier 3	153	-	49	-	-	-
	3,099	2,572	2,316	1,933	572	424
Participations in other financial sectors	5					
	3,104					

E.1.5 Equity reconciliation between IFRS statutory and Solvency II valuations

The table below shows the material differences between shareholders' equity as presented in the Annual Report and Accounts and the excess of assets over liabilities as calculated for solvency purposes presented in the Solvency II balance sheet.

	Ref	Group		JRL		PLACL	
		2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Statutory accounts - Shareholder funds		1,246	1,203	752	700	212	235
Deconsolidation of JRSA	1	(8)	(7)	-	-	-	-
Goodwill	2	(34)	(34)	-	-	(1)	(1)
Intangible assets	3	(6)	(7)	-	-	(1)	(1)
Best estimate	4	(1,795)	(1,640)	(1,597)	(1,257)	(198)	(383)
Risk margin/ risk adjustment	5	858	725	780	620	78	105
IFRS 17 Contractual Service Margin (CSM)	6	2,713	2,437	2,464	2,186	249	251
TMTP	7	409	637	263	325	146	312
Other valuation differences and impact on deferred tax	8	(971)	(829)	(849)	(717)	(112)	(93)
Own shares	9	3	5	-	-	-	-
Solvency balance sheet - Excess Assets over Liabilities		2,415	2,490	1,813	1,857	374	425
Ineligible items	10	(3)	(7)	-	-	-	-
Subordinated debt	11	800	618	485	460	185	174
Minority interest	12	-	2	-	-	-	-
Available own funds		3,212	3,104	2,298	2,316	558	599
Own funds restriction	13	(54)	-	-	-	(65)	(27)
Eligible own funds		3,159	3,104	2,298	2,316	493	572

The tiering restriction triggered in Group and PLACL is the limitation that the total of Tier 2 and Tier 3 does not exceed 50% of the SCR. Group Tier 2 & 3 is restricted by £54m (2023: £nil). PLACL Tier 2 & 3 is restricted by £65m (2023: £27m).

The material differences between Shareholders' equity in the IFRS statutory accounts and the regulatory reporting values are described in the table below:

Adjustments – Excess of assets over liabilities:		
1	Deconsolidation of JRSA	JRSA is out of scope for this regulatory reporting.
2	Goodwill	Goodwill in Just Group plc and PLACL's IFRS statutory accounts has arisen on acquisition of subsidiaries. Goodwill assets are not recognisable under the solvency reporting valuation rules.
3	Intangible assets	Just Group plc holds intangible assets, including software, on its IFRS balance sheet. These asset types have no value assigned for solvency reporting purposes.
4	Best estimate	Differences between IFRS and Solvency II on best estimates primarily relate to valuation differences arising from the use of different discount rates.
5	Risk margin/ risk adjustment	The difference between the Risk Margin, a requirement of Solvency II and not a feature of the IFRS balance sheet, and Risk Adjustment under IFRS. Risk Margin is described further in section D.2.
6	IFRS 17 Contractual Service Margin (CSM)	CSM is a liability under IFRS, but Solvency II does not use CSM. Instead, under Solvency II, the value in force on such contracts is recognised when such contracts are underwritten
7	TMTP	TMTP is a feature of the Solvency II balance sheet and does not apply in IFRS. It is described further in section D.2.
8	Other valuation differences and impact on deferred taxes	Other valuation differences and impact on deferred tax primarily relate to valuation differences arising from: <ul style="list-style-type: none"> • gilts and repurchase agreements held in the amortised cost portfolio valued at fair value for Solvency II purposes, and • the impact on deferred tax on valuation differences Other minor valuation differences arise from the fair value of the subordinated debt vs. amortised cost in IFRS and removal of inadmissible assets in prepayments. These are described further in chapter D.
9	Own shares	Own shares held by the Group itself are presented as an asset on the Solvency II balance sheet but removed in the calculation of Own Funds. Under IFRS, these are a deduction to shareholders equity.
Additional adjustments:		
10	Ineligible items	Represents own shares held and cash in the Employee Benefits Trust
11	Subordinated debt	Subordinated debt is revalued as noted in section D.3.2 and treated as a liability on the Solvency II reporting balance sheet, but it is then added to capital as an Own Funds item. IFRS classification is based on the substance of such arrangements which could take the form of equity or debt.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

Information in this section is unaudited, as it is determined applying the approved Internal Model.

E.2.1 Solvency Capital Coverage ratios

The SCR, Minimum consolidated group SCR (Group) and MCR (JRL and PLACL) are quantified in the table below.

	Group		JRL		PLACL	
	SCR £m	Minimum consolidated group MCR £m	SCR £m	MCR £m	SCR £m	MCR £m
2024						
Eligible Own Funds	3,159	2,508	2,297	1,900	494	372
Capital Requirement	1,494 ¹	502 ¹	1,287 ¹	435 ¹	270 ¹	68 ¹
Excess Own Funds	1,665	2,006	1,010	1,465	224	304
Coverage ratio %	211%	499%	178%	437%	183%	551%

	Group		JRL		PLACL	
	SCR £m	Minimum consolidated group MCR £m	SCR £m	MCR £m	SCR £m	MCR £m
2023						
Eligible Own Funds	3,104	2,572	2,316	1,933	572	424
Capital Requirement	1,577 ¹	462 ¹	1,214 ¹	380 ¹	329	82
Excess Own Funds	1,527	2,110	1,102	1,553	243	342
Coverage ratio %	197%	557%	191%	509%	174%	516%

¹ unaudited

E.2.2 Solvency Capital Requirement

Prior to 30 September 2024, Just Group plc had been using a Partial Internal Model to calculate its SCR, approved following the merger between the ex-Just Retirement Group of companies and the ex-Partnership Assurance Group of companies. The Partial Internal Model comprised:

- an approved Internal Model for the ex-Just Retirement Group of companies, and
- a Standard Formula result for the ex-Partnership Assurance Group of companies.

Following PRA approval for the use of Internal Model for PLACL in July 2024, the Just Group SCR is now fully calculated using the Internal Model, with other non-life components consolidated using Method 1-Consolidation method.

The Solvency II SCR is defined as the Value at Risk (“VaR”) of the change in Basic Own Funds over a 1-year period at the 99.5% confidence level. This can be regarded as the capital required for the business to sustain a 1 in 200-year event and still be able to establish a regulatory balance sheet, including a Matching Adjustment.

The Internal Model permits diversification between the Matching Adjustment portfolio and the non-Matching adjustment portfolio and also diversification between JRL and PLACL entities for the Group SCR calculation.

The risks included in the Group's model for which capital is held are Property; Nominal interest rate; RPI inflation; Foreign exchange rates; Credit spread; Longevity; Withdrawal; Expense; and Operational.

Risk components

A breakdown of the SCR at 31 December 2024 by risk category as detailed in forms IR.25.04 for Group, JRL and PLACL are summarised in the following table:

	2024			2023		
	Group	JRL	PLACL	Group	JRL	PLACL
	Internal Model £m	Internal Model £m	Internal Model £m	Partial Internal Model £m	Internal Model £m	Standard Formula £m
Market	1,513.4	1,398.3	215.3	1,629.1	1,387.6	243.3
Counterparty default	20.1	19.6	0.5	19.5	15.0	4.5
Life underwriting	717.1	601.4	130.9	716.9	572.6	144.3
Operational	182.4	155.2	50.1	200.4	153.7	14.5
Other risk ¹	38.0	38.0	-	38.0	38.0	-
Other adjustments	2.3	-	-	1.7	-	-
Sub-total pre-diversification	2,473.4	2,212.5	396.8	2,605.6	2,166.9	406.7
Diversification	(611.8)	(542.3)	(126.8)	(624.2)	(547.9)	(78.1)
Sub-total post-diversification	1,861.6	1,670.2	270.0	1,981.4	1,619.0	328.6
Loss absorbing capacity of deferred tax	(367.3)	(382.8)	-	(404.8)	(404.8)	-
Solvency Capital Requirement (SCR)	1,494.3	1,287.4	270.0	1576.6	1214.3	328.6

¹ £38m provision was held for the potential impact of the Ground rent reform in 2024.

Further information is included in the appendix as detailed in the forms IR.25.04 for Group, JRL and PLACL.

All Internal Model risks which are quantified as having a capital impact of more than 2.5% of the current JRL SCR are modelled within the calculation kernel.

At 31 December 2024, there are two identified risks which are included in the Internal Model but for which no capital is held: concentration risk and equity risk. These risks have been quantified as not exceeding the defined threshold.

Loss Absorbing Capacity of Deferred Tax (LACDT)

The maximum potential LACDT is calculated as 25% (long-term expected UK corporation tax rate as at 31 December 2023) of the SCR prior to LACDT deduction. The available LACDT support is made up of 25% of future sources of profit and relevant tax liabilities. This is restricted to the maximum stated above.

The potential sources contributing to LACDT support are:

- LTM equity tranche excess return: The margins that are expected to be released from the LTM securitisation as profit in the future. This is calculated as the value of equity tranche cash flows, after allowing for the liabilities held outside the matching adjustment that are not backed by other assets. The excess return is assessed in the loss scenario that produces the SCR.
- Solvency II base deferred tax asset: Deferred tax asset (DTA) on the base Solvency II balance sheet due to differences in the valuation basis between IFRS (used for tax reporting) and Solvency II. This reduces LACDT support because future profits are first used to justify the base DTA.
- Solvency II base current tax asset. This reduces LACDT and is made up of:
 - Current tax paid in the prior year: HMRC have specified that it is possible to carry-back to accounting periods ending in the 12 months prior to the valuation date. In the SCR loss scenario, the current tax charge from the previous accounting year is recovered.
 - Current tax due to be paid on current year profits: In the SCR loss scenario the year-to-date profit will be fully offset and the associated tax will no longer be paid.
- Profits on future new business: This represents the profits expected from new business to be written over the next 5 years and recognised over contract lives, after allowing for a stress scenario

set in line with the expected impact following the SCR loss scenario. Expected volumes and margins are set in line with the business plan and then adjusted to reflect the revised profit over contract lives following the loss scenario.

E.2.3 Minimum consolidated Group Solvency Capital Requirement

The Minimum consolidated Group Solvency Capital Requirement is a formulaic calculation prescribed by the regulations. It is the sum of the MCR for the UK regulated insurance entities within the Group.

For each UK regulated insurance entity, the calculation compares the result of a calculation using the sum of

- i) defined proportions of the net of reinsurance technical provisions being 2.1% for 'Life annuities', and
- ii) a defined proportion (0.07%) of the Capital at Risk.

	Group		JRL		PLACL	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Linear MCR			435	380	62	62
SCR ¹			1,287	1,214	270	329
MCR cap (45% of SCR)			579	546	122	148
MCR floor (25% of SCR)			322	304	68	82
Minimum Capital Requirement (MCR)			435	380	68	82
Group Consolidated Minimum SCR	502	462				

¹ unaudited

For JRL, the Linear MCR is greater than 25% of the SCR, therefore the MCR is equal to the Linear MCR. For PLACL, the floor of the corridor is the biting measure and therefore the MCR is equal to 25% of the SCR.

E.2.4 Change in MCR and SCR over the reporting period

For JRL, the increase in MCR and SCR is mainly due to new business written partially offset by market movements over the period.

For PLACL, the decrease in SCR and MCR since the previous year primarily reflect the unwind of in-force business and market movements during the period.

E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR

Information in this section is unaudited, as it is determined applying the approved Internal Model.

The Group does not use the duration-based equity risk sub-module in the calculation of the SCR.

E.4 Internal model

Information in this section is unaudited, as it is determined applying the approved Internal Model.

E.4.1 Scope and purpose of Internal Model

The new Internal Model is applied to all relevant areas of the Group and UK regulated insurance entities. The Internal Model is used for:

- Capital and risk reporting/monitoring/management;

- ORSA;
- Business planning/strategy formulation/short term forecasting;
- Strategic decisions;
- Pricing;
- New product development;
- Risk mitigation assessment; and
- Investment strategy assessment.

A record is maintained of the use of the Internal Model.

E.4.2 Internal Model Methodology

The SCR is defined as the VaR of the change in Basic Own Funds (“BOF”) over 1 year at the 99.5th confidence level. The SCR is derived from the probability distribution forecast produced by the Internal model which assigns probabilities to changes in the BOF over 1 year. The probability distribution forecast is derived by calibrating risk distributions for the individual risk drivers. These are then combined using a copula to produce a number of scenarios. Changes in BOF with respect to the base balance sheet are calculated in each scenario and then ranked. The SCR is the change in BOF that relates to 99.5% on the probability distribution forecast.

The SCR is calibrated to ensure that all quantifiable risks to which the Group is materially exposed are considered. The Internal Model uses a 60-year projection period, which is sufficient to capture the significant risks to the business.

The SCR is calculated on a going concern basis and anticipates new business expected to be written over the coming twelve months. With respect to existing business, it covers only unexpected losses.

E.4.3 Internal Model data appropriateness

Data is an integral part of the Internal Model, specifically in the risk quantification and aggregation parts of the process.

Risk quantification involves analysis of historical data to determine the probability distribution for the one-year variation in respect of each modelled risk. The historical data used is from market data sources, and where applicable, internal data sources. Where historical data is limited or unreliable, expert judgement is applied. All data sources used are those selected to be most appropriate by considering accuracy, granularity and completeness of the data. Where possible multiple data sources are considered to ensure that which is most appropriate is used.

Aggregation involves deriving a multivariate distribution of all the risks being modelled using a dependency structure consisting of a correlation matrix and a copula. The correlation matrix is derived using the same data sources as those used in the risk quantification process. Where expert judgement is used in this part, it is also used in setting the dependency between that risk and the others.

E.4.4 Differences between the standard formula and internal model used

The Internal Model represents a specific assessment of the risks faced by the business. The main comparisons between the Internal Model and the Standard Formula methodology are as follows:

Modelling Methodology

- The Standard Formula SCR is calculated as the VaR of the change in BOF over 1 year at the 99.5% confidence level.
 - The SCR under the Internal Model is calculated under the same definition.
- The Standard Formula calculates individual SCRs for each risk sub-module based on prescribed deterministic stresses. These individual sub-module SCR’s are aggregated to give the risk module SCR using defined correlation matrices. The risk module SCR’s are then aggregated to give the final SCR using another defined correlation matrix.

- The Internal Model produces a full probability distribution forecast of the change in basic own funds BOF over 1 year. This is derived by calibrating risk distributions for the individual risk drivers. These are then combined using a copula to produce a number of scenarios. Changes in BOF with respect to the base balance sheet are calculated in each scenario which are then ranked to produce the probability distribution forecast. The change in BOF that relates to 99.5% point of the distribution is the SCR.

Risk Quantification

- **Longevity Risk**

The Internal Model Longevity Risk calibration uses a stochastic model to capture trend (mortality improvement) and level (current assumptions) of risk allowing for the age distribution of JRL and PLACL's policyholders and the concentrations in its risk e.g. relating to enhanced annuities.

This is considered more appropriate to the insurance business than the Standard Formula which uses a single deterministic stress across the whole portfolio of business.

- **Credit Risk**

The credit risk calibrations in both Standard Formula and Internal Model apply a stress across the whole spread curve, with a different stress for each issuer rating. The Internal Model calibration also allows for different stress by financial / non-financial sector and non-USD and USD denominated assets.

This is considered more appropriate than the Standard Formula's approach of a single factor. The Standard Formula stress is deterministic, whereas the Internal Model stress is defined by a distribution.

- **Property Risk**

JRL and PLACL is exposed to property risk via the NNEG on LTM products rather than being exposed to property values directly. The Internal Model models property price volatility and house price inflation in addition to changes in property prices. This calculation is considered more appropriate than the Standard Formula approach.

- **Interest Rate Risk**

The Standard Formula stresses define a shift up and down respectively, with the stress based on term. The Internal Model model's interest rate shocks use Principal Component Analysis ("PCA"). This allows for more complex yield interactions across the whole yield curve by allowing for changes in the shape as well as level. Standard Formula prescribes a "stress-up" and "stress-down" for interest rates, with the SCR for the sub-module being the largest because of the two deterministic shocks.

- **Withdrawal Risk**

The Standard Formula withdrawal lapse risk module relates to the risk of withdrawal of insurance savings and life protection products. Exposure to lapse risk relates to the "prepayment" risk associated with the lifetime mortgage products which is significantly different and not directly comparable.

- **Inflation Risk**

In the Internal Model, changes to the inflation curve are modelled using PCA which allows for changes in the shape and level of the inflation curve. Inflation risk is modelled for its impact on inflation linked annuities, investments and expenses. Standard Formula does not have an explicit inflation risk module, instead inflation is incorporated where appropriate amongst the other sub-risk modules.

- **Operational Risk**

The Internal Model models Operational Risk as an empirical loss distribution, derived using internal data and assumptions regarding operational risk loss events. Additionally, the Internal Model allows for diversification between Operational Risk and other risks, whereas for Standard Formula the Operational Risk capital is added directly to the Basic SCR without allowing for diversification. This is considered more appropriate than the Standard Formula approach which calculates Operational Risk based on the Basic SCR and Expenses, producing a single value.

- **Foreign Currency Exchange Risk**
The Internal Model models foreign currency exchange rate stresses using statistical distributions, allowing for up and down movements in the exchange rate. Standard Formula prescribes a “stress-up” and “stress-down” for each foreign currency exchange rate with the SCR for the sub-module being the largest because of the two deterministic shocks.
- **Counterparty Risk**
The Counterparty Risk calibration uses a stochastic approach to capture the credit state of each counterparty across all multi-variate risk simulations in the internal model. This is different to the Standard Formula, which models Counterparty Risk using a loss given counterparty default / probability of counterparty default approach. This is considered more appropriate than the Standard Formula as it captures the risk of counterparty defaults occurring across multiple counterparties and explicitly considers collateral arrangements, and the dependency structures across risks and with counterparties.
- **Diversification**
Aggregation in the Internal Model involves deriving a multivariate distribution of all the risks being modelled using a dependency structure consisting of a correlation matrix and a copula. This allows for a more appropriate modelling of diversification between risks than in the Standard Formula where a simple correlation matrix is used.

E.5 Non-compliance with the MCR and SCR

Each of the Group and its UK regulated insurance entities (JRL and PLACL) maintained sufficient capital to comply with the SCR and MCR requirements throughout the year.

Chapter F. Other information

Contents

F. Other information	113
F.1 Quantitative Reporting Templates (QRTs)	113
F.1.1 Just Group plc QRTs	113
F.1.2 Just Retirement Limited QRTs	131
F.1.3 Partnership Life Assurance Company Limited QRTs	144
F.2 Directors' statement	157
F.3 Approvals, determinations and modifications	158
F.4 Audit opinion	160
F.5. Cautionary statement	168
F.6. Glossary	168

F. Other information

F.1 Quantitative Reporting Templates (QRTs)

F.1.1 Just Group plc QRTs

31 December 2024

Quantitative Reporting Templates

IR.02.01.01	Balance sheet
IR.05.02.01.04	Premiums, claims and expenses by country
IR.05.03.02	Life income and expenditure
IR.22.01.22	Impact of long term guarantees measures and transitionals
IR.23.01.04	Own Funds
IR.25.04.22	Solvency Capital Requirement
IR.32.01.22	Undertakings in the scope of the group

Just Group plc SFCR 31 December 2024

Just Group plc

IR.02.01.01

Balance sheet

£000

Assets

Intangible assets
Deferred tax assets
Pension benefit surplus
Property, plant & equipment held for own use
Investments (other than assets held for index-linked and unit-linked contracts)
 Property (other than for own use)
 Holdings in related undertakings, including participations
 Equities
 Equities - listed
 Equities - unlisted
 Bonds
 Government Bonds
 Corporate Bonds
 Structured notes
 Collateralised securities
 Collective Investments Undertakings
 Derivatives
 Deposits other than cash equivalents
 Other investments
Assets held for index-linked and unit-linked contracts
Loans and mortgages
 Loans on policies
Loans and mortgages to individuals
Other loans and mortgages
Reinsurance recoverables from:
 Non-life and health similar to non-life
 Life and health similar to life, excluding index-linked and unit-linked
 Life index-linked and unit-linked
 Deposits to cedants
 Insurance and intermediaries receivables
 Reinsurance receivables
 Receivables (trade, not insurance)
Own shares (held directly)
Amounts due in respect of own fund items or initial fund called up but not yet paid in
Cash and cash equivalents
Any other assets, not elsewhere shown

Total assets

	Solvency II value
	C0010
R0030	-
R0040	-
R0050	-
R0060	19,416
R0070	25,362,479
R0080	26,842
R0090	118,172
R0100	1,800
R0110	-
R0120	1,800
R0130	19,396,963
R0140	6,516,035
R0150	12,874,729
R0160	-
R0170	6,199
R0180	2,021,952
R0190	2,756,031
R0200	1,040,719
R0210	-
R0220	-
R0230	8,373,086
R0240	-
R0250	5,466,526
R0260	2,906,561
R0270	1,707,341
R0280	-
R0315	1,707,341
R0340	-
R0350	-
R0360	24,491
R0370	8,686
R0380	259,485
R0390	2,652
R0400	-
R0410	754,049
R0420	-
R0500	36,511,685

Balance sheet (continued)

£000

Liabilities

Technical provisions - total	
Technical provisions - non-life	
Technical provisions - life	
Best estimate - total	
Best estimate - non-life	
Best estimate - life	
Risk margin – total	
Risk margin - non-life	
Risk margin - life	
Transitional (TMTP) - life	
Other technical provisions	
Contingent liabilities	
Provisions other than technical provisions	
Pension benefit obligations	
Deposits from reinsurers	
Deferred tax liabilities	
Derivatives	
Debts owed to credit institutions	
Financial liabilities other than debts owed to credit institutions	
Insurance & intermediaries payables	
Reinsurance payables	
Payables (trade, not insurance)	
Subordinated liabilities	
Subordinated liabilities not in Basic Own Funds	
Subordinated liabilities in Basic Own Funds	
Any other liabilities, not elsewhere shown	
Total liabilities	
Excess of assets over liabilities	

	Solvency II value
	C0010
R0505	25,140,764
R0510	-
R0515	25,140,764
R0542	25,356,095
R0544	-
R0546	25,356,095
R0552	193,883
R0554	-
R0556	193,883
R0565	409,214
R0730	-
R0740	-
R0750	2,683
R0760	-
R0770	-
R0780	4,410
R0790	3,014,883
R0800	4,770,798
R0810	-
R0820	8,959
R0830	23,847
R0840	330,139
R0850	799,833
R0860	-
R0870	799,833
R0880	-
R0900	34,096,316
R1000	2,415,369

Just Group plc SFCR 31 December 2024

Just Group plc

IR.05.02.01.04

Premiums, claims and expenses by country

(Unaudited)

£000

Home Country
C0220

Premiums written

Gross	R1410	6,309,491
Reinsurers' share	R1420	35,191
Net	R1500	6,274,300

Premiums earned

Gross	R1510	6,309,491
Reinsurers' share	R1520	35,191
Net	R1600	6,274,300

Claims incurred

Gross	R1610	1,536,266
Reinsurers' share	R1620	77,598
Net	R1700	1,458,668
Net expenses incurred	R1900	246,601

Just Group plc
 IR.05.03.02
 Life income and expenditure
 (Unaudited)
 £000

Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health
C0010	C0020	C0030	C0040	C0050	C0060	C0070

Premiums written

Gross direct business	R0010	-	-	6,309,491	-	-	-	6,309,491
Gross reinsurance accepted	R0020	-	-	-	-	-	-	-
Gross	R0030	-	-	6,309,491	-	-	-	6,309,491
Reinsurers' share	R0040	-	-	35,191	-	-	-	35,191
Net	R0050	-	-	6,274,300	-	-	-	6,274,300

Claims incurred

Gross direct business	R0110	-	-	1,536,266	-	-	-	1,536,266
Gross reinsurance accepted	R0120	-	-	-	-	-	-	-
Gross	R0130	-	-	1,536,266	-	-	-	1,536,266
Reinsurers' share	R0140	-	-	77,598	-	-	-	77,598
Net	R0150	-	-	1,458,668	-	-	-	1,458,668

Expenses incurred

Gross direct business	R0160	-	-	246,601	-	-	-	246,601
Gross reinsurance accepted	R0170	-	-	-	-	-	-	-
Gross	R0180	-	-	246,601	-	-	-	246,601
Reinsurers' share	R0190	-	-	-	-	-	-	-
Net	R0200	-	-	246,601	-	-	-	246,601

Other expenses

	R0300							46,938
--	--------------	--	--	--	--	--	--	--------

Dividends paid

	R0440							22,971
--	--------------	--	--	--	--	--	--	--------

Just Group plc

IR.22.01.22

Impact of long term guarantees measures and transitionals

£000

	Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
	C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010 25,140,764	409,214	-	-	4,564,754
Basic own funds	R0020 3,207,171	(306,911)	-	-	(3,423,565)
Eligible own funds to meet Solvency Capital Requirement	R0050 3,158,607	(404,804)	-	-	(5,633,116)
Solvency Capital Requirement	R0090 1,494,279	-	-	-	4,121,521

Just Group plc SFCR 31 December 2024

Just Group plc

IR.23.01.04

Own funds

£000

Basic own funds

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
Ordinary share capital (gross of own shares)	R0010	103,870	103,870	-	-
Non-available called but not paid in ordinary share capital at group level	R0020	-	-	-	-
Share premium account related to ordinary share capital	R0030	94,701	94,701	-	-
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	R0040	-	-	-	-
Subordinated mutual member accounts	R0050	-	-	-	-
Non-available subordinated mutual member accounts at group level	R0060	-	-	-	-
Surplus funds	R0070	-	-	-	-
Non-available surplus funds at group level	R0080	-	-	-	-
Preference shares	R0090	-	-	-	-
Non-available preference shares at group level	R0100	-	-	-	-
Share premium account related to preference shares	R0110	-	-	-	-
Non-available share premium account related to preference shares at group level	R0120	-	-	-	-
Reconciliation reserve	R0130	1,886,460	1,886,460	-	-
Subordinated liabilities	R0140	799,833	-	642,978	156,855
Non-available subordinated liabilities at group level	R0150	-	-	-	-
An amount equal to the value of net deferred tax assets	R0160	-	-	-	-
The amount equal to the value of net deferred tax assets not available at the group level	R0170	-	-	-	-
Other items approved by supervisory authority as basic own funds not specified above	R0180	322,390	-	322,390	-
Non available own funds related to other own funds items approved by supervisory authority	R0190	-	-	-	-
Minority interests (if not reported as part of a specific own fund item)	R0200	-	-	-	-
Non-available minority interests at group level	R0210	-	-	-	-

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as own funds

Just Group plc SFCR 31 December 2024

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as own funds

R0220	83
--------------	----

Deductions

Deductions for participations where there is non-availability of information

Deduction for participations included by using D&A when a combination of methods is used

Total of non-available own fund items

Total deductions

R0250	-	-	-	-	-
R0260	-	-	-	-	-
R0270	-	-	-	-	-
R0280	-	-	-	-	-

Total basic own funds after deductions

R0290	3,207,171	2,084,948	322,390	642,978	156,855
--------------	-----------	-----------	---------	---------	---------

Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand

Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand

Unpaid and uncalled preference shares callable on demand

A legally binding commitment to subscribe and pay for subordinated liabilities on demand

Letters of credit and guarantees

Letters of credit and guarantees - other

Supplementary members calls

Supplementary members calls - other

Non available ancillary own funds at group level

Other ancillary own funds

Total ancillary own funds

R0300	-			-	
R0310	-			-	
R0320	-			-	-
R0330	-			-	-
R0340	-			-	
R0350	-			-	-
R0360	-			-	
R0370	-			-	-
R0380	-			-	-
R0390	-			-	-
R0400	-			-	-

Own funds of other financial sectors

Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies - total

Institutions for occupational retirement provision

R0410	5,297	5,297	-	-	-
R0420	-	-	-	-	

Just Group plc SFCR 31 December 2024

Non regulated entities carrying out financial activities

Total own funds of other financial sectors

R0430	-	-	-	-	-
R0440	5,297	5,297	-	-	

Own funds when using the D&A, exclusively or in combination of method 1

Own funds aggregated when using the D&A and combination of method

Own funds aggregated when using the D&A and combination of method net of IGT

R0450	-	-	-	-	-
R0460	-	-	-	-	

Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)

Total available own funds to meet the minimum consolidated group SCR

Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)

Total eligible own funds to meet the minimum consolidated group SCR (group)

R0520	3,207,171	2,084,948	322,390	642,978	156,855
R0530	3,050,315	2,084,948	322,390	642,978	
R0560	3,153,310	2,084,948	322,390	642,978	102,995
R0570	2,507,771	2,084,948	322,390	100,434	

Consolidated Group SCR

Minimum consolidated Group SCR

Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)

Ratio of Eligible own funds to Minimum Consolidated Group SCR

Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)

SCR for entities included with D&A method

Group SCR

R0590	1,494,279				
R0610	502,169				
R0630	211%				
R0650	499%				
R0660	3,158,607	2,090,244	322,390	642,978	102,995
R0670	-				
R0680	1,494,279				

Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	211%
--	-------	------

Reconciliation reserve		C0060
Excess of assets over liabilities	R0700	2,415,369
Own shares (held directly and indirectly)	R0710	2,652
Foreseeable dividends, distributions and charges	R0720	-
Deductions for participations in financial and credit institutions	R0725	5,297
Other basic own fund items	R0730	520,961
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Other non available own funds	R0750	-
Reconciliation reserve	R0760	1,886,460

Just Group plc

IR.25.04.22

Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

(Unaudited)

£000

Market risk

Interest rate risk
Equity risk
Property risk
Spread risk
Concentration risk
Currency risk
Other market risk
Diversification within market risk

Total Market risk

	C0010
R0070	1,245,152
R0080	-
R0090	513,086
R0100	1,198,445
R0110	-
R0120	6,449
R0125	53,532
R0130	(1,503,258)
R0140	1,513,406

Counterparty default risk

Type 1 exposures
Type 2 exposures
Other counterparty risk
Diversification within counterparty default risk

Total Counterparty default risk

R0150	-
R0160	-
R0165	20,131
R0170	-
R0180	20,131

Life underwriting risk

Mortality risk
Longevity risk
Disability-Morbidity risk
Life-expense risk
Revision risk
Lapse risk
Life catastrophe risk
Other life underwriting risk
Diversification within life underwriting risk

Total Life underwriting risk

R0190	-
R0200	661,527
R0210	-
R0220	82,433
R0230	-
R0240	169,985
R0250	-
R0255	-
R0260	(196,834)
R0270	717,111

Health underwriting risk

Health SLT risk
Health non SLT risk
Health catastrophe risk
Other health underwriting risk
Diversification within health underwriting risk

Total Health underwriting risk

R0280	-
R0290	-
R0300	-
R0305	-
R0310	-
R0320	-

Non-life underwriting risk

Non-life premium and reserve risk (ex catastrophe risk)
Non-life catastrophe risk
Lapse risk
Other non-life underwriting risk

R0330	-
R0340	-
R0350	-
R0355	-

Just Group plc SFCR 31 December 2024

Diversification within non-life underwriting risk	R0360	-
Non-life underwriting risk	R0370	-
Intangible asset risk	R0400	-
Operational and other risks		
Operational risk	R0422	182,447
Other risks	R0424	38,000
Total Operational and other risks	R0430	220,447
Total before all diversification	R0432	4,171,187
Total before diversification between risk modules	R0434	2,471,095
Diversification between risk modules	R0436	(611,832)
Total after diversification	R0438	1,859,263
Loss absorbing capacity of technical provisions	R0440	-
Loss absorbing capacity of deferred tax	R0450	(367,317)
Other adjustments	R0455	-
Solvency capital requirement including undisclosed capital add-on	R0460	1,491,945
Disclosed capital add-on - excluding residual model limitation	R0472	-
Disclosed capital add-on - residual model limitation	R0474	-
Solvency capital requirement including capital add-on	R0480	1,491,945
Biting interest rate scenario	R0490	increase
Biting life lapse scenario	R0495	decrease
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	2,334
Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	2,334
Institutions for occupational retirement provisions	R0520	-
Capital requirement for non- regulated entities carrying out financial activities	R0530	-
Capital requirement for non-controlled participation requirements	R0540	-
Capital requirement for residual undertakings	R0550	-
Overall SCR		
Solvency capital requirement (consolidation method)	R0555	1,494,279
SCR for undertakings included via D and A	R0560	-
SCR for sub-groups included via D and A	R0565	-
Solvency capital requirement	R0570	1,494,279

Just Group plc

IR.32.01.22

Undertakings in the scope of the group part 1
of 2

£000

Country	Identification code and type of code of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0040	C0050	C0060	C0070	C0080
GB	LEI/5493006456YEZEELRR90	Just Group plc	Insurance holding company as defined in the Glossary part of the PRA Rulebook	Public Limited Company	Non-mutual	Prudential Regulation Authority
GB	LEI/P55P0XP0U03I6PBITKC96	Just Retirement Limited	Life insurance undertaking	Limited Company	Non-mutual	Prudential Regulation Authority
GB	LEI/213800CBWL4ZIFSL551	Partnership Life Assurance Company Limited	Life insurance undertaking	Limited Company	Non-mutual	Prudential Regulation Authority
GB	LEI/549300GCB0HKFJJAPE23	Just Retirement Money Limited	Credit institution, investment firm and financial institution	Limited Company	Non-mutual	Financial Conduct Authority
GB	LEI/5493003W8JS1XYTM0022	HUB Financial Solutions Limited	Other	Limited Company	Non-mutual	Financial Conduct Authority
GB	LEI/549300HSTP9B7NWRX93	Partnership Home Loans Limited	Credit institution, investment firm and financial institution	Limited Company	Non-mutual	Financial Conduct Authority
GB	LEI/CL37F72IHHVQKFJYQU50	Just Retirement (Holdings) Limited	Insurance holding company as defined in the Glossary part of the PRA Rulebook	Limited Company	Non-mutual	
GB	SC/5493006456YEZEELRR90+GB+G PUT	TP2 Unit trust	Other	Trust	Non-mutual	
GB	LEI/549300IAERQ88IEB7Q62	Just Retirement Finance plc	Other	Public Limited Company	Non-mutual	
GB	LEI/549300O2RJG4POJCT414	Just Retirement Group Holdings Limited	Insurance holding company as defined in the Glossary part of the PRA Rulebook	Limited Company	Non-mutual	
GB	LEI/549300PFCWHQEK3RX50	Just Retirement Management Services Limited	Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Limited Company	Non-mutual	
GB	LEI/549300YC1K6V4K44NH40	Just Re 1 Limited	Other	Limited Company	Non-mutual	
GB	LEI/549300ESHO4MEK1F1Q39	Just Re 2 Limited	Other	Limited Company	Non-mutual	
GB	LEI/549300KGKT9MJVUVDI55	PLACL RE 1 Limited	Other	Limited Company	Non-mutual	
GB	LEI/549300RC7UEKHC6E5538	PLACL RE 2 Limited	Other	Limited Company	Non-mutual	
GB	LEI/5493005H4ZZ8SSBXAQ56	HUB Acquisitions Limited	Other	Limited Company	Non-mutual	

GB	LEI/549300GSQOVFZY0HWN30	HUB Pension Solutions Limited	Other	Limited Company	Non-mutual	
GB	SC/CL37F72IHHVQKFJYQU50+GB+S PS	Spire Platform Solutions Limited	Other	Limited Company	Non-mutual	
GB	LEI/549300XOY061F28LXY46	The Open Market Annuity Service Limited	Other	Limited Company	Non-mutual	
GB	LEI/549300YNECUYY4YCB995	TOMAS Online Development Limited	Other	Limited Company	Non-mutual	
JE	LEI/5493000EXZL6KSS4SC88	PAG Finance Limited	Insurance holding company as defined in the Glossary part of the PRA Rulebook	Limited Company	Non-mutual	
JE	LEI/549300DOYZUFZS0VRK64	PAG Holdings Limited	Insurance holding company as defined in the Glossary part of the PRA Rulebook	Limited Company	Non-mutual	
GB	LEI/2138006K6GMGKWPFO418	Partnership Assurance Group Limited	Insurance holding company as defined in the Glossary part of the PRA Rulebook	Limited Company	Non-mutual	
GB	LEI/549300R20XQ1RR0MNC23	Partnership Group Holdings Limited	Institution for occupational retirement provision	Limited Company	Non-mutual	
GB	LEI/549300KM5KU04ID09S69	Partnership Holdings Limited	Insurance holding company as defined in the Glossary part of the PRA Rulebook	Limited Company	Non-mutual	
GB	LEI/549300KI18CEVNU8JU80	Partnership Services Limited	Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Limited Company	Non-mutual	
GI	LEI/2138003R38516O282X19	White Rock Insurance (Gibraltar) PCC Limited	Other	Protected cell company	Non-mutual	
GB	LEI/549300LMRJM7XLKDQ49	PASPV Limited	Other	Limited Company	Non-mutual	
GB	LEI/549300FUZHQ711L8V156	Payingforcare Limited	Other	Limited Company	Non-mutual	
GB	LEI/5493007FZ3IMEDQHUB80	HUB Pension Consulting (Holdings) Limited	Other	Limited Company	Non-mutual	
GB	LEI/549300UJBO5040KBQZ44	HUB Pension Consulting Limited	Other	Limited Company	Non-mutual	
GB	LEI/549300Q6T12B1QQXPW72	Just Retirement Nominees Limited	Other	Limited Company	Non-mutual	
GB	LEI/549300Zi5LM7ITZMZY23	Just Retirement Solutions Limited	Other	Limited Company	Non-mutual	
GB	LEI/549300JQR8MBMPNH544	JRP Group Limited	Other	Limited Company	Non-mutual	
GB	LEI/5493007S6CL4Q1UWOU03	JRP Nominees Limited	Other	Limited Company	Non-mutual	
GB	LEI/549300ZQKFZQWUWTPX41	Just Annuities Limited	Other	Limited Company	Non-mutual	
GB	LEI/549300T2SSXODFKX3O83	Just Equity Release Limited	Other	Limited Company	Non-mutual	
GB	LEI/549300PKXGOLNGFNT953	Just Direct Limited	Other	Limited Company	Non-mutual	
GB	LEI/549300D198Z4OWXF4P82	Just Protection Limited	Other	Limited Company	Non-mutual	



Just Group plc SFCR 31 December 2024

GB	LEI/5493000WL98XFIGVUI18	Enhanced Retirement Limited	Other	Limited Company	Non-mutual	
GB	LEI/549300YRNMMP7K0ED70	Pension Buddy Limited	Other	Limited Company	Non-mutual	
GB	SC/5493005H4ZZ8SSBXAQ56+GB+HUBDS	HUB Digital Solutions Limited	Other	Limited Company	Non-mutual	
GB	SC/CL37F72IHHVQKFJYQU50+GB+HUBTS	HUB Transfer Solutions Limited	Other	Limited Company	Non-mutual	
GB	SC/CL37F72IHHVQKFJYQU50+GB+TAL	TOMAS Acquisitions Limited	Other	Limited Company	Non-mutual	
GB	SC/5493006456YEZEELRR90+GB+COM	Comentis Ltd	Other	Associate	Non-mutual	
GB	SC/5493006456YEZEELRR90+GB+PUT	Pineyard Unit Trust	Other	Trust	Non-mutual	

Just Group plc
 IR.32.01.22
 Undertakings in the scope of the group
 Part 2 of 2

Legal Name of the undertaking	Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if excluded	Method used and under method 1, treatment of the undertaking
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
Just Group plc							Included in the scope		Method 1: Full consolidation
Just Retirement Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope		Method 1: Full consolidation
Partnership Life Assurance Company Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope		Method 1: Full consolidation
Just Retirement Money Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope		Method 1: Adjusted equity method
HUB Financial Solutions Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope		Method 1: Adjusted equity method
Partnership Home Loans Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope		Method 1: Adjusted equity method
Just Retirement (Holdings) Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope		Method 1: Full consolidation
TP2 Unit trust	60%	100%	60%	0%	Dominant	60%	Included in the scope		Method 1: Adjusted equity method
Just Retirement Finance plc	100%	100%	100%	0%	Dominant	100%	Included in the scope		Method 1: Adjusted equity method
Just Retirement Group Holdings Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope		Method 1: Full consolidation
Just Retirement Management Services Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope		Method 1: Full consolidation

Just Re 1 Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
Just Re 2 Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
PLACL RE 1 Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
PLACL RE 2 Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
HUB Acquisitions Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
HUB Pension Solutions Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
Spire Platform Solutions Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
The Open Market Annuity Service Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
TOMAS Online Development Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
PAG Finance Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Full consolidation
PAG Holdings Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Full consolidation
Partnership Assurance Group Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Full consolidation
Partnership Group Holdings Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Full consolidation
Partnership Holdings Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Full consolidation
Partnership Services Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Full consolidation
White Rock Insurance (Gibraltar) PCC Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
PASPV Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
Payingforcare Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method

HUB Pension Consulting (Holdings) Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
HUB Pension Consulting Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
Just Retirement Nominees Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
Just Retirement Solutions Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
JRP Group Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
JRP Nominees Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
Just Annuities Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
Just Equity Release Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
Just Direct Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
Just Protection Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
Enhanced Retirement Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
Pension Buddy Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
HUB Digital Solutions Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
HUB Transfer Solutions Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
TOMAS Acquisitions Limited	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method
Comentis Ltd	13%	100%	13%	0%	Dominant	13%	Included in the scope	Method 1: Adjusted equity method
Pineyard Unit Trust	100%	100%	100%	0%	Dominant	100%	Included in the scope	Method 1: Adjusted equity method

F.1.2 Just Retirement Limited QRTs

31 December 2024

Quantitative Reporting Templates

IR.02.01.01	Balance sheet
IR.05.02.01.04	Premiums, claims and expenses by country
IR.05.03.02	Life income and expenditure
IR.12.01.02	Life technical provisions
IR.22.01.21	Impact of long term guarantees measures and transitionals
IR.23.01.01	Own Funds
IR.25.04.21	Solvency Capital Requirement
IR.28.01.01	Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Just Retirement Limited

IR.02.01.01

Balance sheet

£000

Assets

Intangible assets
 Deferred tax assets
 Pension benefit surplus
 Property, plant & equipment held for own use
 Investments (other than assets held for index-linked and unit-linked contracts)
 Property (other than for own use)
 Holdings in related undertakings, including participations
 Equities
 Equities - listed
 Equities - unlisted
 Bonds
 Government Bonds
 Corporate Bonds
 Structured notes
 Collateralised securities
 Collective Investments Undertakings
 Derivatives
 Deposits other than cash equivalents
 Other investments
 Assets held for index-linked and unit-linked contracts
 Loans and mortgages
 Loans on policies
 Loans and mortgages to individuals
 Other loans and mortgages
 Reinsurance recoverables from:
 Non-life and health similar to non-life
 Life and health similar to life, excluding index-linked and unit-linked
 Life index-linked and unit-linked
 Deposits to cedants
 Insurance and intermediaries receivables
 Reinsurance receivables
 Receivables (trade, not insurance)
 Own shares (held directly)
 Amounts due in respect of own fund items or initial fund called up but not yet paid in
 Cash and cash equivalents
 Any other assets, not elsewhere shown

Total assets

	Solvency II value
	C0010
R0030	-
R0040	-
R0050	-
R0060	6,357
R0070	22,575,997
R0080	-
R0090	13
R0100	-
R0110	-
R0120	-
R0130	17,626,805
R0140	5,971,581
R0150	11,649,026
R0160	-
R0170	6,199
R0180	1,380,193
R0190	2,629,659
R0200	939,327
R0210	-
R0220	-
R0230	7,305,854
R0240	-
R0250	4,485,205
R0260	2,820,649
R0270	1,442,319
R0280	-
R0315	1,442,319
R0340	-
R0350	-
R0360	21,629
R0370	0
R0380	263,458
R0390	-
R0400	-
R0410	681,501
R0420	-
R0500	32,297,114

Balance sheet (continued)

£000

Liabilities

Technical provisions - total	
Technical provisions - non-life	
Technical provisions - life	
Best estimate - total	
Best estimate - non-life	
Best estimate - life	
Risk margin – total	
Risk margin - non-life	
Risk margin - life	
Transitional (TMTP) - life	
Other technical provisions	
Contingent liabilities	
Provisions other than technical provisions	
Pension benefit obligations	
Deposits from reinsurers	
Deferred tax liabilities	
Derivatives	
Debts owed to credit institutions	
Financial liabilities other than debts owed to credit institutions	
Insurance & intermediaries payables	
Reinsurance payables	
Payables (trade, not insurance)	
Subordinated liabilities	
Subordinated liabilities not in Basic Own Funds	
Subordinated liabilities in Basic Own Funds	
Any other liabilities, not elsewhere shown	
Total liabilities	
Excess of assets over liabilities	

	Solvency II value
	C0010
R0505	22,234,125
R0510	-
R0515	22,234,125
R0542	22,329,850
R0544	-
R0546	22,329,850
R0552	167,438
R0554	-
R0556	167,438
R0565	263,163
R0730	-
R0740	-
R0750	500
R0760	-
R0770	-
R0780	36,388
R0790	2,834,431
R0800	4,523,337
R0810	-
R0820	4,192
R0830	23,847
R0840	342,994
R0850	484,253
R0860	-
R0870	484,253
R0880	-
R0900	30,484,068
R1000	1,813,046

Just Group plc SFCR 31 December 2024



Just Retirement Limited

IR.05.02.01.04

Premiums, claims and expenses by country

(Unaudited)

£000

Home Country
C0220

Premiums written

Gross	R1410	6,251,675
Reinsurers' share	R1420	34,327
Net	R1500	6,217,348

Premiums earned

Gross	R1510	6,251,675
Reinsurers' share	R1520	34,327
Net	R1600	6,217,348

Claims incurred

Gross	R1610	1,193,812
Reinsurers' share	R1620	45,287
Net	R1700	1,148,525

Net expenses incurred

	R1900	232,532
--	--------------	---------

Just Retirement Limited

IR.05.03.02

Life income and expenditure

(Unaudited)

£000

	Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health	
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	
Premiums written								
Gross direct business	R0010	-	-	6,251,675	-	-	-	6,251,675
Gross reinsurance accepted	R0020	-	-	-	-	-	-	-
Gross	R0030	-	-	6,251,675	-	-	-	6,251,675
Reinsurers' share	R0040	-	-	34,327	-	-	-	34,327
Net	R0050	-	-	6,217,348	-	-	-	6,217,348
Claims incurred								
Gross direct business	R0110	-	-	1,193,812	-	-	-	1,193,812
Gross reinsurance accepted	R0120	-	-	-	-	-	-	-
Gross	R0130	-	-	1,193,812	-	-	-	1,193,812
Reinsurers' share	R0140	-	-	45,287	-	-	-	45,287
Net	R0150	-	-	1,148,525	-	-	-	1,148,525
Expenses incurred								
Gross direct business	R0160	-	-	232,532	-	-	-	232,532
Gross reinsurance accepted	R0170	-	-	-	-	-	-	-
Gross	R0180	-	-	232,532	-	-	-	232,532
Reinsurers' share	R0190	-	-	-	-	-	-	-
Net	R0200	-	-	232,532	-	-	-	232,532
Other expenses	R0300							45,446
Dividends paid	R0440							-

Just Group plc SFCR 31 December 2024

Just Retirement Limited

IR.12.01.02

Life technical provisions

£000

	Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health
	C0010	C0020	C0030	C0040	C0050	C0060	C0070
Best estimate							
Gross Best Estimate (direct business)	R0025	-	22,329,850	-	-	-	22,329,850
Gross Best Estimate (reinsurance accepted)	R0026	-	-	-	-	-	-
Gross Best Estimate	R0030	-	22,329,850	-	-	-	22,329,850
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	-	1,442,319	-	-	-	1,442,319
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	-	20,887,531	-	-	-	20,887,531
Risk margin	R0100	-	167,438	-	-	-	167,438
Amount of the transitional on Technical Provisions							
TMTP - risk margin	R0140	-	71,656	-	-	-	71,656
TMTP - best estimate dynamic component	R0150	-	191,507	-	-	-	191,507
TMTP - best estimate static component	R0160	-	-	-	-	-	-
TMTP - amortisation adjustment	R0170	-	-	-	-	-	-
Transitional Measure on Technical Provisions	R0180	-	263,163	-	-	-	263,163
Technical provisions - total	R0200	-	22,234,125	-	-	-	22,234,125

Just Retirement Limited

IR.22.01.21

Impact of long term guarantees measures and transitionals

£000

	Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
	C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010 22,234,125	263,163	-	-	4,301,226
Basic own funds	R0020 2,297,299	(197,372)	-	-	(3,225,920)
Eligible own funds to meet Solvency Capital Requirement	R0050 2,297,299	(197,372)	-	-	(5,064,882)
Solvency Capital Requirement	R0090 1,287,388	-	-	-	3,797,761
Eligible own funds to meet Minimum Capital Requirement	R0100 1,899,979	(225,970)	-	-	(4,638,964)
Minimum Capital Requirement	R0110 434,665	4,022	-	-	832,600

Just Group plc SFCR 31 December 2024

Just Retirement Limited

IR.23.01.01

Own funds

£000

Basic own funds

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
Ordinary share capital (gross of own shares)	R0010	42,900	42,900	-	
Share premium account related to ordinary share capital	R0030	36,100	36,100	-	
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	R0040	-	-	-	
Subordinated mutual member accounts	R0050	-	-	-	-
Surplus funds	R0070	-	-		
Preference shares	R0090	-	-	-	-
Share premium account related to preference shares	R0110	-	-	-	-
Reconciliation reserve	R0130	1,484,046	1,484,046		
Subordinated liabilities	R0140	484,253	-	433,640	50,614
An amount equal to the value of net deferred tax assets	R0160	-			-
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	250,000	250,000	-	-

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

R0220	-
-------	---

Total basic own funds

R0290	2,297,299	1,563,046	250,000	433,640	50,614
-------	-----------	-----------	---------	---------	--------

Just Group plc SFCR 31 December 2024

Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
Unpaid and uncalled preference shares callable on demand
A legally binding commitment to subscribe and pay for subordinated liabilities on demand
Letters of credit and guarantees
Letters of credit and guarantees - other
Supplementary members calls
Supplementary members calls - other
Other ancillary own funds
Total ancillary own funds

R0300	-			-	
R0310	-			-	
R0320	-			-	-
R0330	-			-	-
R0340	-			-	
R0350	-			-	-
R0360	-			-	
R0370	-			-	-
R0390	-			-	-
R0400	-			-	-

Available and eligible own funds

Total available own funds to meet the SCR
Total available own funds to meet the MCR
Total eligible own funds to meet the SCR
Total eligible own funds to meet the MCR

R0500	2,297,299	1,563,046	250,000	433,640	50,614
R0510	2,246,685	1,563,046	250,000	433,640	
R0540	2,297,299	1,563,046	250,000	433,640	50,614
R0550	1,899,979	1,563,046	250,000	86,933	

SCR

R0580	1,287,388
--------------	-----------

MCR

R0600	434,665
R0620	178%
R0640	437%

Ratio of Eligible own funds to SCR

Ratio of Eligible own funds to MCR

Reconciliation reserve

	C0060
Excess of assets over liabilities	R0700 1,813,046
Own shares (held directly and indirectly)	R0710 -
Foreseeable dividends, distributions and charges	R0720 -
Deductions for participations in financial and credit institutions	R0725 -
Other basic own fund items	R0730 329,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740 -
Reconciliation reserve	R0760 1,484,046

Excess of assets over liabilities

Own shares (held directly and indirectly)

Foreseeable dividends, distributions and charges

Deductions for participations in financial and credit institutions

Other basic own fund items

Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

Reconciliation reserve

Just Retirement Limited

IR.25.04.21

Solvency Capital Requirement

(Unaudited)

£000

Market risk

Interest rate risk
Equity risk
Property risk
Spread risk
Concentration risk
Currency risk
Other market risk
Diversification within market risk

Total Market risk

C0010

R0070	1,222,864
R0080	-
R0090	377,938
R0100	1,113,192
R0110	-
R0120	6,449
R0125	61,814
R0130	(1,383,927)
R0140	1,398,329

Counterparty default risk

Type 1 exposures
Type 2 exposures
Other counterparty risk
Diversification within counterparty default risk

Total Counterparty default risk

R0150	-
R0160	-
R0165	19,585
R0170	-
R0180	19,585

Life underwriting risk

Mortality risk
Longevity risk
Disability-Morbidity risk
Life-expense risk
Revision risk
Lapse risk
Life catastrophe risk
Other life underwriting risk
Diversification within life underwriting risk

Total Life underwriting risk

R0190	-
R0200	550,611
R0210	-
R0220	70,750
R0230	-
R0240	146,311
R0250	-
R0255	-
R0260	(166,256)
R0270	601,416

Health underwriting risk

Health SLT risk
Health non SLT risk
Health catastrophe risk
Other health underwriting risk
Diversification within health underwriting risk

Total Health underwriting risk

R0280	-
R0290	-
R0300	-
R0305	-
R0310	-
R0320	-

Non-life underwriting risk

Non-life premium and reserve risk (ex catastrophe risk)
Non-life catastrophe risk
Lapse risk
Other non-life underwriting risk
Diversification within non-life underwriting risk

Non-life underwriting risk

R0330	-
R0340	-
R0350	-
R0355	-
R0360	-
R0370	-

Intangible asset risk

R0400	-
--------------	---

Operational and other risks

Operational risk

R0422	155,187
--------------	---------

Other risks

R0424	38,000
--------------	--------

Total Operational and other risks

R0430	193,187
--------------	---------

Total before all diversification

R0432	3,762,700
--------------	-----------

Total before diversification between risk modules

R0434	2,212,517
--------------	-----------

Diversification between risk modules

R0436	(542,280)
--------------	-----------

Total after diversification

R0438	1,670,237
--------------	-----------

Loss absorbing capacity of technical provisions

R0440	-
--------------	---

Loss absorbing capacity of deferred tax

R0450	(382,848)
--------------	-----------

Other adjustments

R0455	-
--------------	---

Solvency capital requirement including undisclosed capital add-on

R0460	1,287,388
--------------	-----------

Disclosed capital add-on - excluding residual model limitation

R0472	-
--------------	---

Disclosed capital add-on - residual model limitation

R0474	-
--------------	---

Solvency capital requirement including capital add-on

R0480	1,287,388
--------------	-----------

Biting interest rate scenario

R0490	increase
--------------	----------

Biting life lapse scenario

R0495	decrease
--------------	----------

Just Retirement Limited

IR.28.01.01

**Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity
£000**

Linear formula component for life insurance and reinsurance obligations

MCR_L Result

	C0040
R0200	434,665

Obligations with profit participation - guaranteed benefits
 Obligations with profit participation - future discretionary benefits
 Index-linked and unit-linked insurance obligations
 Other life (re)insurance and health (re)insurance obligations
 Total capital at risk for all life (re)insurance obligations

	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
	C0050	C0060
R0210	-	
R0220	-	
R0230	-	
R0240	20,696,025	
R0250		69,799

Overall MCR calculation

Linear MCR
 SCR
 MCR cap
 MCR floor
 Combined MCR
 Absolute floor of the MCR

	C0070
R0300	434,665
R0310	1,287,388
R0320	579,325
R0330	321,847
R0340	434,665
R0350	3,500
	C0070
R0400	434,665

Minimum Capital Requirement

F.1.3 Partnership Life Assurance Company Limited QRTs

31 December 2024

Quantitative Reporting Templates

IR.02.01.01	Balance sheet
IR.05.02.01.04	Premiums, claims and expenses by country
IR.05.03.02	Life income and expenditure
IR.12.01.02	Life technical provisions
IR.22.01.21	Impact of long term guarantees measures and transitionals
IR.23.01.01	Own Funds
IR.25.04.21	Solvency Capital Requirement
IR.28.01.01	Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Partnership Life Assurance Company Limited

IR.02.01.01

Balance sheet

£000

Assets

Intangible assets
Deferred tax assets
Pension benefit surplus
Property, plant & equipment held for own use
Investments (other than assets held for index-linked and unit-linked contracts)
 Property (other than for own use)
 Holdings in related undertakings, including participations
 Equities
 Equities - listed
 Equities - unlisted
 Bonds
 Government Bonds
 Corporate Bonds
 Structured notes
 Collateralised securities
 Collective Investments Undertakings
 Derivatives
 Deposits other than cash equivalents
 Other investments
Assets held for index-linked and unit-linked contracts
Loans and mortgages
 Loans on policies
Loans and mortgages to individuals
Other loans and mortgages
Reinsurance recoverables from:
 Non-life and health similar to non-life
 Life and health similar to life, excluding index-linked and unit-linked
 Life index-linked and unit-linked
 Deposits to cedants
 Insurance and intermediaries receivables
 Reinsurance receivables
 Receivables (trade, not insurance)
Own shares (held directly)
Amounts due in respect of own fund items or initial fund called up but not yet paid in
Cash and cash equivalents
Any other assets, not elsewhere shown

Total assets

	Solvency II value
	C0010
R0030	-
R0040	15,071
R0050	-
R0060	-
R0070	2,333,963
R0080	-
R0090	0
R0100	-
R0110	-
R0120	-
R0130	1,770,158
R0140	544,454
R0150	1,225,704
R0160	-
R0170	-
R0180	336,042
R0190	126,372
R0200	101,392
R0210	-
R0220	-
R0230	1,204,185
R0240	-
R0250	981,321
R0260	222,864
R0270	265,023
R0280	-
R0315	265,023
R0340	-
R0350	-
R0360	2,862
R0370	8,686
R0380	33,994
R0390	-
R0400	-
R0410	50,687
R0420	-
R0500	3,914,471

Balance sheet (continued)

£000

Liabilities

Technical provisions - total	
Technical provisions - non-life	
Technical provisions - life	
Best estimate - total	
Best estimate - non-life	
Best estimate - life	
Risk margin – total	
Risk margin - non-life	
Risk margin - life	
Transitional (TMTP) - life	
Other technical provisions	
Contingent liabilities	
Provisions other than technical provisions	
Pension benefit obligations	
Deposits from reinsurers	
Deferred tax liabilities	
Derivatives	
Debts owed to credit institutions	
Financial liabilities other than debts owed to credit institutions	
Insurance & intermediaries payables	
Reinsurance payables	
Payables (trade, not insurance)	
Subordinated liabilities	
Subordinated liabilities not in Basic Own Funds	
Subordinated liabilities in Basic Own Funds	
Any other liabilities, not elsewhere shown	
Total liabilities	
Excess of assets over liabilities	

	Solvency II value
	C0010
R0505	2,906,639
R0510	-
R0515	2,906,639
R0542	3,026,245
R0544	-
R0546	3,026,245
R0552	26,446
R0554	-
R0556	26,446
R0565	146,051
R0730	-
R0740	-
R0750	-
R0760	-
R0770	-
R0780	-
R0790	180,452
R0800	247,461
R0810	-
R0820	4,767
R0830	-
R0840	16,191
R0850	185,312
R0860	-
R0870	185,312
R0880	-
R0900	3,540,822
R1000	373,649

Just Group plc SFCR 31 December 2024



Partnership Life Assurance Company Limited

IR.05.02.01.04

Premiums, claims and expenses by country

(Unaudited)

£000

Home Country
C0220

Premiums written

Gross	R1410	57,816
Reinsurers' share	R1420	863
Net	R1500	56,953

Premiums earned

Gross	R1510	57,816
Reinsurers' share	R1520	863
Net	R1600	56,953

Claims incurred

Gross	R1610	342,454
Reinsurers' share	R1620	32,312
Net	R1700	310,143

Net expenses incurred

	R1900	14,069
--	--------------	--------

Partnership Life Assurance Company Limited

IR.05.03.02

Life income and expenditure

(Unaudited)

£000

	Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health
	C0010	C0020	C0030	C0040	C0050	C0060	C0070
Premiums written							
Gross direct business	R0010	-	-	57,816	-	-	57,816
Gross reinsurance accepted	R0020	-	-	-	-	-	-
Gross	R0030	-	-	57,816	-	-	57,816
Reinsurers' share	R0040	-	-	863	-	-	863
Net	R0050	-	-	56,953	-	-	56,953
Claims incurred							
Gross direct business	R0110	-	-	342,454	-	-	342,454
Gross reinsurance accepted	R0120	-	-	-	-	-	-
Gross	R0130	-	-	342,454	-	-	342,454
Reinsurers' share	R0140	-	-	32,312	-	-	32,312
Net	R0150	-	-	310,143	-	-	310,143
Expenses incurred							
Gross direct business	R0160	-	-	14,069	-	-	14,069
Gross reinsurance accepted	R0170	-	-	-	-	-	-
Gross	R0180	-	-	14,069	-	-	14,069
Reinsurers' share	R0190	-	-	-	-	-	-
Net	R0200	-	-	14,069	-	-	14,069
Other expenses	R0300						1,492
Dividends paid	R0440						-

Partnership Life Assurance Company Limited

IR.12.01.02

Life technical provisions

£000

	Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health	
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	
Best estimate								
Gross Best Estimate (direct business)	R0025	-	-	3,026,245	-	-	-	3,026,245
Gross Best Estimate (reinsurance accepted)	R0026	-	-	-	-	-	-	-
Gross Best Estimate	R0030	-	-	3,026,245	-	-	-	3,026,245
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	-	-	265,023	-	-	-	265,023
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	-	-	2,761,222	-	-	-	2,761,222
Risk margin	R0100	-	-	26,446	-	-	-	26,446
Amount of the transitional on Technical Provisions								
TMTP - risk margin	R0140	-	-	20,517	-	-	-	20,517
TMTP - best estimate dynamic component	R0150	-	-	125,535	-	-	-	125,535
TMTP - best estimate static component	R0160	-	-	-	-	-	-	-
TMTP - amortisation adjustment	R0170	-	-	-	-	-	-	-
Transitional Measure on Technical Provisions	R0180	-	-	146,051	-	-	-	146,051
Technical provisions - total	R0200	-	-	2,906,639	-	-	-	2,906,639

Partnership Life Assurance Company Limited

IR.22.01.21

Impact of long term guarantees measures and transitionals
£000

	Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
	C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010 2,906,639	146,051	-	-	263,527
Basic own funds	R0020 558,961	(109,539)	-	-	(197,646)
Eligible own funds to meet Solvency Capital Requirement	R0050 493,585	(146,051)	-	-	(398,534)
Solvency Capital Requirement	R0090 270,014	-	-	-	276,063
Eligible own funds to meet Minimum Capital Requirement	R0100 372,079	(146,051)	-	-	(277,028)
Minimum Capital Requirement	R0110 67,503	-	-	-	69,016

Just Group plc SFCR 31 December 2024

Partnership Life Assurance Company Limited

IR.23.01.01

Own funds

£000

Basic own funds

Ordinary share capital (gross of own shares)
 Share premium account related to ordinary share capital
 Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings
 Subordinated mutual member accounts
 Surplus funds
 Preference shares
 Share premium account related to preference shares
 Reconciliation reserve
 Subordinated liabilities
 An amount equal to the value of net deferred tax assets
 Other own fund items approved by the supervisory authority as basic own funds not specified above

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0010	22,190	22,190		-	
R0030	-	-		-	
R0040	-	-		-	
R0050	-		-	-	-
R0070	-	-			
R0090	-		-	-	-
R0110	-		-	-	-
R0130	336,388	336,388			
R0140	185,312		-	185,312	-
R0160	15,071				15,071
R0180	-	-	-	-	-

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

R0220	-
--------------	---

Total basic own funds

R0290	558,961	358,578	-	185,312	15,071
--------------	---------	---------	---	---------	--------

Just Group plc SFCR 31 December 2024

Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand
 Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
 Unpaid and uncalled preference shares callable on demand
 A legally binding commitment to subscribe and pay for subordinated liabilities on demand
 Letters of credit and guarantees
 Letters of credit and guarantees - other
 Supplementary members calls
 Supplementary members calls - other
 Other ancillary own funds
Total ancillary own funds

R0300	-			-	
R0310	-			-	
R0320	-			-	-
R0330	-			-	-
R0340	-			-	
R0350	-			-	-
R0360	-			-	
R0370	-			-	-
R0390	-			-	-
R0400	-			-	-

Available and eligible own funds

Total available own funds to meet the SCR
 Total available own funds to meet the MCR
 Total eligible own funds to meet the SCR
 Total eligible own funds to meet the MCR

R0500	558,961	358,578	-	185,312	15,071
R0510	543,890	358,578	-	185,312	
R0540	493,585	358,578	-	135,007	-
R0550	372,079	358,578	-	13,501	

SCR

R0580	270,014
--------------	---------

MCR

R0600	67,503
--------------	--------

Ratio of Eligible own funds to SCR

R0620	183%
--------------	------

Ratio of Eligible own funds to MCR

R0640	551%
--------------	------

Reconciliation reserve

Excess of assets over liabilities

Own shares (held directly and indirectly)

Foreseeable dividends, distributions and charges

Deductions for participations in financial and credit institutions

Other basic own fund items

Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

Reconciliation reserve

	C0060
R0700	373,649
R0710	-
R0720	-
R0725	-
R0730	37,261
R0740	-
R0760	336,388

Partnership Life Assurance Company Limited

IR.25.04.21

Solvency Capital Requirement

(Unaudited)

£000

Market risk

Interest rate risk
Equity risk
Property risk
Spread risk
Concentration risk
Currency risk
Other market risk
Diversification within market risk
Total Market risk

C0010

R0070	49,303
R0080	-
R0090	135,901
R0100	85,450
R0110	-
R0120	-
R0125	41,646
R0130	(96,988)
R0140	215,313

Counterparty default risk

Type 1 exposures
Type 2 exposures
Other counterparty risk
Diversification within counterparty default risk
Total Counterparty default risk

R0150	-
R0160	-
R0165	523
R0170	-
R0180	523

Life underwriting risk

Mortality risk
Longevity risk
Disability-Morbidity risk
Life-expense risk
Revision risk
Lapse risk
Life catastrophe risk
Other life underwriting risk
Diversification within life underwriting risk
Total Life underwriting risk

R0190	-
R0200	124,547
R0210	-
R0220	11,683
R0230	-
R0240	23,674
R0250	-
R0255	-
R0260	(29,043)
R0270	130,861

Health underwriting risk

Health SLT risk
Health non SLT risk
Health catastrophe risk
Other health underwriting risk
Diversification within health underwriting risk
Total Health underwriting risk

R0280	-
R0290	-
R0300	-
R0305	-
R0310	-
R0320	-

Non-life underwriting risk

Non-life premium and reserve risk (ex catastrophe risk)
Non-life catastrophe risk
Lapse risk

R0330	-
R0340	-
R0350	-

Just Group plc SFCR 31 December 2024

Other non-life underwriting risk	R0355	-
Diversification within non-life underwriting risk	R0360	-
Non-life underwriting risk	R0370	-
Intangible asset risk	R0400	-
Operational and other risks		
Operational risk	R0422	50,136
Other risks	R0424	-
Total Operational and other risks	R0430	50,136
Total before all diversification	R0432	522,863
Total before diversification between risk modules	R0434	396,832
Diversification between risk modules	R0436	(126,819)
Total after diversification	R0438	270,014
Loss absorbing capacity of technical provisions	R0440	-
Loss absorbing capacity of deferred tax	R0450	-
Other adjustments	R0455	-
Solvency capital requirement including undisclosed capital add-on	R0460	270,014
Disclosed capital add-on - excluding residual model limitation	R0472	-
Disclosed capital add-on - residual model limitation	R0474	-
Solvency capital requirement including capital add-on	R0480	270,014
Biting interest rate scenario	R0490	decrease
Biting life lapse scenario	R0495	decrease

Just Group plc SFCR 31 December 2024

Partnership Life Assurance Company Limited

IR.28.01.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity
£000

Linear formula component for life insurance and reinsurance obligations

MCR_L Result

	C0040
R0200	55,487

Obligations with profit participation - guaranteed benefits
Obligations with profit participation - future discretionary benefits
Index-linked and unit-linked insurance obligations
Other life (re)insurance and health (re)insurance obligations
Total capital at risk for all life (re)insurance obligations

	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
	C0050	C0060
R0210	-	
R0220	-	
R0230	-	
R0240	2,640,447	
R0250		53,455

Overall MCR calculation

Linear MCR
SCR
MCR cap
MCR floor
Combined MCR
Absolute floor of the MCR

	C0070
R0300	55,487
R0310	270,014
R0320	121,506
R0330	67,503
R0340	67,503
R0350	3,500
	C0070
R0400	67,503

Minimum Capital Requirement

F.2 Directors' statement

We acknowledge our responsibility for preparing the Solvency and Financial Condition Report of Just Group plc, including the SFCR contents for Just Retirement Limited and Partnership Life Assurance Company Limited (together the 'Companies') at 31 December 2024 in all material respects in accordance with the PRA Rules and Solvency II Regulations, and the approvals, determinations and modifications in section F.3 in each case as applicable to the Companies as at 31 December 2024.

The Directors of each of the Companies are satisfied that to the best of their knowledge and belief:

- a) throughout the financial year to 31 December 2024, the Companies have complied in all material respects with the requirements of the PRA Rules and Solvency II Regulations and with the approvals, determinations and modifications set out in section F.3 in each case as applicable to the Companies throughout such period;
- b) it is reasonable to believe that in respect of the period from 31 December 2024 to the date of the publication of the SFCR and for the remainder of the financial year to 31 December 2025, the Companies have continued to comply and that they will continue to comply with the PRA Rules and Solvency II Regulations and with the approvals, determinations and modifications referred to in paragraph (a), in each case as applicable to the Companies throughout the relevant period; and
- c) the fundamental spread used by JRL and PLACL (a separate attestation is given for each MA portfolio) in calculating the matching adjustments for the MA portfolios reflect compensation for all retained risks; and the matching adjustment can be earned with a high degree of confidence from the assets held in the relevant portfolio of assets

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of Solvency and Financial Condition Reports may differ from legislation in other jurisdictions.



Mark Godson
Director
Just Group plc
Just Retirement Limited
Partnership Life Assurance Company Limited

3 April 2025

F.3 Approvals, determinations and modifications

There are no determinations or modifications as at 31 December 2024. The following approvals apply for Just Group plc, JRL and PLACL at 31 December 2024:

Approval	PRA Regulated entity	PRA reference
Single Group SFCR	JRL	00005254
	PLACL	00005255 (effective from 31 August 2022 to 31 August 2027)
Exclusion of Just Retirement South Africa from Group supervision	JRL	00005140
	PLACL	00005141 (effective from 1 January 2023 to 30 June 2027)
Internal model in the calculation of the SCR	JRL	2201474 (effective from 1 January 2016)
Partial Internal Model (JRP Group Model)	JRL	2868770 (effective from 28 September 2016) 00003638 (effective from 1 December 2021)
Use of JRP Group Model for group SCR	PLACL	2868780 (effective from 28 September 2016) 00003639 (effective from 1 December 2021)
Major Model changes to an approved internal model	JRL PLACL	00003638 00003639 (effective from 1 December 2021)
	JRL PLACL	00005610 00005669 (effective from 28 November 2022)
	JRL PLACL	00008286 00008287 (effective from 5 July 2024)
Matching Adjustment	JRL	00002069 (effective from 19 November 2020)) 00003692 (effective from 14 December 2021) 00008701 (effective 23 October 2024)
	PLACL	2200601 (effective 7 November 2015) 000008208 (effective 29 June 2024)
Volatility Adjustment	PLACL	00002249 (permission to remove application of VA from 18 December 2020)
Transitional Measure on Technical Provisions (TMTP)	JRL	2201404 (effective from 1 January 2016 to 31 December 2031)
	PLACL	2200963 (effective from 1 January 2016 to 31 December 2031)
Variation and Recalculation of Transitional Measure of Technical Provisions (TMTP)	JRL PLACL	2794519 (effective from 5 August 2016) 4850478 (effective from 31 December 2017) 5446539 (effective from 31 December 2019) 00002313 (effective from 18 December 2020) 00003604 (effective from 31 December 2021) 00005070 (effective from 21 July 2022)

		<p>0005969 (effective from 6 February 2023) 00007303 (effective from 31 December 2023)</p> <p>2794559 (effective from 5 August 2016) 4747961 (effective from 29 September 2017) 5349120 (effective from 18 November 2019) 5446499 (effective from 31 December 2019) 00002250 (effective from 18 December 2020) 00003610 (effective from 31 December 2021) 00005069 (effective from 21 July 2022) 00005968 (effective from 6 February 2023) 00007314 (effective from 31 December 2023)</p>
Single ORSA document	<p>JRL PLACL</p> <p>JRL PLACL</p>	<p>5274591 5274592 (effective from 1 January 2020 to 30 September 2024)</p> <p>00008291 00008292 (effective from 30 September 2024 to 30 September 2029)</p>
Equity accounted contingent convertible notes treated as restricted Tier 1	<p>JRL JRL JRL PLACL PLACL</p>	<p>5091854 (effective from 15 April 2019) 00003212 (effective from 27 September 2021) 00007796 (effective from 26 April 2024) 5091855 (effective from 15 April 2019) 00003213 (effective from 27 September 2021)</p>
Intra-group subordinated debt treated as restricted Tier 1	<p>JRL PLACL</p>	<p>5206304 (effective from 8 May 2019) 5206352 (effective from 8 May 2019)</p>

F.4 Audit opinion

Report of the external independent auditors to the Directors of Just Group plc ('the Company') pursuant to Rule 4.1 (2) of the External Audit Part of the PRA Rulebook applicable to Solvency II firms

Report on the Audit of the relevant elements of the Single Group-Wide Solvency and Financial Condition Report

Opinion

Except as stated below, we have audited the following documents prepared by the Company as at 31 December 2024:

- The 'Valuation for solvency purposes' and 'Capital management' sections of the Single Group-Wide Solvency and Financial Condition Report of the Company as at 31 December 2024, (**'the Narrative Disclosures subject to audit'**);
- Group templates IR.02.01.02, IR.22.01.22, IR.23.01.04 and IR.32.01.22 (**'the Group Templates subject to audit'**); and
- Solo templates IR.02.01.02, IR.12.01.02, IR.22.01.21, IR.23.01.01 and IR.28.01.01 in respect of Just Retirement Limited ('JRL') and Partnership Life Assurance Company Limited ('PLACL') ('the Group members'), (together **'Templates subject to audit'**).

The Narrative Disclosures subject to audit, the Group Templates subject to audit and the Solo Templates subject to audit are collectively referred to as the **'relevant elements of the Single Group-Wide Solvency and Financial Condition Report'**.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on the:

- **Additions to the Fundamental Spread** - any increase made under rule 4.17 of the Matching Adjustment Part of the PRA Rulebook for Solvency II firms to the Fundamental Spread used in the calculation of the Matching Adjustment and included in the technical provisions disclosed in relevant elements of the Solvency and Financial Condition Report.
- **Other Information** which comprises:
 - Information contained within the relevant elements of the Single Group-Wide Solvency and Financial Condition Report set out above which is, or derives from the Solvency Capital Requirement, as identified in the Appendix to this report;
 - The 'Summary', 'Business and performance', 'System of governance' and 'Risk profile' elements of the Single Group-Wide Solvency and Financial Condition Report;
 - Group templates IR.05.03.02 and IR.25.04.22;
 - Solo templates IR.05.03.02 and IR.25.04.21;
 - Information calculated in accordance with the previous regime used in the calculation of the transitional measure on technical provisions, and as a consequence all information relating to the transitional measure on technical provisions as set out in the Appendix to this report;

- The written acknowledgement by management of their responsibilities, including for the preparation of the Single Group-Wide Solvency and Financial Condition Report (**‘the Responsibility Statement’**); and
- Information which pertains to an undertaking that is not a UK Solvency II firm and has been prepared in accordance with PRA Rules other than the Reporting Part of the PRA Rulebook or UK law other than law deriving from FSMA that applies to the UK Solvency II firms (**‘the sectoral information’**) as identified in the Appendix to this report.

To the extent the information subject to audit in the relevant elements of the Single Group-Wide Solvency and Financial Condition Report includes amounts that are totals, sub-totals or calculations derived from the Other Information or additions to the Fundamental Spread, we have relied without verification on the Other Information and the additions to the Fundamental Spread.

In our opinion, the information subject to audit in the relevant elements of the Single Group-Wide Solvency and Financial Condition Report of the Company as at 31 December 2024 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules, as modified by relevant supervisory modifications, and as supplemented by supervisory permissions and determinations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the relevant elements of the Single Group-Wide Solvency and Financial Condition Report* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Single Group-Wide Solvency and Financial Condition Report in the UK, including the FRC’s Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

Our evaluation of the Directors’ assessment of the Company’s ability to continue to adopt the going concern basis of accounting included:

- Obtained the directors’ going concern assessment and challenged the rationale for downside scenarios adopted and material assumptions made using our knowledge of the Company’s and group members’ (together ‘the Group’) business performance, review of regulatory correspondence and obtaining further corroborating evidence;
- Considered management’s assessment of the regulatory solvency coverage and liquidity position in the forward looking scenarios considered;
- Assessed the impact of the factors outlined in Section E.1.2, which could erode the Group’s capital resources and / or the quantum of risk to which the Group is exposed;
- Assessed liquidity of the Company and the group members, including the ability to pay policyholder obligations, suppliers and creditors as amounts fall due;
- Assessed the ability of the Company and the group members to comply with covenants; and
- Reviewed the disclosures included in the Solvency and Financial Condition Report, including the Basis of Preparation.

Just Group plc SFCR 31 December 2024

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date on which the Single Group-Wide Solvency and Financial Condition Report is authorised for issue.

In auditing the Single Group-Wide Solvency and Financial Condition Report, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Single Group-Wide Solvency and Financial Condition Report is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Emphasis of Matter - Basis of Accounting

We draw attention to the 'Valuation for solvency purposes' and 'Capital Management' sections of the Single Group-Wide Solvency and Financial Condition Report, which describe the basis of accounting. The Single Group-Wide Solvency and Financial Condition Report is prepared in compliance with the financial reporting provisions of the PRA Rules, and therefore in accordance with a special purpose financial reporting framework. The Single Group-Wide Solvency and Financial Condition Report is required to be published, and intended users include but are not limited to the Prudential Regulation Authority. As a result, the Single Group-Wide Solvency and Financial Condition Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Directors are responsible for the Other Information.

Our opinion on the relevant elements of the Single Group-Wide Solvency and Financial Condition Report does not cover the Other Information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Single Group-Wide Solvency and Financial Condition Report, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the relevant elements of the Single Group-Wide Solvency and Financial Condition Report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the Single Group-Wide Solvency and Financial Condition Report or a material misstatement of the Other Information. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Single Group-Wide Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Single Group-Wide Solvency and Financial Condition Report in accordance with the financial reporting provisions of the PRA Rules, which have been modified by the modifications, and supplemented by the permissions and determinations made by the PRA under section 138A of FSMA and the PRA Rules, as detailed at Section F.3 of the SFCR.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Single Group-Wide Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the relevant elements of the Single Group-Wide Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the information subject to audit in the relevant elements of the Single Group-Wide Solvency and Financial Condition Report is prepared, in all material respects, in accordance with financial reporting provisions of the PRA Rules.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Single Group-Wide Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the Single Group-Wide Solvency and Financial Condition Report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group members and Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Prudential Regulation Authority ('PRA') and the Financial Conduct Authority ('FCA'), and we considered the extent to which non-compliance might have a material effect on the Single Group-Wide Solvency and Financial Condition Report. We also considered those laws and regulations that have a direct impact on the Single Group-Wide Solvency and Financial Condition Report such as the PRA Rulebook. We evaluated management's incentives and opportunities for fraudulent manipulation of the Single Group-Wide Solvency and Financial Condition Report (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas. Audit procedures performed included:

- Discussions with the Board, senior management (including those involved in the Risk and Compliance functions) and Internal Audit, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Assessment of matters reported on the Group's whistleblowing register and the results of management's investigation of such matters where applicable;
- Reviewing correspondence with the PRA and the FCA in relation to compliance with laws and regulations;
- Meeting with the PRA supervisory team to discuss matters in relation to compliance with laws and regulations;
- Attendance at Audit Committee meetings;
- Reviewing relevant meeting minutes including those of the Board of Directors, Audit, Group Risk and Compliance, Investment and Remuneration Committees;

- Reviewing data regarding policyholder complaints, the Group's register of litigation and claims, Internal Audit reports, and Compliance reports in so far as they related to non-compliance with laws and regulations and fraud;
- Validating the appropriateness of journal entries identified based on our fraud risk criteria;
- Examined the appropriateness of the methodology and assumptions underlying the Best Estimate Liabilities relative to Solvency II requirements and general actuarial practice;
- Examined the appropriateness of the calculation methodology and assumptions underlying the Matching Adjustment, including the internal credit ratings of Lifetime Mortgages, relative to Solvency II requirements;
- Validating the appropriateness of adjusting entries from the IFRS to Solvency II balance sheets, including the consolidation of the Group Solvency II balance sheet; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the Single Group-Wide Solvency and Financial Condition Report. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for the Board of Directors of the Company in accordance with External Audit rule 2.1 of the Solvency II firms Sector of the PRA Rulebook and for no other purpose. We do not, in providing this report, accept or assume responsibility for any other purpose or to any other party save where expressly agreed by our prior consent in writing.

Other Matter – internal model

The Company has authority to calculate its Group Solvency Capital Requirement using an internal model ('the Group Model') approved by the Prudential Regulation Authority. The group members have authority to calculate their Solvency Capital Requirements using the Group Model approved by the Prudential Regulation Authority. In forming our opinion (and in accordance with PRA Rules), we are not required to audit the inputs to, design of, operating effectiveness of and outputs from the Group Model, or whether the Group Model is being applied in accordance with the Company's and the Group members' application or approval order.

Other Matter – Additions to the Fundamental Spread

In accordance with Rule 4.17 of the Matching Adjustment part of the PRA Rulebook, firms are permitted to increase the Fundamental Spreads where considered necessary to ensure they cover all risks retained by the Group. In forming our opinion (and in accordance with PRA Rules), we are not required to audit increases and do not report on the appropriateness of such increases to the Fundamental Spreads, if any.

Report on Other Legal and Regulatory Requirements

Sectoral Information

In our opinion, in accordance with Rule 4.2 of the External Audit Part of the PRA Rulebook, the sectoral information has been properly compiled in accordance with the relevant PRA rules and UK law relating to that undertaking from information provided by members of the group and the relevant insurance group undertaking.

Other Information

In accordance with Rule 4.1 (3) of the External Audit Part of the PRA Rulebook for Solvency II firms we are also required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of the relevant elements of the Solvency and Financial Condition Report and (where applicable) the audit of the Company's statutory financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

The engagement partner on the audit resulting in this independent auditors' report is Philip Watson.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, slightly slanted style.

PricewaterhouseCoopers LLP

Chartered Accountants

7 More London Riverside

SE1 2RT

3 April 2025

Appendix – relevant elements of the Single Group-Wide Solvency and Financial Condition Report that are not subject to audit

The relevant elements of the Single Group-Wide Solvency and Financial Condition Report that are not subject to audit comprise:

- The following elements of Group template IR.02.01.02:
 - Row R0565: Transitional (TMTP) – life
 - Row R0552: Risk margin - total
 - Row R0554: Risk margin - non-life
 - Row R0556: Risk margin - life
 -
- The following elements of Group template IR.22.01.22
 - Column C0030 – Impact of transitional on technical provisions
 - Row R0010 – Technical provisions
 - Row R0090 – Solvency Capital Requirement
- The following elements of Group template IR.23.01.04
 - Row R0020: Non-available called but not paid in ordinary share capital at group level
 - Row R0060: Non-available subordinated mutual member accounts at group level
 - Row R0080: Non-available surplus at group level
 - Row R0100: Non-available preference shares at group level
 - Row R0120: Non-available share premium account related to preference shares at group level
 - Row R0150: Non-available subordinated liabilities at group level
 - Row R0170: The amount equal to the value of net deferred tax assets not available at the group level
 - Row R0190: Non-available own funds related to other own funds items approved by supervisory authority
 - Row R0210: Non-available minority interests at group level
 - Row R0380: Non-available ancillary own funds at group level
 - Rows R0410 to R0440 – Own funds of other financial sectors
 - Row R0680: Group SCR
 - Row R0740: Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
 - Row R0750: Other non available own funds
- The following elements of Solo template IR.02.01.02:
 - Row R0565: Transitional (TMTP) – life
 - Row R0552: Risk margin - total
 - Row R0554: Risk margin - non-life
 - Row R0556: Risk margin - life
- The following elements of Solo template IR.12.01.02
 - Row R0100: Risk margin
 - Rows R0140 to R0180: Amount of the transitional on Technical Provisions
- The following elements of Solo template IR.22.01.21
 - Column C0030 – Impact of transitional on technical provisions
 - Row R0010 – Technical provisions

Just Group plc SFCR 31 December 2024

- Row R0090 – Solvency Capital Requirement
- The following elements of Solo template IR.23.01.01
 - Row R0580: SCR
 - Row R0740: Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
- The following elements of Solo template IR.28.01.01
 - Row R0310: SCR
- Elements of the Narrative Disclosures subject to audit identified as 'unaudited'.

F.5. Cautionary statement

This Solvency and Financial Condition Report has been prepared for, and only for, the members of Just Group plc (the “Company”) as a body, and for no other persons. The Company, its Directors, employees, agents and advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

By their nature, the statements concerning the risks and uncertainties facing the Company and its subsidiaries (the “Group”) in this Solvency and Financial Condition Report involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. This Solvency and Financial Condition Report contains, and we may make other statements (verbal or otherwise) containing, forward-looking statements in relation to the current plans, goals and expectations of the Group relating to its or their future financial condition, performance, results, strategy and/or objectives (including, without limitation, climate-related plans and goals). Statements containing the words: “believes”, “intends”, “expects”, “plans”, “seeks”, “targets”, “continues” and “anticipates” or other words of similar meaning are forward looking (although their absence does not mean that a statement is not forward looking). Forward looking statements involve risk and uncertainty because they are based on information available at the time they are made, based on assumptions and assessments made by the Company in light of its experience and its perception of historical trends, current conditions, future developments and other factors which the Company believes are appropriate and relate to future events and depend on circumstances which may be or are beyond the Group’s control. For example, certain insurance risk disclosures are dependent on the Group’s choices about assumptions and models, which by their nature are estimates. As such, although the Group believes its expectations are based on reasonable assumptions, actual future gains and losses could differ materially from those that we have estimated. Other factors which could cause actual results to differ materially from those estimated by forward-looking statements include, but are not limited to: domestic and global political, economic and business conditions (such as the longer-term impact from the COVID outbreak or the impact of other infectious diseases and the continuing situation in Ukraine); asset prices; market-related risks such as fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the policies and actions of governmental and/or regulatory authorities including, for example, new government initiatives related to the provision of retirement benefits or the costs of social care; the impact of inflation and deflation; market competition; changes in assumptions in pricing and reserving for insurance business (particularly with regard to mortality and morbidity trends, gender pricing and lapse rates); risks associated with arrangements with third parties, including joint ventures and distribution partners and the timing, impact and other uncertainties associated with future acquisitions, disposals or other corporate activity undertaken by the Group and/or within relevant industries; inability of reinsurers to meet obligations or unavailability of reinsurance coverage; default of counterparties; information technology or data security breaches; the impact of changes in capital, solvency or accounting standards; and tax and other legislation and regulations in the jurisdictions in which the Group operates (including changes in the regulatory capital requirements which the Company and its subsidiaries are subject to). As a result, the Group’s actual future financial condition, performance and results may differ materially from the plans, goals and expectations set out in the forward-looking statements. The forward-looking statements only speak as at the date of this document and reflect knowledge and information available at the date of preparation of this Solvency and Financial Condition Report. The Group undertakes no obligation to update these forward-looking statements or any other forward-looking statement it may make (whether as a result of new information, future events or otherwise), except as may be required by law. Persons receiving this Solvency and Financial Condition Report should not place undue reliance on forward-looking statements. Past performance is not an indicator of future results. The results of the Company and the Group in this Solvency and Financial Condition Report may not be indicative, and are not an estimate, forecast or projection of, the Group’s future results. Nothing in this Solvency and Financial Condition Report should be construed as a profit forecast.

F.6. Glossary

Acquisition costs – comprise the direct costs (such as commissions and new business processing team costs) of obtaining new business, together with associated indirect costs.

Adjusted operating profit before tax this is the sum of the new business profit and in-force operating profit, operating experience and assumption changes, other Group companies' operating results, development expenditure and financing costs. The Board believes the combination of both future profit generated from new business written in the year and additional profit from the in-force book of business, provides a better view of the development of the business. The net underlying CSM increase is added back as the Board considers the value of new business is significant in assessing business performance. Adjusted operating profit before tax excludes the following items that are included in profit before tax: strategic expenditure, investment and economic profits and amortisation and impairment costs of acquired intangible assets. In addition, it includes Tier 1 interest (as part of financing costs) which is not included in profit before tax (because the Tier 1 notes are treated as equity rather than debt in the IFRS financial statements). Adjusted operating profit is reconciled to IFRS profit before tax in the Business Review.

Adjusted profit/(loss) before tax represents the profit/(loss) before tax before deferral of profit in CSM and includes non operating items (investment and economic movement, strategic expenditure, and interest adjustment to reflect IFRS accounting for Tier 1 notes as equity).

Buy-in – an exercise enabling a pension scheme to obtain an insurance contract that pays a guaranteed stream of income sufficient to cover the liabilities of a group of the scheme's members.

Buy-out – an exercise that wholly transfers the liability for paying member benefits from the pension scheme to an insurer which then becomes responsible for paying the members directly.

Capped Drawdown – a non-marketed product from Just Group plc previously described as Fixed Term Annuity. Capped Drawdown products ceased to be available to new customers when the tax legislation changed for pensions in April 2015.

Care Plan ("CP") – a specialist insurance contract contributing to the costs of long-term care by paying a guaranteed income to a registered care provider for the remainder of a person's life.

Cash Generation underlying organic capital generation before the impact of new business strain.

Confidence interval the degree of confidence that the provision for future cash flows plus the risk adjustment reserve will be adequate to meet the cost of future payments to annuitants.

Contractual Service Margin ("CSM") represents deferred profit earned on insurance products. CSM is recognised in profit or loss over the life of the contracts.

CSM amortisation represents the net release from the CSM reserve into profit as services are provided. The figures are net of accretion (unwind of discount), and the release is computed based on the closing CSM reserve balance for the period.

Deferral of profit in CSM the total movement on CSM reserve in the year. The figure represents CSM recognised on new business, accretion of CSM (unwind of discount), transfers to CSM related to changes to future cash flows at locked-in economic assumptions, less CSM release in respect of services provided.

Defined benefit deferred ("DB deferred") business – the part of DB de-risking transactions that relates to deferred members of a pension scheme. These members have accrued benefits in the pension scheme but have not retired yet.

Defined benefit de-risking partnering ("DB partnering") – a DB de-risking transaction in which a reinsurer has provided reinsurance in respect of the asset and liability side risks associated with one of our DB Buy-in transactions.

Defined benefit ("DB") pension scheme – a pension scheme, usually backed or sponsored by an employer, that pays members a guaranteed level of retirement income based on length of membership and earnings.

Defined contribution ("DC") pension scheme – a work-based or personal pension scheme in which contributions are invested to build up a fund that can be used by the individual member to provide retirement benefits.

De-risk/de-risking – an action carried out by the trustees of a pension scheme with the aim of transferring investment, inflation and longevity risk from the sponsoring employer and scheme to a third party such as an insurer.

Development expenditure – captures costs relating to the development of new products and new initiatives, and is included within adjusted operating profit.

Drawdown (in reference to Just Group plc sales or products) – collective term for Flexible Pension Plan and Capped Drawdown.

Equity release – products and services enabling homeowners to generate income or lump sums by accessing some of the value of the home while continuing to live in it see Lifetime mortgage.

Finance costs – represent interest payable on reinsurance deposits and financing and the interest on the Group’s Tier 2 and Tier 3 debt.

Gross premiums written – total premiums received by the Group in relation to its Retirement Income and Protection sales in the period, gross of commission paid.

Guaranteed Income for life (“GifL”) – retirement income products which transfer the investment and longevity risk to the company and provide the retiree a guarantee to pay an agreed level of income for as long as a retiree lives. On a “joint-life” basis, continues to pay a guaranteed income to a surviving spouse/partner. Just provides modern individually underwritten GifL solutions.

IFRS profit before tax represents the profit before tax attributable to equity holders.

In-force operating profit represents profits from the in-force portfolio before investment and insurance experience variances, and assumption changes. It mainly represents release of risk adjustment for nonfinancial risk and of allowance for credit default in the period, investment returns earned on shareholder assets, together with the value of the (net) CSM amortisation.

Investment and economic profits – reflect the difference in the period between expected investment returns, based on investment and economic assumptions at the start of the period, and the actual returns earned. Investment and economic profits also reflect the impact of assumption changes in future expected risk-free rates, hedging and credit defaults and house price inflation and volatility.

Key performance indicators (“KPIs”) KPIs are metrics adopted by the Board which are considered to give an understanding of the Group’s underlying performance drivers. The Group’s KPIs are Return on equity, Retirement income sales, Underlying organic capital generation, New business profit, Underlying operating profit, IFRS profit before tax, New business strain, Solvency II capital coverage ratio and Tangible net asset value per share.

Lifetime mortgage (“LTM”) – an equity release product that allows homeowners to take out a loan secured on the value of their home, typically with the loan plus interest repaid when the homeowner has passed away or moved into long-term care.

LPI – limited price indexation.

LTM notes – structured assets issued by a wholly owned special purpose entity, Just Re1 Ltd. Just Re1 Ltd holds two pools of lifetime mortgages, each of which provides the collateral for issuance of senior and mezzanine notes to Just Retirement Ltd, eligible for inclusion in its matching portfolio.

Medical underwriting – the process of evaluating an individual’s current health, medical history and lifestyle factors, such as smoking, when pricing an insurance contract.

Net asset value (“NAV”) – IFRS total equity, net of tax, and excluding equity attributable to Tier 1 noteholders.

Net claims paid – represents the total payments due to policyholders during the accounting period, less the reinsurers’ share of such claims which are payable back to the Group under the terms of the reinsurance treaties.

Net investment income – comprises interest received on financial assets and the net gains and losses on financial assets designated at fair value through profit or loss upon initial recognition and on financial derivatives and interest accrued on financial assets which are measured at amortised cost.

New business margin – the new business profit divided by Retirement Income sales (shareholder funded). It provides a measure of the profitability of Retirement Income sales.

New business profit represents the profit generated from new business written in the year after allowing for the establishment of reserves and for future expected cash flows and risk adjustment and allowance for acquisition expenses and other incremental costs on a marginal basis.

New business strain – represents the capital strain on new business written in the year after allowing for acquisition expense allowances and the establishment of Solvency II technical provisions and Solvency Capital Requirements.

No-negative equity guarantee (“NNEG”) hedge – a derivative instrument designed to mitigate the impact of changes in property growth rates on both the regulatory and IFRS balance sheets arising from the guarantees on lifetime mortgages provided by the Group which restrict the repayment amounts to the net sales proceeds of the property on which the loan is secured.

Non-recurring and project expenditure – includes any one-off regulatory, project and development costs. This line item does not include acquisition integration, or acquisition transaction costs, which are shown as separate line items.

Operating experience and assumption changes – represents changes to cash flows in the current and future periods valued based on end of period economic assumptions.

Organic capital generation/(consumption) – is calculated in the same way as Underlying organic capital generation/(consumption), but includes the impact of management actions and other operating items.

Other Group companies’ operating results – the results of Group companies including our HUB group of companies, which provides regulated advice and intermediary services, and professional services to corporates, and corporate costs incurred by Group holding companies and the overseas start-ups.

Other operating expenses – represent the Group’s operational overheads, including personnel expenses, investment expenses and charges, depreciation of equipment, reinsurance fees, operating leases, amortisation of intangibles, and other expenses incurred in running the Group’s operations.

Pension Freedoms/Pension Freedom and Choice/Pension Reforms – the UK Government’s pension reforms, implemented in April 2015.

Peppercorn rent a very low or nominal rent.

Prognosis™ – a next generation underwriting system, which is based on individual mortality curves derived from Just Group’s own data collected since its launch in 2004.

Regulated financial advice – personalised financial advice for retail customers by qualified advisers who are regulated by the Financial Conduct Authority.

Retail sales (in reference to Just Group plc sales or products) – collective term for GifL and Care Plan.

Retirement Income sales (shareholder funded) a collective term for GifL, DB and Care Plan new business sales and excludes DB partner premium.

Return on equity Return on equity is underlying operating profit after attributed tax for the period divided by the average tangible net asset value for the period and expressed as an annualised percentage.

Risk adjustment for non-financial risk (“RA”) allowance for longevity, expense, and insurance specific operational risks representing the compensation required by the business when managing existing and pricing new business.

Secure Lifetime Income (“SLI”) – a tax efficient solution for individuals who want the security of knowing they will receive a guaranteed income for life and the flexibility to make changes in the early years of the plan.

Solvency II – an EU Directive that codifies and harmonises the EU insurance regulation. Primarily this concerns the amount of capital that EU insurance companies must hold to reduce the risk of insolvency.

Solvency II capital coverage ratio – Solvency II capital is the regulatory capital measure and is focused on by the Board in capital planning and business planning alongside the economic capital measure. It expresses the regulatory view of the available capital as a percentage of the required capital.

Strategic expenditure Costs incurred for major strategic investment, new products and business lines, and major regulatory projects.

Tangible net asset value (“TNAV”) IFRS total equity attributable to ordinary shareholders, excluding goodwill and other intangible assets, and after adding back contractual service margin, net of tax.

Tangible net asset value per share a representing tangible net asset value divided by the closing number of issued ordinary shares excluding shares held in trust.

Trustees – individuals with the legal powers to hold, control and administer the property of a trust such as a pension scheme for the purposes specified in the trust deed. Pension scheme trustees are obliged to act in the best interests of the scheme’s members.

Underlying operating profit –Underlying operating profit is calculated in the same way as adjusted operating profit before tax but excludes operating experience and assumption changes.

Underlying organic capital generation/(consumption) - Underlying organic capital generation/(consumption) is the net increase/(decrease) in Solvency II excess own funds over the year, generated from ongoing business activities, and includes surplus from in-force, net of new business strain, cost overruns and other expenses and debt interest. It excludes strategic expenditure, economic variances, regulatory adjustments, capital raising or repayment and impact of management actions and other operating items. The Board believes that this measure provides good insight into the ongoing capital sustainability of the business.

Value at Risk a quantification of the extent of possible insurance losses within a portfolio over a specific time frame.