THE RETIREMENT SPECIALIST

BIGGER BETTER BRIGHTER

JUST GROUP PLC
ANNUAL REPORT AND ACCOUNTS 2024

OUR PURPOSE

WE HELP PEOPLE ACHIEVE A BETTER LATER LIFE.

We believe that every decision we make and every action we take should help us fulfil our purpose.

INDIVIDUALS

We provide guaranteed income for life to deliver security and peace of mind for our customers and we provide regulated advice, guidance and information services to help people make the most of their pensions and other savings.

PENSION SCHEME TRUSTEES

We provide improved security of income for members of defined benefit pension schemes by transferring the risk to Just.

APPROVAL
The Strategic Report was approved by the Board of Directors on 6 March 2025 and signed on its behalf by:

JOHN HASTINGS-BASS
Chair

BIGGER. BETTER. BRIGHTER. explained
p18 – 19

HOMEOWNERS

We provide the resources to improve the later life of homeowners and their families.

COMPANIES

We provide advisory, technology and customer services to help UK companies with retirement-focused solutions to meet the needs of their customers and clients in later life.

STRATEGIC REPORT

GOVERNANCE REPORT

FINANCIAL STATEMENTS

All Just Group plc regulatory announcements, shareholder information and news releases can be found on our Group website,
WWW.JUSTGROUPPLC.CO.UK/INVESTORS

INVESTMENT CASE

GROWTH, INNOVATION AND DELIVERY

Deploying the capabilities of our highly effective new business franchise to create value from leadership positions in attractive growth segments of the UK retirement income market.

WE HELP PEOPLE ACHIEVE A BETTER LATER LIFE

Just has a compelling, clear purpose. We help people achieve a better later life, by providing competitive products, financial advice, guidance and services to those approaching, at and in-retirement. We deliver value for shareholders by putting customers first and meeting their needs.

Read more on **P5**

INCREASING SHAREHOLDER VALUE

We are committed to consistently growing the value of the business. In 2024, we delivered underlying earnings of 36.3p per share, a 15.3% return on equity ("RoE") and tangible net asset value ("TNAV") per share up 34% or 64p to 254p since the end of 2022. Our operating return on equity target of greater than 12% shows the confidence we have in sustainably increasing this value over time.

Read more on **P26**

EXCEEDING OUR TARGETS AND DELIVERING ATTRACTIVE GROWTH IN THE FUTURE

Our priority is to deliver profitable and sustainable growth. We have exceeded our profit growth pledge in each of the last three years and substantially exceeded a doubling of the underlying operating profit achieved in 2021. We are confident in our ability to continue delivering attractive underlying operating profit growth.

Read more on **P29**

CONSISTENT DELIVERY AND DISCIPLINE

Over the last five years we have developed a strong track record of delivery and have consistently met or exceeded our profit targets. We operate a sustainable business model, where we fund new business from our own means and have progressively improved the sensitivity, quality and resilience of our capital base. The Solvency II capital coverage ratio of 204% (proforma, estimated) is robust and provides a platform to fund our ambitious growth plans.

Read more on **P26**

UNIQUELY POSITIONED IN ATTRACTIVE GROWING RETIREMENT MARKETS

Around £1tn of defined benefit pension scheme liabilities remain available for de-risking and transfers of £50bn per annum to insurers are projected over the next decade. Helped by more normalised long-term interest rates, and as the population ages with larger defined contribution pension pots, the retail markets are projected to grow sustainably over time.

Read more on **P10**

GROWING SHARE THROUGH INNOVATION AND POSITIVE DISRUPTION

We increase our share in these growing markets through constant innovation – seeking to positively disrupt the markets where we choose to participate. By delivering better outcomes for customers, we also deliver increasing value for shareholders.

Read more on **P14**

"We have consistently exceeded the commitments we have made and we're more optimistic than ever about the future for Just."

David Richardson
Group Chief Executive Officer

FINANCIAL AND OPERATIONAL HIGHLIGHTS

KEY PERFORMANCE INDICATORS

TANGIBLE NET ASSET VALUE PER SHARE[1]

254P

2023: 224p, up 30p

RETIREMENT INCOME SALES (SHAREHOLDER FUNDED)[1]

£5.3BN

2023: £3.9bn, up 36%

NEW BUSINESS PROFIT[1]

£460M

2023: £355m, up 30%

SOLVENCY II CAPITAL COVERAGE RATIO (PROFORMA)[1,2]

204%

197% at 31 December 2023

RETURN ON EQUITY[1]

15.3%

13.5% at 31 December 2023

IFRS PROFIT BEFORE TAX

£113M

2023: £172m, down 34%

UNDERLYING OPERATING PROFIT[1]

£504M

2023: £377m, up 34%

Equivalent to Underlying EPS[3]

36P 2023: 28p

UNDERLYING ORGANIC CAPITAL GENERATION[1]

£23M

£57m at 31 December 2023

NEW BUSINESS STRAIN[1]

1.3%

2023: 0.9%

FINANCIAL STRENGTH AND OTHER INDICATORS

A+

FITCH INSURER FINANCIAL STRENGTH RATING

for Just Retirement Limited (2023: A+)

A

FITCH ISSUER DEFAULT RATING

for Just Group plc (2023: A)

AWARDED FURTHER RECOGNITION FOR OUTSTANDING SERVICE

FINANCIAL ADVISER:

5 Star service award (Pensions and Protection)

5 Star service award (Mortgages)

1 Alternative performance measure ("APM") (unaudited, the explanations and definitions of APMs can be found in the glossary). Reconciliations are included in the Business Review for: New business strain, Underlying organic capital generation and Solvency coverage ratio which are reconciled to Solvency II excess own funds; New business profit and Return on equity and Underlying EPS which are both based on Underlying operating profit, are reconciled to IFRS profit before tax; and Tangible net asset value is reconciled to IFRS total equity. Retirement Income sales (shareholder funded) are reconciled to premium cash flows in note 2 to the Consolidated financial statements.

2 Solvency capital coverage ratios as at 31 December 2024 and 31 December 2023 include a recalculation of transitional measures on technical provisions ("TMTP") as at the respective dates. The estimated 2024 ratio is presented after the impact of the pre-funded repayment of Tier 3 debt in February 2025. The reconciliation to the regulatory capital position is explained in note 30.

3 Underlying EPS, an APM (unaudited, the explanation and definition can be found in the glossary).

AT A GLANCE

Leaders in our markets. We positively disrupt markets where we can become a leader and deliver great outcomes for customers enabling us to create value for shareholders.

WE ARE A SPECIALIST IN OUR CHOSEN MARKETS, SERVING FOUR DISTINCT GROUPS...

TRUSTEES AND SCHEME SPONSORS: PROVIDING MEMBER SECURITY AND DE-RISKING PENSION LIABILITIES

Defined benefit pension schemes de-risking their liabilities by securing member benefits with an insurance contract.

£1 TRILLION
Addressable market

INDIVIDUALS: PROVIDING RETIREMENT INCOME

People who have built up pension savings throughout their career and want a guaranteed income, flexible income, or a combination in retirement.

>£1 TRILLION
Market value of defined contribution pension savings

HOMEOWNERS: ACCESSING PROPERTY WEALTH

People aged 55+ who want to access wealth locked up in their property.

>£3.5 TRILLION
Property wealth owned by people aged 55+

CORPORATE CLIENTS: SOLVING PROBLEMS FOR COMPANIES

We develop scalable retirement-focused solutions for banks, building societies, life assurance companies, pension scheme trustees, other corporate clients and for their customers, clients and members.

RETIREMENT-FOCUSED SOLUTIONS

...WITH PRODUCTS AND SERVICES

Competitive position:
L A leader ↗ Developing

MARKETED PRODUCTS[1]

SERVICES	BENEFIT AND COMPETITIVE POSITION	
DEFINED BENEFIT DE-RISKING SOLUTIONS ("DB") Solutions for pension scheme trustees to reduce the financial risks of operating pension schemes and increase certainty that members' pensions will be paid in the future.	We have developed our own proprietary technology platform to underpin our highly successful bulk quotation service. We are a leader in the small to medium size transaction space, with a differentiated position and competitive advantage.	L
GUARANTEED INCOME FOR LIFE ("GIFL") A solution for individuals/couples who want the security of knowing they will receive a guaranteed income for life.	By using our unrivalled intellectual property, Just provides an individually tailored solution providing customers typically with double-digit percentage increases in income compared to standard products.	L
SECURE LIFETIME INCOME ("SLI") SLI is 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.	Just's pioneering Secure Lifetime Income product enables customers to select a guaranteed income from within a Self-Invested Personal Pension. This enables a customer to manage and blend their total pension assets tax efficiently within a single technology platform.	↗
CARE PLANS ("CP") A 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 life.	Just's Care Plans can be tailored to the individual and offer a tax-efficient solution by making payments to residential care providers.	L
LIFETIME MORTGAGES ("LTM") Solutions designed for people who want to release some of the value of their home.	By using our unrivalled intellectual property, Just provides an individually tailored solution providing around six-in-ten customers with a lower interest rate or a higher borrowing amount compared to standard products. Just provides a range of lifetime mortgages, enabling people to meet a variety of needs in later life.	L

1 Reported in our Insurance segment.

PROFESSIONAL SERVICES[2]

SERVICES	BENEFIT AND COMPETITIVE POSITION	
HUB GROUP Our professional services and distribution businesses delivering technology, broking and advice solutions for corporate clients and pension schemes. We also provide regulated financial advice on how people should use pension, investment and savings, or release some of the value from their homes. Support for organisations wanting to deliver whole-of-market shopping around services to source retirement income products for their customers, employees or pension scheme members. HUB Financial Solutions is the UK's largest GIfL broker.	HUB Financial Solutions offers an innovative approach that provides affordable regulated advice to people with modest pension savings. It also delivers face-to-face advice at a time and place to suit the client. Provides a range of business services tailored to the needs of the organisation, ranging from consultancy and software development to fully outsourced customer service delivery and marketing services.	L

2 Reported in our Other segment.

CHAIR'S STATEMENT

BETTER FOR CUSTOMERS

"It's been an exceptional year, and we have delivered sustainable growth of the business, helped more of our customers and significantly increased value for shareholders."

JOHN HASTINGS-BASS Chair

ANNUAL GENERAL MEETING 2024

10.00am
8 May 2025
at Just Group plc

1 Angel Lane
London
EC4R 3AB

I am pleased to introduce Just Group plc's 2024 Annual Report. The title of our report captures the feeling amongst the Board and our colleagues about the Group's performance, culture and outcomes for 2024. It's been an exceptional year, and we have delivered sustainable growth of the business, helped more of our customers and significantly increased value for shareholders.

HELPING OUR CUSTOMERS

The ongoing economic challenges in the UK and globally are significantly affecting our customers and their families. During these uncertain times, our solutions offer much-needed certainty. As retirement specialists, we are committed to supporting our customers and their families through these difficult periods. By growing and adding to our capabilities we provide better help to more customers. At Just, our customers, both current and prospective, remain at the core of everything we do.

OVERVIEW

The primary focus of our Group in 2024 has been to capture profitable growth opportunities, invest for the future, and to ensure our business model continues to be financially resilient, so that we deliver ongoing sustainable growth.

This has resulted in a robust balance sheet, with strong financial performance and business momentum. We have substantially exceeded the profit growth pledge as we more than doubled underlying operating profit in three years instead of five.

We completed a £1.8bn defined benefit de-risking transaction, a new record for the Group, and our first deal to exceed £1bn. At the time of writing this report, the DB business unit has completed over 500 deals since it was formed just over a decade ago and is now equipped to support pension scheme trustees with big deals, small deals and everything in between.

Our retail business has delivered significant growth, driven by the continued attractiveness of guaranteed income to advisers and their clients.

The Group's financial strength and performance have reached record levels, and both are set out in detail in the Business Review. I am delighted we have been successful in materially increasing shareholder value during this period.

DIVIDEND

Given the Group's performance and strong capital position, the Board has recommended a final ordinary dividend of 1.8 pence per share, in line with our progressive dividend policy.

BOARD COMPOSITION AND GOVERNANCE

Kalpana Shah stepped down from the Board on 1 March, following her resignation, after serving for four years as Independent Non-Executive Director. On behalf of the Board, I would like to extend my appreciation to Kalpana for the contribution she has made to Just during her time on the Board and in particular as Chair of the Group Risk and Compliance Committee. We wish Kalpana all the best in her future endeavours.

I take great pride in leading the Board and the Group's governance function, and my introduction to the Corporate Governance report on page 70 provides further information on our governance and decision making processes. We have an excellent team in place for the medium term, that will ensure the Company is effectively governed and well led. I would like to thank the Board for their significant contribution, and look forward to working with them in 2025. You can read more about the Directors of the Company on pages 72 to 74.

SUPPORTING UK GROWTH, PRODUCTIVITY AND SUSTAINABILITY

Our number one priority is to deliver the promises we make to our policyholders. In order to meet these promises, we invest billions of pounds into the UK. We have expanded our investment capabilities and have originated a wider range of assets to meet the demands of our growing business.

Our industry can contribute materially to drive economic growth by investing in UK infrastructure, UK companies and UK assets. Just Group are founding members of the Investment Delivery Forum, which brings together the major insurance and long-term savings firms with an interest in large-scale infrastructure investment. It was formed to act as an accelerator for driving investment into the next generation of investment opportunities following key regulatory reforms that help unlock capital held by insurers and pension funds.

We are making good progress towards our goal to become carbon net zero and doing our part to help the world transition towards a sustainable environment and low carbon global economy. You can read our high-level transition plan on our Group website and this year's Annual Report provides insight to our climate-related risks and opportunities. Our disclosures are consistent with those recommended by the Taskforce on Climate-related Financial Disclosures and you can read more on pages 40 to 53.

Read more about our sustainability strategy on page **P40** and at **JUSTGROUPPLC.CO.UK**

ENGAGEMENT WITH OUR STAKEHOLDERS

The Board engages directly and indirectly with our customers, shareholders, colleagues, regulators, government, professional bodies and wider society to promote the interests of our customers more broadly. We place great importance on working effectively with these groups and actively seeking their feedback.

We work hard to ensure our customers benefit from our services and our shareholders receive the benefit of long-term value creation. Throughout this report you can read how the Board takes into consideration feedback from the Company's stakeholders and how the Board, and colleagues from across the Group, promote the success of the Company.

PURPOSE DRIVEN

We help people achieve a better later life, this is our purpose, it's why we exist. We fulfil our purpose by delivering excellent products and services, so our customers achieve great outcomes.

People don't get a chance to experience retirement before it happens. Managing finances without regular salary payments can be complicated and stressful. We assist individuals in envisioning their post-work life and offer support, guidance, and advice to help them confidently take the next steps.

Our purpose is just as meaningful today as it was when we first established it. It's clear, authentic and it acts as a beacon for colleagues throughout the entire Group to embody our purpose daily.

OUTLOOK

There are strong structural drivers of growth which make all of our markets attractive. The propensity of company directors and pension scheme trustees to transact with insurers to de-risk their defined benefit pension schemes remains very strong.

We continue to focus our leadership team on delivering great outcomes for customers, driving long-term profitable growth and investing for the future. The commercial outlook remains favourable for our Group.

On behalf of the Board, I would like to conclude by expressing gratitude to David, his team, and all of our colleagues across the Group for their dedication to supporting our customers and delivering such exceptional results. I also extend my thanks to our business partners for trusting us to provide excellent service to their clients.

We are helping our customers, building shareholder value through profitable and sustainable growth, fulfilling our purpose and helping contribute to growing the UK economy. We are optimistic about the future.

JOHN HASTINGS-BASS
Chair

CHIEF EXECUTIVE OFFICER'S STATEMENT

BUOYANT MARKETS AND STRONG GROWTH.

£504M
Underlying operating profit[1]
2023: £377m up 34%

£5.3BN
Retirement Income sales (shareholder funded)[1]
2023: £3.9bn up 36%

1 Alternative performance measure

"With a clear purpose and vision, we're shaping a future that's not just bigger and better – but brighter."

DAVID RICHARDSON Group Chief Executive Officer

Our underlying operating profit has grown by 34% to £504m, driven by very strong growth in shareholder funded sales, up 36% to £5.3bn. Our DB and retail businesses contributed to this excellent performance, and both are operating in markets that are benefitting from long-term structural growth drivers. We are committed to compounding the growth in value of the business. During 2024, we have delivered 36.3p of underlying earnings per share and increased the Group's tangible net asset value by 30p to 254p per share.

DEFINED BENEFIT DE-RISKING BUSINESS (SHAREHOLDER FUNDED) SALES UP 43%, TOTAL DB SALES UP 57%

Our DB business generated another record year of transactions, with total sales up 57% to £5.4bn. This total includes our largest transaction to date, a £1.8bn full Buy-in with the Trustee of the G4S Pension Scheme, covering the benefits of c.22,500 pensioner and deferred members. This transaction, our first above £1bn, demonstrates that we have all the capabilities in place to deliver de-risking solutions across the DB market.

During 2024, we completed 129 transactions, a significant increase on the 80 we completed in 2023 and more than double the 56 completed in 2022. This number is a record year for any company in the history of the DB market as we completed over one third of the total market transactions. We have used technology to meet growing market demand and use of our bulk quotation and price monitoring service, Beacon, continues to increase. It is now being used by all major employee benefit consultants and Beacon has the capacity to provide services to every DB pension scheme in the UK.

Pension scheme de-risking is helping to support growth in the UK economy by enabling UK corporates to focus on growing their businesses and by investing the assets in productive finance.

Read more about our DB business on **P18–20**

GUARANTEED INCOME FOR LIFE SALES UP 16%

After a very strong return to growth in 2023, I am delighted that our retail business has shown further excellent progress in 2024, with GIfL sales up 16% to £1.0bn. Market demand has been strong as the appetite of advisers to lock-in security for their clients continues to grow. Strong consumer demand is also evidenced by the activity levels in our GIfL broking business, the largest in the UK. The number of advisers sourcing quotes from Just has increased rapidly over the last two years and continues to provide increased opportunities to utilise our medical underwriting intellectual property to select the most attractive risks.

SCALABILITY OF OUR INVESTMENTS CAPABILITY

Our successful illiquid origination strategy enabled us to source £2.4bn of illiquid investments during 2024, a 40% increase year on year, at attractive spreads above equivalent public assets. We are continuing to broaden our capabilities, with £1.0bn of this total sourced internally by our expanded Investments team, in addition to £0.3bn of funded lifetime mortgages via our retail business. Our illiquid investments in 2024 included social housing, infrastructure and private placements.

OUR PURPOSE AND OUR CUSTOMERS

We help people achieve a better later life, that's our purpose and why we exist. We fulfil that purpose by delivering market-leading products and award-winning services to our customers. In 2024, more than 90,000 people became new customers of one of our businesses. We are now in a privileged position to be helping record numbers of customers, and we are investing to explore how we can help more people, with unmet needs, across the wider retirement markets.

SUSTAINABILITY

We are committed to a sustainable strategy that protects our communities and the planet we live on. The most material impact we can make to reduce carbon emissions is through the decisions we take with our £27bn investments portfolio, which accounts for over 99% of our carbon footprint. Compared to our 2019 baseline, we have now reduced these emissions by 36%, which is excellent progress on our journey to achieving our net zero target.

OUR PEOPLE

We are harnessing the power of our highly talented, ambitious and engaged colleagues to deliver strong business growth and fulfil our purpose. Our focus is on ensuring we have the right capabilities for today and the future, delivering an exceptional colleague experience and enhancing the skills of our people managers.

I am very pleased we've made excellent progress in two key focus areas. Our colleague engagement score has continued to increase and is now 8.3 (2023: 7.9). We have exceeded our 2026 target, two years early, to increase the number of females in senior positions to 40%.

I would like to thank all my colleagues for their significant efforts in providing outstanding support to our customers – directly and indirectly – and delivering these excellent results. It's always a team effort and my colleagues make Just a brilliant place to work.

FINANCIAL PERFORMANCE, UNDERLYING OPERATING PROFITS UP 34%

In 2024, underlying operating profit is up 34% to £504m, driven by strong new business performance further augmented by robust growth in recurring in-force profit, which combine to deliver a 15.3% return on equity. We incurred operating experience variances, the cost of strengthening the maintenance expense assumption, together with strategic costs as we invest to develop new propositions. These were partially offset by investment and economic profits and adjustments for items accounted for in equity, resulting in an adjusted profit before tax of £481m for 2024 (2023: £520m). After allowing for deferral of profit into the CSM balance sheet reserve, the IFRS profit before tax is £113m (2023: £172m). Our disciplined approach to risk selection means we can fund our growth ambitions from our own resources, maintain a strong buffer of capital and reward shareholders with a growing dividend.

We will pay a final dividend of 1.8 pence per share, giving a total of 2.5 pence for the year, representing 20% year-on-year growth.

IN CONCLUSION

Over the last three years underlying operating profit has more than doubled as we successfully executed our strategy. We are confident in our ability to grow at attractive rates from this elevated level. We have multiple opportunities available and structural growth in our chosen markets. Our DB and retail businesses are both contributing to our excellent performance, reflecting our continuing investment in technology and talent. We have a growth mindset, and we've developed a winning formula – one which will ensure we fulfil our purpose, to help people achieve a better later life. This formula is delivering sustained growth in the value of the business. With a clear purpose and vision, we're shaping a future that's not just bigger and better—but brighter.

DAVID RICHARDSON
Group Chief Executive Officer

MARKET CONTEXT

HELPING CUSTOMERS STRENGTHEN THEIR FINANCIAL RESILIENCE

Structural drivers in our markets mean we can grow profits sustainably while delivering better outcomes for customers.

“There is a vibrant insurance de-risking market for defined benefit pension schemes of all sizes and Just are delivering outstanding service to small and large schemes and everything in between.”

DEFINED BENEFIT DE-RISKING SOLUTIONS

Private and public sector employers traditionally provided Defined Benefit (“DB") pension schemes, often called final salary schemes, as an important benefit for employees. The employer would share some responsibility for the wellbeing of their former workers when they retired by providing a guaranteed retirement income based on their earnings history and length of employment. However, providing these guaranteed benefits became expensive. Over 95% of the UK’s DB pension schemes are now closed to new members. Continuing to operate these schemes has become more onerous for employers. The DB de-risking business has allowed these employers to alleviate the financial and operational challenges of running these schemes by passing responsibility for the schemes to insurers who can fully or partially de-risk the employer’s defined benefit obligations. DB de-risking can occur via a Buy-in or Buy-out. All Buy-outs begin as Buy-ins.

A Buy-in involves the pension scheme paying a premium to an insurance company to purchase an income stream that matches its DB obligations to some or all of its members. The risk attached to that portion of the scheme is transferred to the insurer, but the scheme retains legal responsibility for its DB obligations to its members. During a Buy-in, the pension scheme continues to pay pensions to members, but the funding wholly or partly comes from the insurer.

Buy-out is when the scheme’s obligations move fully across to the insurance company to pay its members’ benefits. As part of a conversion from Buy-in to Buy-out, members receive individual policies and become customers of the insurer. Subsequently, the pension scheme is closed (also known as completing wind-up) as the DB obligations are moved across to the insurer, who now pays the members directly.

CURRENT MARKET

As of 31 March 2024, total UK DB obligations were £1.2tn. Within this, 78% of the almost 5,000 schemes have assets of less than £100m. Since 2019, the funding levels of all schemes on a full Buy-out basis has increased from 72% to 94%. The improvement in funding levels was initially driven by sponsoring company contributions and insurer’s ability to access improved reinsurance terms. In the last few years, the main driver has been higher long-term interest rates, which reduce the liability value of the DB pension obligation by more than the asset value held in the scheme.

Favourable market conditions have led to more DB schemes now being in surplus. According to the Purple Book, March 2024, there is an aggregate £68bn of surplus on an insurer Buy-out basis for those schemes that are already in surplus. Surplus has been a hot topic amongst trustees and their advisers throughout the year, in terms of debating the best end game option for their scheme (e.g. run-on versus insurance). Buy-in (and ultimately Buy-out) remain by far the most popular de-risking options for the majority of schemes (source: LCP).

COMPETITIVE, REGULATORY FACTORS

With a new government elected there is a period of re-assessment towards pension policy. Chancellor Rachel Reeves’ first Mansion House speech announced the findings from the first part of the government’s landmark pension review. This focused on consolidation of smaller occupational defined contribution (“DC") pension schemes, Local Government Pension Schemes (“LGPS") and a drive to invest more into UK productive investment to enhance UK economic growth. The insurance industry has pledged to invest £100bn in productive finance over the next decade.

In 2025, we expect the government's new Pension Bill will introduce legislation for the so called superfund regime, replacing the pension regulator's temporary regime. In addition to the technical matters of how superfund schemes will be governed, we expect the legislation will make clear which DB pension schemes would be allowed to consolidate through these arrangements. A very small number of transactions have been announced under the temporary regime.

In April, the Department for Work and Pensions ("DWP") closed a consultation on legislative changes to introduce greater flexibility to access surplus funds in DB pension schemes. It also consulted on establishing a public sector consolidator administered by the Pension Protection Fund, for DB pension schemes that were unattractive to commercial consolidation providers. We and others in the industry have responded to the consultation and maintain an open, constructive dialogue with government and officials. 2024 was a very strong year for the value and volume of insurance consolidation with £47bn of deals completed (source: Association of British Insurers ("ABI")). Just Group estimates that approximately 280 transactions were concluded, setting a new record for the industry. There is a vibrant insurance de-risking market for DB pension schemes of all sizes.

As expected, three new participants entered, and completed transactions in the DB market – Royal London, M&G and Utmost. Scottish Widows exited, which resulted in there being 10 active insurers competing for business at the end of 2024. There is speculation other new entrants could emerge in 2025.

New regulations for climate reporting introduced in The Pensions Schemes Act 2021, have led to more trustees considering de-risking to seek assurance that ESG considerations underpin the asset choices in insurers' investment portfolios. In 2023, the Church of England and Railpen Pension Schemes spearheaded an initiative to integrate ESG principles into the selection of insurers during bulk annuity processes. This initiative resulted in the creation of the 'Sustainable Principles Charter for the Bulk Annuity Process'. Guided by the organisation 'Accounting for Sustainability', Just Group is proud to have been a founding partner for the Charter. This puts bulk annuity providers ESG credentials on a comparable basis, helping schemes approaching buy-out to make a well informed and ESG based selection of their preferred provider.

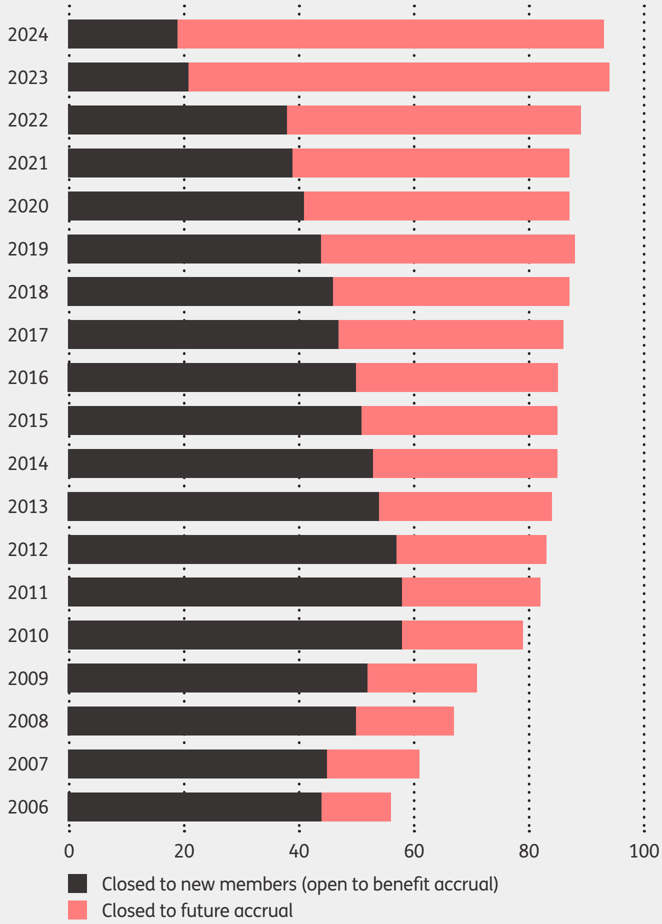
We welcome innovative solutions to the market, but irrespective, we believe the scale of the market and strength of demand for 'gold standard' insurance solutions will mean that trustees and their consultants will continue to prioritise the insurer pathway where possible.

OUTLOOK

In conclusion, the structural growth drivers for the DB de-risking market remain intact and the outlook for the next decade is strong. The increase in gilt yields since 2022 has reduced the estimated liabilities of defined benefit pension schemes and dramatically improved funding levels. The strong demand in the insurance de-risking market is predicted to continue over the decade to 2033, with commentators predicting up to £600bn (source: LCP) could be transferred to insurers during this period.

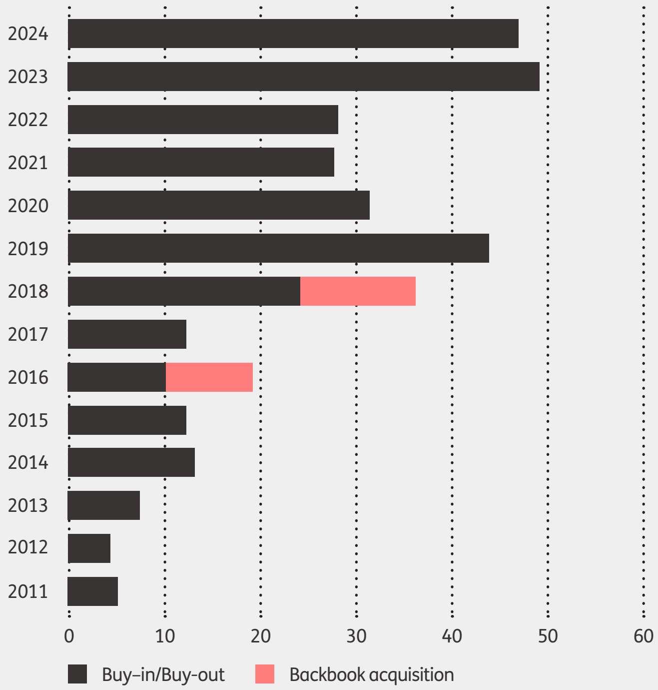
There is a vibrant market for schemes of all sizes and insurance capacity has kept pace with demand. As transaction volumes continue to increase, pressure on scarce human resources may be felt across the wider ecosystem. When selecting new business, insurers will prioritise pension schemes that have their governance, data and benefit specifications in good order. Just Group is continuing to invest in its proposition, resources and service to ensure that schemes we work with can realise their de-risking ambition and provide the best member outcomes and experience.

96% OF DEFINED BENEFIT PENSION SCHEMES ARE CLOSED TO NEW MEMBERS AND INCREASINGLY TO FUTURE ACCRUAL (%)



Source: The Purple Book 2024, PPF

EXPECTED GROWTH IN DB DE-RISKING TRANSACTIONS (£BN)



Source: Just analysis, LCP 2024, ABI

MARKET CONTEXT continued

INDIVIDUAL RETIREMENT INCOME MARKET

Guaranteed Income for Life ("GIfL") products are bought by individual customers to convert some or all of their accumulated pension savings into a guaranteed lifetime retirement income. The solution provides people with peace of mind from the security of knowing the income will continue to be paid for as long as the customer and, where relevant, for as long as they or, typically, their spouse, lives. In the UK, GIfL products traditionally offered an income payable without reference to the individual's health or lifestyle, and were differentiated only by reference to a limited number of factors such as age, premium size and, prior to 31 December 2012, gender.

An individually underwritten GIfL takes into account an individual's medical conditions, personal and lifestyle factors to determine their life expectancy. People who are eligible and purchase an individually underwritten GIfL typically achieve double-digit percentage increases in income compared to purchasing a GIfL which is not individually underwritten.

CURRENT MARKET AND OUTLOOK

Pension customers are encouraged to compare the GIfL offer provided by their existing pension company to those offered on what is the open or external market. The Financial Conduct Authority ("FCA") requires pension companies to provide customers with a comparison to the best income available from the external market alongside the quotation from the incumbent firm. All firms are required to provide a medically underwritten comparison where a customer is eligible. These FCA rules to strengthen competition and deliver better outcomes for customers has provided new opportunities for the Group as we compete in the open market when these customers choose to shop around; this is our addressable market as we do not have an existing base of pension savings customers. The open market share of the total GIfL market for 2024 was 76% up from 70% in 2023 (source: Association of British Insurers ("ABI")).

Continuing developments are driving growth over the medium term in our addressable market:

- the structural drivers of growth in the retirement income market are strong and assets accumulating in defined contribution ("DC") pension schemes are projected to increase consistently over the next decade. This growth arises from an increase in the number of people joining workplace pension schemes as a result of the successful state auto-enrolment policy and the increase in contribution rates implemented in 2018;
- growth in DC pension assets also arises as companies close down final salary or DB pension schemes and offer their employees DC pensions instead;
- many life and pension companies are choosing to put in place broking solutions to offer their pension savings customers access to the best individually underwritten GIfL deals in the market. Some are choosing to transfer their obligations to provide a guaranteed GIfL rate to their customers, to an alternative product provider or broking solution. This grows our addressable market and provides customers with better outcomes. Our HUB group of companies is providing many of these corporate services;
- the market is currently benefitting from the return of UK long term interest rates to more normalised levels. The rate of income on GIfL has risen by around 50% compared to 2021. This has resulted in the volume of quotations from financial intermediaries and their clients for guaranteed income solutions increasing; and
- new solutions are being introduced to the market to provide financial advisers with more sophisticated options to blend a guaranteed income producing asset with other investments to deliver improved outcomes for their clients.

REGULATION AND LEGISLATION

There are a number of changes in-flight from legislators and regulators that when implemented may increase the size of our addressable market.

- In March 2024, the FCA published findings on how the retirement income advice market is working and whether consumers are receiving appropriate advice on meeting their income needs in retirement. The FCA concluded improvements must be made by firms who were not currently meeting the standards required to ensure people receiving a retirement income were treated differently to those people who were in the accumulation, or savings phase. Retirement income advice remains an ongoing focus for the FCA and they will be carrying out further supervisory work in this area.
- In August 2023, the FCA set out the basis for a joint review of the Advice Guidance Boundary with the HM Treasury which forms part of the UK government's Edinburgh Reforms. Their aim is to understand where existing regulation may carry a disproportionate burden, and to explore ideas to reduce that burden, whilst continuing to provide the right level of consumer protection. In their November 2024 update, the FCA has stated they will focus on helping people navigate the complex decisions about pensions and are consulting on high-level proposals for targeted support in pensions, which would allow firms they regulate to provide support to pension savers in a new way. This may, over the medium term, result in more people receiving help and guidance in how to use their pension savings.
- In July 2023, the FCA introduced a new duty, known as the Consumer Duty, that sets higher and clearer standards of consumer protection across financial services, and requires firms to put their customers' needs first. The duty introduces a new consumer principle that requires firms to act to deliver good outcomes for retail customers. The outcomes relate to (i) products and services; (ii) price and value; (iii) consumer understanding; and (iv) consumer support.

LIFETIME MORTGAGES

A lifetime mortgage ("LTM") allows homeowners to borrow money secured against the equity in their home. The amount borrowed is repayable together with accrued interest on the death of the last remaining homeowner or their move into permanent residential care. This product can be used by retirees to supplement savings, top up retirement income or to settle any outstanding indebtedness.

Our typical lifetime mortgage customer is around 69 years old, has a house valued at around £360,000 and borrows 29% of the property value.

Just Group is a leading product provider of lifetime mortgages. Our HUB Financial Solutions business is a leading distribution business providing consumers with regulated advice on equity release solutions from across the market.

CURRENT MARKET AND OUTLOOK

The LTM market experienced a period of stagnation and decline in 2023, as the market and consumer demand adjusted to higher interest rates and the impact of increased inflation. This resulted in providers and distributors reshaping their operating models and risk appetites to reflect a higher interest rate environment.

The market returned to year on year growth in the final quarter of 2024. There has been an increase in the number of on-sale products, which provide customers with a range of options to ensure their individual needs are met.

Many people are positively disposed to accessing some of the equity in their homes to improve the quality of their later lives or to help their family.

The fundamental drivers of growth remain intact, and are:

- households wanting to top up their retirement income to improve their, or their family's standard of living in later life;
- people with outstanding mortgages who are entering retirement and require a solution to settle the debt with the existing mortgage company;
- strong demographic growth. The number of people aged 65 and over is forecast to increase from around 13 million today to around 17 million by 2040 (source: ONS); and
- homeowners aged over 55 are estimated to own property wealth of over £3.5tn (source: ONS). We estimate that the existing industry loan book including interest is around £48bn.

Just Group introduced medical underwriting into a niche segment of the lifetime mortgage market some years ago and in 2021 extended it across the Just for You mortgage range. We estimate by collecting medical information and lifestyle factors from applicants, we are able to provide six-in-ten a lower interest rate, or for those who need it, a higher borrowing amount. This market disruption has positively changed how lifetime mortgages are advised.

LONG-TERM CARE SOLUTIONS

Care Plans, or immediate needs annuities, are a form of purchased life annuity. In exchange for an up-front premium, they provide a guaranteed income for the life of the insured to help contribute to the cost of their care. Under current rules this income is tax free when paid directly to a registered care provider, with Care Plans available both to individuals entering care facilities and receiving domiciliary support. As such, Care Plans provide a form of longevity insurance to an individual against the ongoing costs of receiving care until their death.

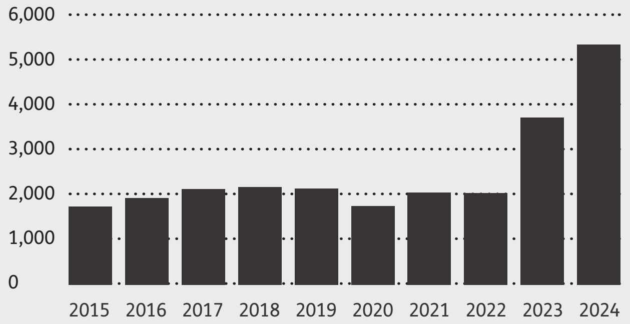
In January 2025, the government announced their intention to launch an independent commission to reform adult social care. The taskforce, to be led by the cross-bench peer Louise Casey, will be charged with developing plans for a new national care service, a Labour election manifesto pledge, in the biggest shake-up to social care in England in decades. The final report is not expected until 2028.

CURRENT MARKET AND OUTLOOK

The drivers of the need for care are strong because:

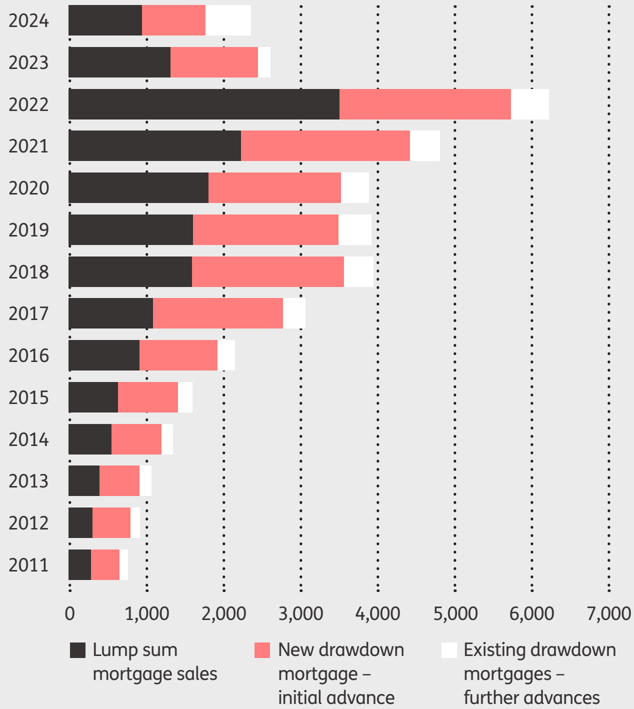
- there are currently around 1.7 million people aged 85 or over in the UK – this is the average age at which people go into care homes;
- this is the fastest growing demographic cohort, with its number expected to almost double over the next 25 years, suggesting a rate in excess of 2.6%;
- 40% of all people in the UK aged 65 and over are estimated to have a limiting long-standing illness, which may require care in the future; and
- the recent focus on pressures within the care sector has highlighted the need to plan for care, and any government reform will provide additional focus on the limited number of solutions currently available.

EXTERNAL GIFL MARKET (£M)



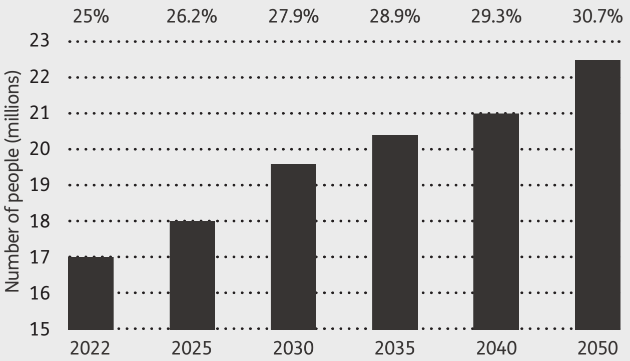
Source: Just analysis, ABI

LIFETIME MORTGAGE MARKET SIZE AND GROWTH RATE (£M)



Source: Equity Release Council

PEOPLE AGED 60 AND OVER

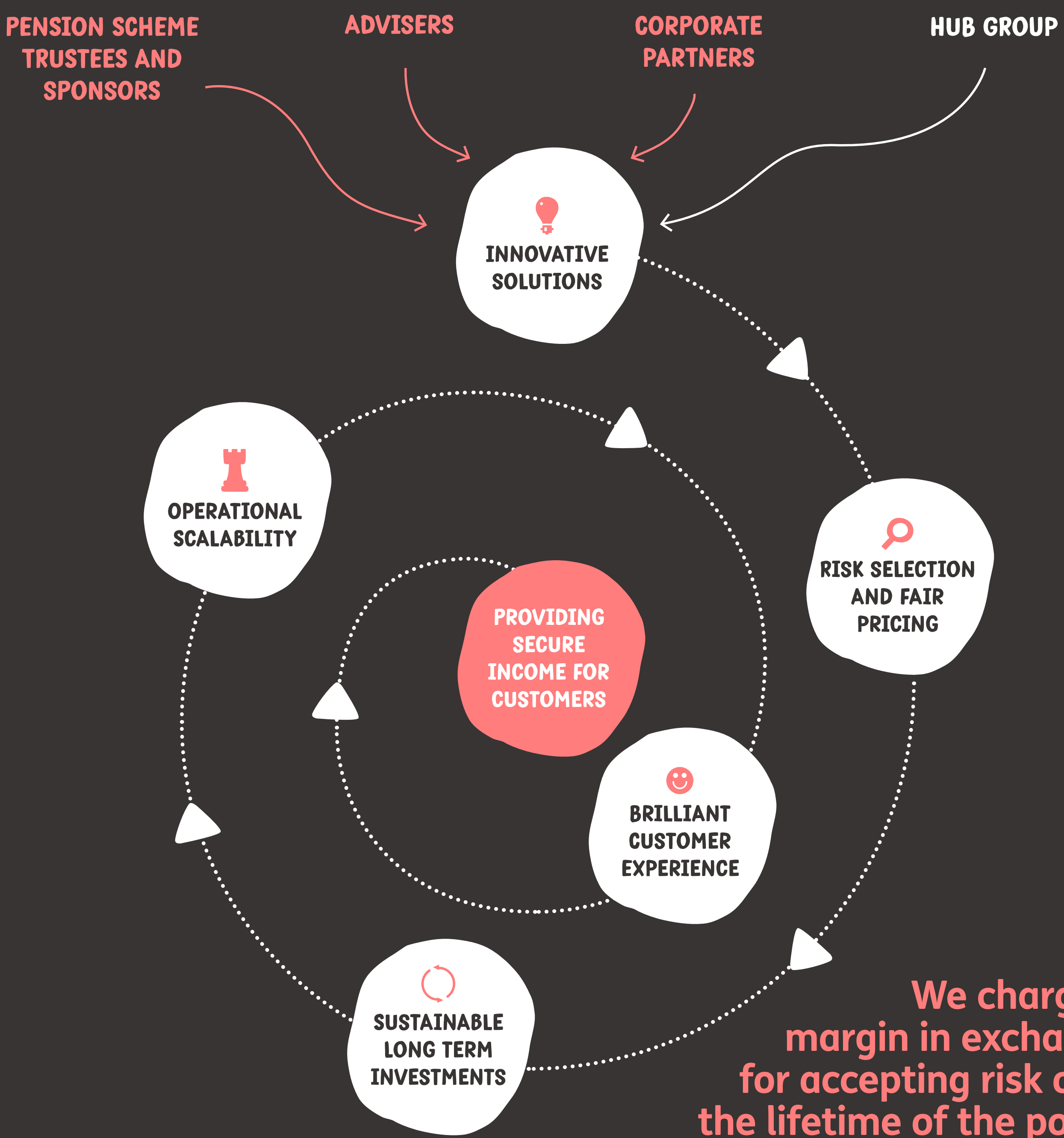


Source: Office of National Statistics, population projections UK
Percentages: 60 and over as a proportion of total UK population

BUSINESS MODEL

We help people achieve a better later life – meeting complex and evolving retirement needs by providing financial products, advice and guidance that deliver sustainable value for customers, shareholders, partners, colleagues and protect the planet we live on.

HOW WE CREATE VALUE THROUGH OUR RETIREMENT EXPERTISE



We charge a margin in exchange for accepting risk over the lifetime of the policy

INNOVATIVE SOLUTIONS

Our insurance and investment solutions help customers manage risks such as running out of money, becoming unable to afford care, or being exposed to their defined benefit pension scheme running into difficulty.

RISK SELECTION

Prognosys™ is our powerful proprietary underwriting engine for individual medical underwriting that allows the Group to identify and price the risks we want, and to improve customer outcomes.

SUSTAINABLE INVESTMENTS

Our Investment capabilities and successful illiquid origination strategy enables us to manage a diversified portfolio of assets to ensure sustainable returns for policyholders and shareholders.

OPERATIONAL SCALABILITY

We continue to automate processes and modernise infrastructure to reduce our operating cost ratio and sustain high service levels as we grow.

BRILLIANT CUSTOMER EXPERIENCE

Our colleagues work hard to understand and serve customers as individuals, be there for the moments that matter, and minimise their administration.

WE CREATE VALUE FOR

SHAREHOLDERS

Through efficient resource management we generate returns above our cost of capital and maintain strong underlying organic capital generation to reinvest in growth and support sustainable dividends.

CUSTOMERS

We utilise medical underwriting to price customers fairly and strive to deliver the best customer experience; our robust business model ensures they can depend on us to pay claims over the long-term.

PARTNERS

For trustee and scheme sponsors we provide solutions to de-risk pension liabilities and deliver member security.

COLLEAGUES

Our purpose-led culture and focus on high-performing teams creates an environment for ambitious, curious and collaborative people to thrive.

ENVIRONMENT

We will reduce emissions from investments by 50% by 2030, invest in green infrastructure assets, and be net zero in our operations by 2025.

STRATEGIC PRIORITIES

Our purpose: We help people achieve a better later life Underpinned by our **five strategic priorities**:

PRINCIPAL RISKS AND UNCERTAINTIES

Ongoing risks:

- A Market
- B Credit
- C Insurance
- D Liquidity
- E Conduct and operational
- F Strategic

Risk outlook:

- 1 Political and regulatory
- 2 Climate and environmental, social and governance ("ESG")
- 3 Cyber and technology
- 4 Insurance
- 5 Market and credit
- 6 Liquidity
- 7 Strategic

GROW SUSTAINABLY

FOCUS

We enhanced our capital resilience and capacity to support strong growth in our DB and retail businesses.

2024 PROGRESS

- Secured our largest DB deal to date, at £1.8bn. Enabled by utilising our DB partner relationships and demonstrating our large deal framework in practice.
- We are a major participant in the <£1bn transaction size part of the market, doubling our market share since 2021.
- Strengthened our investments capability. Our expanded team internally originated £1.0bn of new illiquid assets, in addition to LTMs.
- Achieved significant growth in new business sales and profits, maintaining low capital strain on new business.
- Successful issuance of a Sustainability Tier 2 bond.

2025 FOCUS

- We will continue to strengthen our investment capabilities whilst maintaining financial discipline as we grow.

LINK TO ONGOING RISKS:
A B C D E F

LINK TO RISK OUTLOOK:
1 2 3 4 5 6 7

SCALE WITH TECHNOLOGY

FOCUS

We continued to modernise our legacy infrastructure and automate processes, to enable future productivity.

2024 PROGRESS

- Modernised our DB infrastructure and operational processes, improving business productivity.
- Improved our ability to provide DB quotes on demand.
- Initiated modernisation of our retail new business systems.
- Launched an AI enablement hub to identify/progress key opportunities.
- Enhanced our operating cost to revenue ratio.

2025 FOCUS

- We will continue to enhance productivity and improve operational capabilities, through process improvements and investment in technology.

LINK TO ONGOING RISKS:
E F

LINK TO RISK OUTLOOK:
3 7

REACH NEW CUSTOMERS

FOCUS

By scaling through innovation and strategic partnerships, we expanded our reach to meet new customer needs.

2024 PROGRESS

- Established new partnerships, such as with Invesco, Fidelity and Which?.
- Refreshed our proposition and pricing to be competitive across wider segments.
- Provided solutions for customers in drawdown through Secure Lifetime Income.

2025 FOCUS

- We will continue to increase our market reach through partners and integration with adviser technology.

LINK TO ONGOING RISKS:

A **B** **C** **D** **E** **F**

LINK TO RISK OUTLOOK:

1 **2** **3** 4 **5** 6 **7**

BE RECOMMENDED BY OUR CUSTOMERS

FOCUS

We improved customer satisfaction/ recommendations, in a period of substantial growth and customer onboarding.

2024 PROGRESS

- Celebrated the 20th consecutive year of receiving a 5-star award in the FT Adviser Service Awards for our GIfL business.
- Delivered a DB customer relationship management system with enhanced capabilities.
- Drove customer centricity across the Group, defining our customer promise and conducting our biggest ever consumer research programme.

2025 FOCUS

- We will continue to improve the customer experience by utilising data-driven insights.

LINK TO ONGOING RISKS:

A B C D **E** **F**

LINK TO RISK OUTLOOK:

1 **2** **3** 4 5 6 **7**

BE PROUD TO WORK AT JUST

FOCUS

We built a high-performing culture and organisation that is proud to work for Just.

2024 PROGRESS

- Achieved over 85% score for "Be Proud to Work at Just" in our end-of-year colleague survey.
- Increased the number of females in our most senior population, exceeding our 2026 target of 40% two years early.
- David Richardson awarded "Best people focused CEO of the year" by HR Excellence Awards.
- Just and our colleagues donated £112k to charities aligned with our purpose.

2025 FOCUS

- We aim to be a destination employer through enhancing colleague experience and investing in their growth and development.

LINK TO ONGOING RISKS:

A B C D **E** **F**

LINK TO RISK OUTLOOK:

1 **2** **3** 4 5 6 **7**

OUR STRATEGY IN ACTION

A RECORD YEAR FOR OUR DEFINED BENEFIT DE-RISKING BUSINESS

Our defined benefit de-risking business exemplifies the spirit of this year's Annual Report. We've become bigger, better and the future is bright. 2024 was a record year on every level.

- Largest ever transaction – £1.8bn Buy-in for G4S
- Highest value of Total DB De-risking sales – £5.4bn
- Highest number of transactions completed – 129
- The most de-risking transactions completed in a single year by an insurer
- Highest number of schemes using Beacon, our successful bulk quotation and price monitoring service – over 350.

Cumulatively, we've completed over 500 transactions since we launched in 2012, that's one-in-four deals across the entire market.

We are providing outstanding support to pension schemes of all shapes and sizes – big ones, small ones and everything in between. The market has never been brighter and more vibrant, and we have responded with ambition, innovation, focus and discipline to deliver a record-breaking year.

BIGGER.

We have increased our scale so we can help more trustees, sponsors and pension scheme members.

BETTER.

We've invested to add new capabilities into our business, from new talented colleagues to leading edge technology so that we can provide solutions to meet the needs of all schemes.

BRIGHTER.

We're innovating and ambitious to help more members so that we may fulfil our purpose. This requires us to think differently and push ourselves to break new ground as the results demonstrate this year.

Read more about our biggest deal to date on **P20**

BEDROCK OF BRITAIN

Supporting small and medium size schemes is in our DNA and we are passionate about helping them to access the security that de-risking with an insurer delivers. We are proud to have worked with some of the great organisations that are part of the heritage of Britain covering a spectrum of industries – such as S.A. Brain & Co (brewery), Wednesbury (copper tubing manufacturer), St.Modwen (sustainable house builder) and First Milk (British farming co-operative) to name a few. De-risking their DB pension schemes means that these businesses can focus on growing their business, their contribution to the economy and their communities, with legacy DB obligations and the associated risks now managed by Just.

A REPUTATION FOR EXCELLENCE

2024 also saw us complete our third largest transaction to date, a £510m Buy-in with a global engineering company and pioneers in creating technology for communication. This was our third transaction with the company.

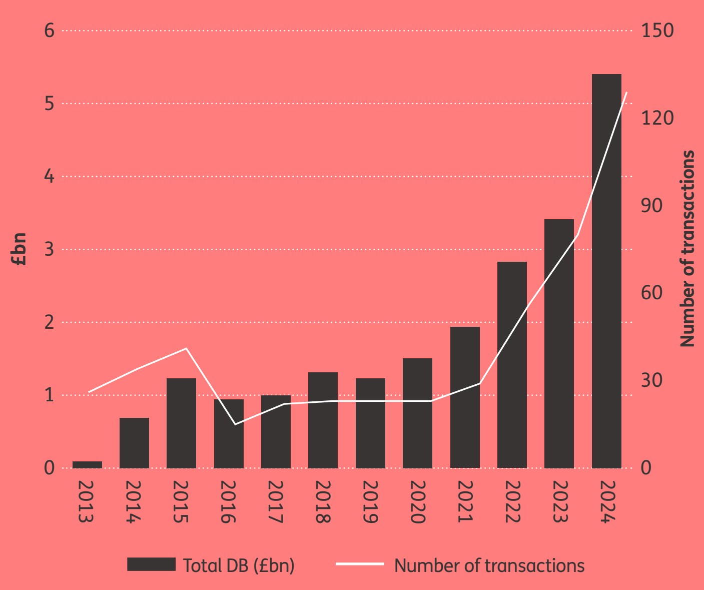
When trustees choose to contract with you to deliver further services it provides a strong sense of pride inside Just. It's a clear signal that we are trusted to deliver outstanding service and value to members.

MEMBER FIRST

When it comes to innovation – our north star is providing the very best experience we can for our members. At the start of the year, we carried out a piece of research with over 1,500 members of DB schemes to surface how they feel about planning and managing their retirement and how that could inform how we support them. The headline conclusion was that none of us should assume that just because someone has a gold standard DB pension it means that they don't need support and help as they approach, and journey through retirement.

In particular, for those approaching retirement they could be in a position where their DB pension is only one of perhaps four or more retirement savings pots they have in place. We identified that for schemes moving to Buy-out, those members may not have access to help, support and advice. To close this gap, we've launched a member advice service in conjunction with our sister company HUB Pension Consulting. Another example of Just becoming better for its members.

JUST GROUP | TOTAL DB DE-RISKING SALES



OUR STRATEGY IN ACTION continued

A NEW RECORD FOR JUST – OUR BIGGEST DEAL TO DATE

We successfully completed a £1.8bn, full scheme Buy-in with the Trustee of the G4S Pension Scheme, covering the benefits of c.22,500 pensioner and deferred members.

Completing deals of this size and complexity required a different Just to the one that existed a few years ago. We've been on an ambitious journey to become bigger and better. The investment we've made to add to our capabilities and scale have been put to great use to support the trustee and members of the G4S scheme.

To meet the trustee requirements for this milestone transaction:

- Our investment team sourced attractive assets and our dedicated reinsurance team executed a combination of longevity and asset reinsurance.
- We locked the premium to movements in the scheme's asset portfolio, received the scheme's assets as premium payment, and offered enhanced contractual terms to mitigate post-transaction risks for the trustee.
- We started the member calculation set-up process early in the process which meant that high standards of member service were uninterrupted at the point of transaction.

£1.8BN
Total transaction value

22,500
Pensioner and deferred members

> **Just now has the leadership and capabilities in place to deliver outstanding services and solutions to schemes of all sizes, as we have demonstrated through our results in 2024.”**
>
> **Pretty Sagoo** Managing Director, DB Solutions

OUR STRATEGY IN ACTION continued

INVESTING THE JUST WAY

Over the last few years we've been investing in our capabilities to ensure we achieve our ambitions to become bigger and better so we can deliver improved value for customers and shareholders.

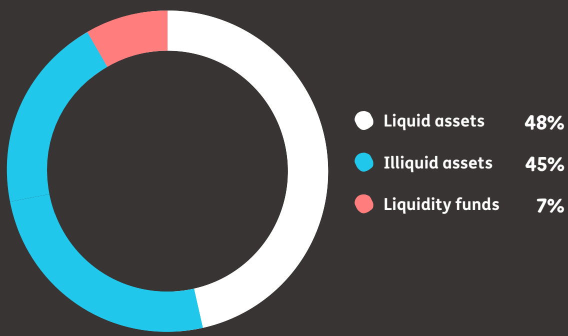
Our investment approach is driven by our ability to cashflow match our liabilities via our combined investment portfolio. We continue to evolve our approach to generate better value for customers and shareholders. At Just, we have both a matching adjustment and non-matching adjustment portfolio. Matching adjustment is a mechanism prescribed by the Solvency II directive that allows the Group to adjust the relevant risk-free interest rate term structure when calculating a best estimate of a portfolio of eligible insurance obligations. We continue to explore new investment opportunities to broaden our investment universe, including assets that may qualify under the highly predictable cash flow category introduced in Solvency UK.

For our credit assets, we invest in long-term, liquid and illiquid, income-producing assets to match our liabilities. The majority of these assets are managed in-house. To support with sourcing investments, we take a hybrid approach to investing where we directly source opportunities (on both liquid and illiquid assets), alongside partially outsourcing this to external managers. The illiquid credit assets include infrastructure loans, private placements, commercial mortgages, long income real estate and social housing. On the liquid side, we also invest in investment grade fixed income securities, such as government and corporate bonds, as well as cash and cash equivalents. We use derivatives to hedge the currency risk associated with non-sterling assets, and also any residual interest rate or inflation risk as we cashflow match the in-force book.

We have built a panel of 13 specialist external managers, each carefully selected based on their areas of expertise. The assets originated by external managers are then assessed by our in-house investment function, who select the most suitable investments to pass through our internal screening process – exercising our veto right if the opportunity does not meet our investment criteria. It is through diversification of investments that we are able to source and access appropriate assets, within the tolerance of our risk appetites, to provide a portfolio that enables us to continue to meet our policyholder obligations over the long term. We also internally originate LTMs, which provide matching cashflows for longer duration liabilities and achieves higher return relative to our liquid assets.

Our credit assets (bond portfolio and other assets) account for £19.6bn or 72% of our £27.0bn investment portfolio (see page 38).

PORTFOLIO BREAKDOWN BY ASSET CLASS



OUR PROGRESS OVER THE LAST 12 MONTHS

Throughout 2024 our investment function has become bigger and better to match the ambitious growth plans of the business.

Building capabilities

All colleagues within our Company understand and drive forward our commitment to be a strong and sustainable purpose-led business for our customers, our colleagues, our planet and generations to come. The combination of our strong purpose and having highly engaged teams working the Just way, allows us to successfully implement our investment approach. Over the last 12 months we have continued to expand the team to support in delivering our investment objectives and priorities. We continue to focus on recruiting talent with the skills and expertise required of a high performing investment team. Our investment team has expanded from 21 colleagues in 2022 to 40 in 2024. We'll be adding more talent in 2025 to expand our capabilities further so we can be more innovative to better meet the needs of customers and achieve Just Group's ambitious growth plans.

Asset origination

To deliver great customer outcomes, while delivering shareholder returns and managing our risks through diversification, we need to source a wider range of investments. In 2024, we enhanced our Investments capabilities, which enabled us to insource a portion of our private asset investments, complementing our manager of managers model. This includes overseeing the lifecycle of private asset investments – origination, structuring, pricing and analysis, execution and ongoing asset management – across a variety of asset classes and sectors. Our new capabilities enabled Just to internally originate and manage £1.3bn or 54% of the £2.4bn of illiquid assets sourced during the year. Illiquid assets support new business pricing and provide certainty through long-term fixed rate financing into the economy. This new illiquid asset capability adds to our existing public credit asset management. We acquire public credit assets through a network of banks, brokers and dealers to back new business, and to enhance return generation through portfolio optimisation of existing assets. Liquidity funds and derivatives are also managed in-house.

We continue to leverage external managers, with specialist areas of expertise, to source new asset classes and investment opportunities to meet our investment needs.

Further integrating responsible investment

In 2024, we continued enhancing our approach to integration of responsible investment. Key milestones achieved in the last year include:

- Successfully gained signatory status, upon first application to the Financial Reporting Council's UK Stewardship Code.
- Enhanced our Sustainability Bond Framework to align with market standard and successfully issued a £400m Sustainability Tier 2 bond.
- Further integrated climate change into investment decision making through improvements in tools, processes and documentation.
- Enhanced our internal scoring system, PAYG, expanded exclusionary criteria and incorporated newly established sector views.

We are committed to meeting the needs of our customers and supporting growth in the UK economy, by actively evolving our approach to investing.

Read more about PAYG scoring system on p49

Sustainable Investments

In 2024 we invested a total of £315m in assets aligned with our Sustainability Bond Framework. Below we summarise our current allocation towards sustainable assets, which includes investments aligned with our Sustainability Bond Framework, classified as 'green' under our internal PAYG scoring system as well as other public market labelled bonds:

Sustainable assets (IFRS valuation basis)[1]	31 December 2024 £m	31 December 2023 £m
Renewable energy – wind	335	371
Renewable energy – solar	363	387
Affordable and social housing	1,528	1,142
Green buildings	56	41
Clean transportation	95	–
Access to essential services / local authority	271	196
Other social assets	226	383
Green, social, sustainability bonds	731	497
Total dedicated sustainable assets	3,605	3,017
Bond portfolio and Other assets	19,581	17,141
Dedicated sustainable assets %	19%	18%

1 Sustainable assets includes the £919m invested over 2022 – 2024, exceeding our three-year target of £750m. The amount invested in 2024 was £315m.

BIGGER, BETTER, BRIGHTER.

We are committed to meeting the needs of our customers and supporting growth in the UK economy, by actively evolving our approach to investing. Our key priorities are:

SKILLS AND CAPABILITIES

Continue expanding skills and capabilities to effectively source, manage and monitor investment opportunities.

SCALE WITH TECHNOLOGY

Leverage technology to automate processes and enhance efficiency of tools used in the investment decision making process.

ASSET ORIGINATION

Continue to enhance our ability to originate assets and explore new asset classes both internally and via external managers. This includes assets and asset classes which may qualify under the highly predictable cash flow amendment introduced in Solvency UK.

RESPONSIBLE INVESTMENT

Build on the foundations laid in previous years to take a more sophisticated approach to responsible investment integration within the investment processes.

More information on our responsible investment progress, processes and frameworks can be found on our website.

BETTER INSIGHT. BETTER AT UNDERSTANDING OUR CUSTOMERS. BETTER CUSTOMER OUTCOMES.

GEN VOICES

GenVoices.co.uk

We help people achieve a better later life. That's our purpose and why we exist. To ensure we better fulfil our purpose we've been investing to better understand the lives of the people we strive to serve.

One of our Just behaviours we ask all of our colleagues to embrace is called 'for the customer' (you can read more about our behaviours in the colleagues and culture section). All of our colleagues understand and prioritise putting our customers first, delivering outstanding service, designing solutions and services to ensure our customers receive great experiences and outcomes. To meet our ambitious growth agenda, we equip our colleagues across the Group with deep insight into our customers and target customers lives.

Each year we originate a wide variety of research programmes that help us get closer to our customers. We get help to solve customer problems, validate ideas we have about developing new solutions, and test how we can improve our communications and services.

This year, in addition to our problem-solving research activity, we commissioned two highly significant consumer research studies focused into the lives of individuals and families belonging to the baby boomer generation and generation x. These two generations represent the significant majority of the people we strive to serve. As the retirement specialist, its crucial we go deeper to uncover the full technicolour of their lives and what's important to them. From health to wealth, work life to family life, personality, values, social views, lifestyle and much more.

Equipping our colleagues with this deep insight helps to satisfy another one of our Just behaviours which we call curious. We encourage curiosity to support our teams to explore, challenge and grow so they can better help our customers.

We are encouraging engagement and discussion across the industry and into wider territories and you may spot us promoting our insight through digital channels and physically at a range of events. We are rolling out new interactive data tools, video content, social posts and digital advertising, focusing on themes within the research, like family matters, shopping habits and approaches to finances. The campaign line 'Just Ask The GenXperts' reflects our commitment to finding fresh insights through new research. Our insight into baby boomers will be added to GenVoices during 2025.

BIGGER. BETTER. BRIGHTER.

To fulfil our purpose and strengthen our position as the retirement expert we've embraced the spirit of this year's annual report. We're becoming better at understanding the lives of our target customers so we can better meet their needs and deliver bigger, better and brighter outcomes for those we strive to serve.

SHARING OUR INSIGHT TO SUPPORT OUR BUSINESS PARTNERS

As the retirement expert, our business partners ask us to help them understand the lives of people approaching, at and in-retirement. We work together to develop solutions and solve problems for customers. We love talking about customers. It's a currency that transcends industries and unifies us as we develop our partnerships with other organisations.

We are sharing some of this insight from our two new consumer segmentation studies through our new website GenVoices.co.uk. Our first campaign started in early 2025 revealing the six never-before-seen audience segments that reveal diverse aspirations, concerns and lifestyles within the generation x cohort.

The campaign highlights the gadgets, objects, and culture that generation x grew up with, offering a witty reminder of how much has changed over their lifetime. These nostalgic and playful references create an emotional connection that sparks curiosity and drives engagement. They also serve as a reflection of how generation x has evolved and transformed over the decades.

"To meet our ambitious growth agenda, we equip our colleagues across the Group with deep insight into our customers and target customers lives."

GENXINSIGHT

#GENVOICES #JUSTASKTHEGENXPERTS

FINANCIAL KEY PERFORMANCE INDICATORS

The Board has adopted the following metrics, which are considered to give an understanding of the Group's underlying performance drivers. These measures are referred to as key performance indicators ("KPIs").

The Board keeps KPIs under review to ensure they continue to reflect the Group's priorities and strategic objectives. Our KPI for sales measures performance against our growth ambitions to deliver our strategic priority to Grow through innovation. Monitoring KPIs for Tangible net asset value and Capital Coverage Ratio provide measures of our financial strength and combined with the profit, Return on equity and capital KPIs, enables the Group to monitor performance against our strategic priority of sustainable growth.

MEASURED AGAINST OUR STRATEGIC PRIORITIES

- GROW SUSTAINABLY
- SCALE WITH TECHNOLOGY
- REACH NEW CUSTOMERS
- BE RECOMMENDED BY OUR CUSTOMERS[3]
- BE PROUD TO WORK AT JUST[3]

See our Strategic Priorities on **P16**

1 Alternative performance measure, see page 30. See glossary on page 219 for definition.

2 Solvency capital coverage ratios as at 31 December 2024 (estimated on a proforma basis) and 31 December 2023 include a recalculation of transitional measures on technical provisions ("TMTP") as at the respective dates.

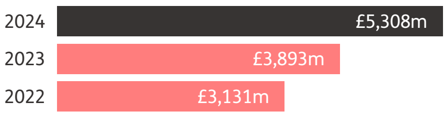
3 Performance against our non-financial strategic priorities are included on page 62.

RETIREMENT INCOME SALES (SHAREHOLDER FUNDED)[1]

£5,308M

Retirement Income sales (shareholder funded) include DB, GIfL and Care premiums written and are a key measure of the Group's performance that demonstrates the Group's ability to grow shareholder value.

In 2024, Retirement Income sales (shareholder funded) increased by 36% to £5.3bn as prior investment in capability and market positioning enabled us to take advantage of multiple growth opportunities available.



LINK TO STRATEGIC PRIORITIES

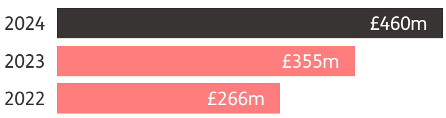
NEW BUSINESS PROFIT[1]

£460M

New business profit represents the profit generated from new business written in the year and is significant in assessing business performance.

New business profit increased by 30% driven by the increase in Retirement Income volumes.

New business profit is reconciled to underlying operating profit in the Business Review.



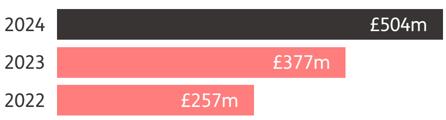
LINK TO STRATEGIC PRIORITIES

UNDERLYING OPERATING PROFIT[1]

£504M

Underlying operating profit is a core performance metric on which we measure the year to year performance of the business. 2024 Underlying operating profit significantly exceeded our target to double underlying operating profit in five years compared to the 2021 base (£211m). Underlying operating profit growth was up 34% driven by both new business and in-force profits.

Underlying operating profit is reconciled to IFRS profit before tax in the Business Review.



LINK TO STRATEGIC PRIORITIES

IFRS PROFIT BEFORE TAX

£113M

IFRS profit/(loss) before tax is the primary IFRS statutory KPI used by management to monitor the profit/(loss) before tax attributable to equity holders.

We delivered £504m of underlying operating profit. After operating experience, assumption changes, strategic costs and various other non-operating items, and deferral of profit to CSM, the IFRS profit before tax was £113m (2023: £172m). The 2022 result was impacted by investment and economic losses, which did not (and are not expected to) repeat.

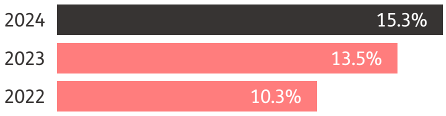
LINK TO STRATEGIC PRIORITIES

RETURN ON EQUITY[1]

15.3%

Return on equity is the measure used by management to monitor the Group's generation of underlying operating profit from its tangible net asset base. In 2024, Return on equity increased as underlying operating profit after tax rose by 31%.

Return on equity is based on underlying operating profit, which is reconciled to IFRS profit, and tangible net asset value, which is reconciled to IFRS total equity in the Business Review.



LINK TO STRATEGIC PRIORITIES

TANGIBLE NET ASSET VALUE PER SHARE[1]

254P

Tangible net asset value represents the tangible net assets attributable to the shareholders and is our primary metric used to measure the increase in shareholder value delivered. 2024 TNAV has increased by 64p (34%) since 2022.

Tangible net asset value is reconciled to IFRS total equity in the Business Review.

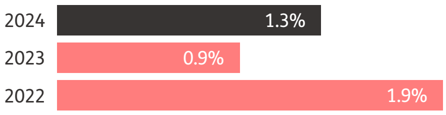
LINK TO STRATEGIC PRIORITIES

NEW BUSINESS STRAIN[1]

1.3%

New business strain is a key measure of our pricing discipline, reflecting the amount of capital invested as a percentage of premium to write the new business volumes. It is assessed against our target of below 2.5% of premium.

Continued outperformance against target is driven by pricing discipline, risk selection and business mix.



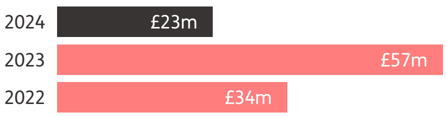
LINK TO STRATEGIC PRIORITIES

UNDERLYING ORGANIC CAPITAL GENERATION[1]

£23M

Underlying organic capital generation provides insight into the ongoing capital sustainability of the business. It is the amount of capital generated by the in-force business less the day to day running costs including expenses, finance costs and funding our ambitious growth plans through new business strain.

The reduction in 2024 was due to a large proportion of cash generation being invested to write higher new business volumes. UOCG forms part of the movement in excess own funds in the Business Review.



LINK TO STRATEGIC PRIORITIES

SOLVENCY CAPITAL COVERAGE RATIO[2] (PROFORMA)

204%

Solvency capital and its trajectory is a key focus for the Board in capital and business planning. It expresses the regulatory view of the available capital as a percentage of the required capital.

In 2024, the capital coverage ratio rose, driven by higher interest rates and management actions. Proforma solvency capital coverage ratio is presented after the pre-funded debt repayment in February 2025. The reconciliation to the regulatory capital position is explained in note 30.

LINK TO STRATEGIC PRIORITIES

BUSINESS REVIEW

DELIVERING COMPOUNDING GROWTH.

254p
Tangible Net Asset Value
2023: 224p per share

36p
Underlying Earnings Per Share
2023: 28p up 30%

2.5p
Dividend
2023: 2.08p per share up 20%

"Our robust capital position and reduced sensitivities to market and other risks enable us to sustainably fund our ambitious growth plans from our own means."

MARK GODSON Group Chief Financial Officer

We innovate, risk select and price with discipline, ensuring our business model delivers long-term value for customers and shareholders.

The Business Review presents the results of the Group for the year ended 31 December 2024, including IFRS and Solvency II ("SII") information.

The continued growth and success of the business is built on the foundation of our low capital intensity new-business model, supported by a strong and resilient capital base. In line with our investment strategy, we continue to diversify the asset portfolio by originating a wide variety of high quality investments. We remain focused on cost control across the business whilst specifically targeting investment in systems and people to enable the business to scale efficiently. As we innovate and further broaden our growth strategy, increased product development investment will be aligned to our purpose to help people achieve a better later life through the before, at, and in-retirement phases of life.

SALES

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).

Since the beginning of 2022, rising interest rates have accelerated the closure of, and in most cases eliminated, DB pension scheme funding gaps. During 2024, we wrote a record amount of DB new business, up 57% to £5,376m from 129 transactions (2023: £3,415m from 80 transactions). Our consistent high level of activity translates into over one third of all market transactions that have occurred over the past three years. Prior investment in our proposition and early positioning enabled Just to take advantage of the strong market demand as rates rose. 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). We expect the strong momentum in all segments to continue in 2025 and beyond, with multiple small, medium and large opportunities available as corporates of all sizes choose to offload legacy and complex DB pension risk to insurers. 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 October 2024, LCP[1] 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. The customer rate can be further improved through bespoke medical underwriting, in which Just is a market leader. During 2024, we continued to maintain pricing discipline and selectively wrote £1,033m of GIfL/Care new business, up 16% (2023: £894m), in a buoyant market.

Our market insight allowed us to tactically choose the most profitable risks and allocate the available capital budget to those opportunities. Furthermore, the introduction of the FCA's Consumer Duty and findings from the FCA's thematic review into retirement income advice, are leading to increased adviser conversations on the importance of considering guaranteed solutions to help customers achieve their objectives. Regulatory pressure, technology tools and consolidation into larger advice networks are driving new trends in distribution, as advisers respond to the changing needs of their customers as they decumulate in the spending phase of retirement. We see a multi-decade opportunity as an increasing proportion of the population reach retirement age with larger pension pots, driven by auto-enrolment.

1 LCP: "Reaching cruising altitude" – October 2024

PROFIT

In 2024, underlying operating profit was £504m (2023: £377m), up 34%, thereby significantly exceeding guidance of doubling 2021's £211m underlying operating profit over five years, achieving the target in three years instead.

Prior investment, market insight and strong demand for our products enabled us to write high volumes of new business at an efficient capital strain. Shareholder funded Retirement Income sales at £5,308m, were 36% higher (2023: £3,893m). New business profit was up 30% at £460m (2023: £355m), translating to a new business margin of 8.7% (2023: 9.1%) on shareholder funded premiums. As expected, new business margin was a little lower and reverted to its medium term average due to business mix and tighter credit spreads compared to the prior year, where we had outperformed. Buoyant markets in both of our business lines supported active risk selection, and we are increasingly benefiting from operational gearing and systems investment. Growth of the in-force book of business together with continued higher and more normalised interest rates during 2024 boosted the return on surplus assets, thereby increasing in-force operating profit, up 24% to £236m (2023: £191m). Finance costs were stable at £69m, and we invested £25m (2023: £17m) in development expenditure regarding new systems and processes to scale the business efficiently for the future. We delivered a 15.3% Return on equity and underlying earnings per share of 36p (2023: 13.5% and 28p respectively).

We incurred negative operating experience, the cost of strengthening the maintenance expense basis, together with strategic costs as we invest to develop new customer propositions. These were partially offset by investment and economic profits and adjustments for items accounted for in equity, resulting in 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, as explained on page 33.

INCREASING SHAREHOLDER VALUE

Buoyant markets in both of our business lines drive volumes, which combined with Just's strong pricing discipline, market insight and business mix determine the new business margin, and therefore the shareholder value we create through new business. In addition, we prudently reserve for credit default and other risks, and release the excess provisions and profits earned as the existing book of business unwinds, together with the return earned on surplus assets into in-force profits.

BUSINESS REVIEW continued

Each year, the upfront profit delivered from new business increases the Contractual Service Margin ("CSM") reserve, offset by the profits earned as we pay the customer pensions due on business written in prior years. Our CSM store of value (post-tax) grows strongly as the volume of new business added each year far outweighs the amount of customer payments. When added to equity attributable to shareholders (excluding intangible assets), Just's Adjusted Equity or Tangible Net Assets is 254p per share (31 December 2023: 224p per share), on which we are earning a 15.3% return (2023: 13.5%), greater than our 12% Return on Equity target. The internal rate of return ("IRR") on shareholder capital invested in new business remains above our "mid-teen" target, as available capital is tactically allocated to exploit the opportunities available – both today and in the future.

CAPITAL

The Group's estimated Solvency II capital coverage ratio has increased to 204%[3] (31 December 2023: 197%) as the capital position benefited from management actions and rising interest rates. In-force surplus 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. The Solvency II sensitivities are set out in the Capital Management section of the Business Review.

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, with revisions to the matching adjustment ("MA") rules to increase investment flexibility and the reforms in relation to fundamental spread applied during 2024. 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 and 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.

OUTLOOK

The trajectory of central bank interest rates will be dependent on how new government policies and wider macro and geopolitical forces impact the future level of inflation. These external forces have a negligible impact on the Group's business model, with the normalisation of long-term interest rates continuing to drive demand for our products. Our positioning, reputation and capabilities, including investments in our people enable us to continue to strongly execute as we take advantage of the multiple growth opportunities in our chosen markets.

We have a strong and resilient capital base, with a low-strain business model that is generating sufficient capital on an underlying basis to fund our ambitious growth plans, whilst also paying a progressive shareholder dividend that is expected to grow over time.

ALTERNATIVE PERFORMANCE MEASURES AND KEY PERFORMANCE INDICATORS

The Group uses a combination of alternative performance measures ("APMs") and IFRS statutory performance measures. The Board believes that the use of APMs gives a useful insight into the underlying performance of the Group.

The Directors have concluded that the principles used as a basis for the calculation of the APMs remain appropriate. Just Group has been growing strongly for a number of years and regards the writing of profitable new business contracts as a key objective for management. As a result, in management's view, the use of a performance measure which includes the value of profits deferred for recognition in future periods is a useful alternative to IFRS profits under IFRS 17 which exclude the deferred profits from new business sales.

Further information on our APMs can be found in the glossary, together with a reference to where the APM has been reconciled to the nearest statutory equivalent. KPIs are regularly reviewed against the Group's strategic objectives, no changes have been made in 2024. The Group's KPIs are discussed in more detail on the following pages.

The Group's KPIs are shown below:

	2024	2023	Change
Retirement Income sales (shareholder funded)[1]	£5,308m	£3,893m	36%
New business profit[1]	£460m	£355m	30%
Underlying operating profit[1]	£504m	£377m	34%
IFRS profit before tax	£113m	£172m	(34)%
Return on equity[1]	15.3%	13.5%	+1.8pp
Tangible net asset value per share[1]	254p	224p	+30p
New business strain[1] (as % of premium)	1.3%	0.9%	+0.4pp
Underlying organic capital generation[1]	£23m	£57m	(60)%
Solvency capital coverage ratio[2,3]	204%	197%	+7pp

1 Alternative performance measure, see glossary for definition.

2 Solvency capital coverage ratios as at 31 December 2024 (estimated) and 31 December 2023 include a recalculation of TMTP at the respective dates.

3 2024 capital position is presented on a proforma basis after the impact of the February 2025 repayment of Tier 3 subordinated debt.

TANGIBLE NET ASSETS/RETURN ON EQUITY (UNDERLYING)

The return on equity in the year to 31 December 2024 was 15.3% (2023: 13.5%), based on underlying operating profit after attributed tax of £378m (2023: £288m) arising on average adjusted tangible net assets of £2,475m (2023: £2,133m). Tangible net assets are reconciled to IFRS total equity as follows:

	31 December 2024 £m	31 December 2023 £m
IFRS total equity attributable to ordinary shareholders	**924**	883
Less intangible assets	(40)	(41)
Tax on amortised intangible assets	1	2
Add back contractual service margin	2,328	1,959
Adjust for tax on contractual service margin	(578)	(488)
Tangible net assets	**2,635**	2,315
Tangible net assets per share	**254p**	224p
Return on equity % (underlying)	**15.3%**	13.5%

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.

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m	Change %
New business profit	460	355	30
CSM amortisation	(71)	(62)	15
Net underlying CSM increase	**389**	**293**	**33**
In-force operating profit	236	191	24
Other Group companies' operating results[1]	(17)	(15)	13
Development costs and other[1]	(35)	(24)	46
Finance costs	(69)	(68)	1
Underlying operating profit[2]	**504**	**377**	**34**

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

2 See reconciliation to IFRS profit before tax further in this Business Review.

NEW BUSINESS 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 internally 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 credit default, CSM amortisation, release of risk adjustment allowance for non-financial risk and other items. Taken together, these are the key elements of the operating profit from insurance activities on an IFRS 17 basis.

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m	Change %
Investment return earned on surplus assets	133	100	33
Release of allowances for credit default	29	28	4
CSM amortisation	71	62	15
Release of risk adjustment for non-financial risk/Other	3	1	n/a
In-force operating profit	**236**	**191**	**24**

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 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 RESULTS

Other Group 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.

BUSINESS REVIEW continued

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.

RETIREMENT INCOME SALES

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m	Change %
Defined Benefit De-risking Solutions ("DB")[1]	4,275	2,999	43
Guaranteed Income for Life Solutions ("GIfL")[2]	1,033	894	16
Retirement Income sales (shareholder funded)	**5,308**	**3,893**	**36**
DB Partner (funded reinsurance)[1]	1,101	416	165
Total Retirement Income sales	**6,409**	**4,309**	**49**

1 Adding the DB shareholder funded and Partner business leads to total DB de-risking sales volumes of £5,376m (2023: £3,415m).

2 GIfL includes UK GIfL, South Africa GIfL and Care Plans.

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 GIfL 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.

When combined with our proven ability to originate high-quality illiquid assets, shareholder capital invested in new business adds substantially to increasing existing shareholder value.

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 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 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.

LIFETIME MORTGAGES ADVANCES

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.

RECONCILIATION OF UNDERLYING OPERATING PROFIT TO IFRS PROFIT BEFORE TAX

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Underlying operating profit[1]	**504**	**377**
Operating experience and assumption changes	(37)	52
Adjusted operating profit before tax[1]	**467**	**429**
Investment and economic movements	18	92
Strategic expenditure	(23)	(17)
Adjustment for transactions reported directly in equity in IFRS	20	16
Adjusted profit before tax[1]	**482**	**520**
Deferral of profit in CSM	(369)	(348)
Profit before tax	**113**	**172**

1 Alternative performance measure, see glossary for definition.

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. Sensitivity analysis is shown in notes 16 and 22, which sets out the impact on the IFRS results from changes to key assumptions, including mortality, expenses and property.

INVESTMENT AND ECONOMIC MOVEMENTS

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Change in interest rates	1	(5)
Narrower/(Wider) credit spreads	6	44
Property growth experience	(22)	(13)
Other	33	66
Investment and economic movements	**18**	**92**

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[1] whilst also containing our Solvency II sensitivity to future interest rate movements (see estimated Group Solvency II sensitivities below).

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 corporate bond 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.

1 See note 22 for interest rate sensitivities, with a 100 bps increase in interest rates resulting in an increase in pre-tax profit of £19m and a 100 bps decrease in interest rates resulting in a decrease in pre-tax profit of £(24)m.

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.

BUSINESS REVIEW continued

UNDERLYING EARNINGS PER SHARE

Underlying EPS (based on underlying operating profit after attributed tax) has increased to 36.3 pence (2023: 27.9 pence).

	Year ended 31 December 2024	Year ended 31 December 2023
Underlying operating profit (£m)	**504**	**377**
Attributable tax (£m)	(126)	(89)
Underlying operating profit after attributable tax (£m)	**378**	**288**
Weighted average number of shares (million)	1,040	1,032
Underlying EPS[1] (pence)	**36.3**	**27.9**

1 Alternative performance measure, see glossary for definition.

EARNINGS PER SHARE

Earnings per share (based on net profit after tax, see note 10) has decreased to 6.5 pence (2023: 11.3 pence). This includes any operating experience and assumption changes, the non-operating items and deferral of profit to the CSM reserve, and reflects the IFRS 17 statutory profit.

	Year ended 31 December 2024	Year ended 31 December 2023
Profit before tax (£m)	**113**	**172**
Tax (£m)	(33)	(43)
Profit attributable to equity holders of Just Group Plc (£m)	**80**	**129**
Coupon payments in respect of Tier 1 notes (net of tax) (£m)	(12)	(12)
Earnings (£m)	**68**	**117**
Weighted average number of shares (million)	1,040	1,032
EPS (pence)	**6.5**	**11.3**

CAPITAL MANAGEMENT

The Group's proforma capital coverage ratio was 204% at 31 December 2024, including a recalculation of transitional measures on technical provisions ("TMTP") (31 December 2023: 197% including a recalculation of TMTP). The Solvency capital coverage ratio is a key metric and is one of the Group's KPIs.

Unaudited	Proforma 31 December 2024[1] £m	31 December 2023[1,2] £m
Own funds	3,055	3,104
Solvency Capital Requirement	(1,494)	(1,577)
Excess own funds	**1,561**	1,527
Proforma Solvency capital coverage ratio[3]	**204%**	197%

1 Includes a recalculation of TMTP.

2 2023 capital position is the reported regulatory position as included in the Group's Solvency and Financial Condition Report as at 31 December 2023.

3 2024 capital position is presented on a proforma basis after the impact of the February 2025 repayment of Tier 3 subordinated debt. As reported in Note 30 the capital ratio at 31 December 2024 was 211% prior to this repayment. The 2024 capital position is estimated.

The Group has approval to apply the matching adjustment and TMTP in its calculation of technical provisions and uses an internal model to calculate its Group Solvency Capital Requirement ("SCR").

In July 2024, the Group received approval to expand the scope of its revised internal model, and applied it to include the Partnership business from 30 September 2024, which previously had its capital requirement calculated using Standard Formula. The application of a full internal model from this date has led to increased diversification benefits between the Group's two life companies, which has resulted in a reduction in SCR. This one-off effect accounted for 6% of the increase in the capital coverage ratio, and is included in the management actions and other items line in the Movement in Excess Own Funds analysis below.

MOVEMENT IN EXCESS OWN FUNDS[1]

The business is delivering sufficient cash generation, which augmented with management actions, supports the deployment of capital to capture the significant growth opportunity available in our chosen markets, provide returns to our capital providers and further investment in the strategic growth of the business.

The table below analyses the movement in excess own funds, in the year to 31 December 2024.

Unaudited	Year ended 31 December 2024 (Proforma) £m	Year ended 31 December 2023 £m
Opening excess own funds at 1 January	**1,527**	1,370
Operating		
In-force surplus net of TMTP amortisation	178	168
Financing costs	(48)	(49)
Group and other costs	(11)	(8)
Cash generation[2]	**119**	**111**
New business strain[3]	(71)	(35)
Development costs and other	(25)	(19)
Underlying organic capital generation[2]	**23**	**57**
Management actions and other items	58	69
Total organic capital generation[2]	**81**	**126**
Non-operating		
Strategic expenditure	(17)	(13)
Dividends	(23)	(19)
Economic movements	49	(22)
Regulatory changes	(42)	109
Capital actions[4]	(14)	(24)
Proforma closing excess own funds	**1,561**	**1,527**

1 All figures are net of tax and include a formal recalculation of TMTP where applicable.

2 Alternative performance measure, see glossary for definition. 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.

UNDERLYING ORGANIC CAPITAL GENERATION AND NEW BUSINESS STRAIN

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 £107m 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.

Development costs and other were £25m (2023: £19m).

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 as explained in note 30.

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.

PROFORMA GROUP SOLVENCY II SENSITIVITIES

The property sensitivity for an immediate 10% fall in UK house prices has reduced to 6% (31 December 2023: 10%). This reduction has been driven by modelling refinements following implementation of the internal model on the Partnership business. We expect that a reduced LTM backing ratio on new business will contain the Solvency II sensitivity to house prices within risk appetite. 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[3] assumed to be downgraded back to their original credit rating.

Sensitivities to economic and other key metrics are shown in the table below.

	At 31 December 2024	
Unaudited	CCR %	Excess own funds £m
Proforma solvency coverage ratio/excess own funds at 31 December 2024[1,2,3,4]	**204**	**1,561**
-50bps fall in interest rates (with TMTP recalculation)	(4)	59
+50bps increase in interest rates (with TMTP recalculation)	4	(59)
+100bps credit spreads (with TMTP recalculation)	11	106
Credit quality step downgrade[5]	(6)	(89)
-10% property values (with TMTP recalculation)[6]	(6)	(84)
-5% mortality	(8)	(129)

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 In all sensitivities 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.

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

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.

RECONCILIATION OF IFRS EQUITY TO SOLVENCY OWN FUNDS

	31 December 2024 £m	31 December 2023 £m
IFRS net equity	**1,246**	**1,203**
CSM	2,328	1,959
Goodwill	(34)	(34)
Intangibles	(6)	(7)
Solvency risk margin	(194)	(196)
Solvency TMTP[1]	409	637
Other valuation differences and impact on deferred tax	(1,316)	(1,059)
Ineligible items	(3)	(5)
Subordinated debt	643	619
Group adjustments	(18)	(13)
Solvency own funds[1]	**3,055**	**3,104**
Solvency SCR[1]	**(1,494)**	**(1,577)**
Proforma solvency excess own funds[1,2]	**1,561**	**1,527**

1 Solvency capital coverage ratios as at 31 December 2024 and 31 December 2023 includes a recalculation of TMTP.

2 2024 capital position is presented on a proforma basis after the impact of the February 2025 repayment of Tier 3 subordinated debt.

BUSINESS REVIEW continued

RECONCILIATION FROM OPERATING PROFIT TO IFRS CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The table below presents the reconciliation from the Group's APM income statement view to the IFRS statement of comprehensive income for the Group.

					Statutory accounts format				
31 December 2024	Reported[1] £m	Quote date difference[2] £m	CSM deferral[3] £m	Adjusted total[4] £m	Insurance service result £m	Net investment result £m	Other finance costs £m	Other income, expenses and associates £m	PBT £m
Alternative profit measure format									
New business profit	460	2	(462)	–					
CSM amortisation	(71)		71	–					
Net underlying CSM increase	**389**	**2**	**(391)**	**–**					
In-force operating profit:									
Investment return earned on surplus assets	133			133		133			133
Release of allowances for credit default	29			29		29			29
CSM amortisation	71			71	154	(83)			71
Release of risk adjustment for non-financial risk/other	3			3	7	(4)			3
Other Group companies' operating results	(17)			(17)				(17)	(17)
Development costs and other	(35)			(35)				(35)	(35)
Finance costs	(69)			(69)			(69)		(69)
Underlying operating profit	**504**	**2**	**(391)**	**115**					
Operating experience and assumption changes	(37)		22	(15)	(12)	(3)			(15)
Adjusted operating profit before tax	**467**	**2**	**(369)**	**100**					
Investment and economic movements	18	(2)		16		226	(192)	(18)	16
Strategic expenditure	(23)			(23)				(23)	(23)
Adjustment for transactions reported directly in equity in IFRS	20			20			20		20
Adjusted profit before tax	**482**		**(369)**	**113**					
Deferral of profit in CSM	(369)		369	–					
Profit before tax	**113**			**113**	**149**	**298**	**(241)**	**(93)**	**113**

1 The rows and first numeric column of this table present the Reported alternative profit measure (APM) format as presented in the Underlying operating profit section and Reconciliation of Underlying operating profit to IFRS profit before tax section of this review.

2 The Quote date difference adjustment is made because Just bases its assessment of new business profitability for management purposes on the economic parameters prevailing at the quote date of the business instead of completion dates as required by IFRS 17 (see new business profit reconciliation in the additional information section towards the end of this report).

3 The CSM column presents how elements of the APM basis result are deferred in the CSM reserve held on the IFRS balance sheet consistent with the table in the Deferral of profit in CSM section of this review. Under IFRS 17, new business profits and the impact of changes to estimates of future cash flows are deferred in the CSM reserve for release over the life of contracts.

4 The Adjusted total column is then transposed in the columns on the right-hand side into the IFRS statutory accounts Condensed consolidated statement of comprehensive income format. Figures are presented on a net of reinsurance basis.

The IFRS profit before tax of £113m (2023: £172m) is reported after deferral of £460m new business profit in CSM (2023: £355m) and assumption changes of £22m increase (2023: £67m reduction) in the balance sheet. The CSM amortisation recognised in the IFRS result of £71m (2023: £62m) reflects the recognition of services provided in the year net of accretion. This is expected to increase as our stock of CSM grows with new business. The pre-tax CSM closing balance stands at £2,328m (2023: £1,959m), as per the table on page 39.

Investment and economic movements recognised within IFRS finance costs of £192m (2023: £70m) include a full year's worth of interest on repurchase agreements of £146m (2023: £70m) that fund the Group's increased amortised cost portfolio of sovereign gilts that now stands at £4.0bn (2023: £2.5bn). Interest earned on the amortised cost gilts of £135m (2023: £54m) is reported within net investment result. Net interest paid on collateral of £1m is reported gross within net investment result for interest income of £34m and in finance costs for interest paid of £35m.

The remaining impact on Net investment result, and IFRS PBT, from investment and economic movements of £57m (2023: 145m) relates to changes in long-term interest rates, and where the impact on the investment portfolio backing insurance contracts does not perfectly match the impact on reserves.

HIGHLIGHTS FROM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The table below presents selected items from the Condensed consolidated statement of financial position. The information below is extracted from the statutory consolidated statement of financial position.

	31 December 2024 £m	31 December 2023 £m
Assets		
Financial investments	34,390	29,423
Reinsurance contract assets	2,067	1,143
Cash available on demand	808	546
Other assets	657	726
Total assets	**37,922**	**31,838**
Share capital and share premium	199	199
Other reserves	944	943
Retained earnings and other adjustments	(219)	(259)
Total equity attributable to ordinary shareholders of Just Group plc	**924**	**883**
Tier 1 notes	322	322
Non-controlling interest	–	(2)
Total equity	**1,246**	**1,203**
Liabilities		
Insurance contract liabilities	27,753	24,131
Reinsurance contract liabilities	94	125
Payables and other financial liabilities[1]	7,889	5,608
Other liabilities	940	771
Total liabilities	**36,676**	**30,635**
Total equity and liabilities	**37,922**	**31,838**

1 Other payables has been aggregated with other financial liabilities in all periods presented.

The amounts reported in the Condensed consolidated statement of financial position above for Insurance and Reinsurance contracts include our best estimate, risk adjustment and contractual service margin "CSM". The analysis of these as reported in note 22 is included below.

	31 December 2024			31 December 2023		
	Gross £m	Net Reinsurance £m	Net £m	Gross £m	Net Reinsurance £m	Net £m
Best estimate	23,970	(838)	23,132	20,758	64	20,822
Risk adjustment	1,052	(732)	320	924	(592)	332
CSM	2,731	(403)	2,328	2,449	(490)	1,959
Net closing balance	**27,753**	**(1,973)**	**25,780**	24,131	(1,018)	23,113

After tax, the closing CSM is £1,750m (31 December 2023: £1,471m).

FINANCIAL INVESTMENTS

During the year, financial investments increased by £4.9bn to £34.5bn (31 December 2023: £29.6bn). 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. The increase in the portfolio has been driven by investment of the Group's £5.3bn of shareholder backed new business premiums and credit spread tightening, offset by the increase in long-term risk-free rates at the 2024 year end compared to the previous year end, which decreases the market value of the assets (and matched liabilities). 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.

We continue to position the portfolio with a defensive bias. 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.

We prudently manage the balance sheet by hedging all foreign exchange and inflation exposure, and continue to execute strategic interest rate hedging. This involves the purchase of £4.0bn of long dated gilts, which are held at amortised cost under IFRS. The effect is to significantly reduce the Solvency II sensitivity to future interest rate movements, without exposing the IFRS position to interest rate volatility on these assets.

BUSINESS REVIEW continued

Illiquid assets

To support new business pricing, optimise back book returns, and further diversify its investments, the Group originates illiquid assets including infrastructure, real estate investments, private placements and lifetime mortgages. Income producing real estate investments are typically much longer duration and hence the cash flow profile is beneficial, especially to match DB deferred liabilities.

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 illiquids from particular asset classes (e.g. social housing, private placements and commercial ground rents), in addition to lifetime mortgages. 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 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. We anticipate that the Solvency UK and wider government reforms in pensions and planning will increase the investment opportunities available to us through wider matching adjustment ("MA") eligibility criteria, such as callable bonds, or assets with a construction phase, where the commencement of cashflows is not entirely certain. These changes to the MA are part of a package, that when fully implemented are designed to support the pledge made by the insurance industry to generate £100bn of productive investments over the next decade to support UK economic growth.

Lifetime mortgages 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 lifetime mortgage portfolio was 39.0% (31 December 2023: 38.2%), 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, shareholder funded LTM advances were £326m (2023: £164m). We continue to be selective and use our market insight to target sub-segments of the market.

The following table provides a breakdown by credit rating of financial investments, including privately rated investments allocated to the appropriate rating.

	31 December 2024 £m	31 December 2024 %	31 December 2023 £m	31 December 2023 %
AAA[1]	2,766	8	2,252	8
AA[1] and gilts	8,354	24	5,327	18
A[1,2]	8,853	26	7,239	24
BBB[1,2]	7,826	23	8,083	27
BB or below[1,2]	195	1	176	1
Lifetime mortgages	5,637	16	5,681	19
Unrated[1]	894	2	837	3
Total[1,2,3]	**34,525**	**100**	**29,595**	**100**

1 Includes liquidity funds, derivatives, collateral and gilts (interest rate hedging).

2 Includes investment in trusts which holds long income real estate assets that are included in investment properties and investments accounted for using the equity method in the IFRS Consolidated statement of financial position.

3 The residential ground rent portfolio market value is £157m, and is rated AAA (2023: £164m rated AAA and £12m rated AA).

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. For further information on the Group's approach to the valuation of residential ground rents, see Note 16.

Sector

The sector analysis of the Group's financial investments portfolio is shown below and continues to be well diversified across a variety of industry sectors.

	31 December 2024 £m	31 December 2024 %	31 December 2023 £m	31 December 2023 %
Basic materials	109	0.4	149	0.6
Communications and technology	1,154	4.3	1,334	5.6
Auto manufacturers	85	0.3	130	0.5
Consumer staples (incl healthcare)	1,226	4.5	1,167	4.9
Consumer cyclical	178	0.7	197	0.8
Energy	278	1.0	378	1.6
Banks	1,469	5.4	1,606	6.7
Insurance	745	2.8	735	3.1
Financial – other	590	2.2	583	2.4
Real estate incl REITs	630	2.3	660	2.8
Government	3,081	11.4	1,767	7.4
Industrial	524	1.9	543	2.3
Utilities	2,452	9.1	2,637	11.0
Commercial mortgages[1]	809	3.0	764	3.2
Long income real estate[2]	1,808	6.7	1,154	4.8
Infrastructure	3,512	13.0	2,473	10.3
Other	43	0.2	42	0.2
Bond total	**18,693**	**69.2**	16,319	68.1
Other assets	888	3.3	822	3.4
Lifetime mortgages	5,637	20.9	5,681	23.7
Liquidity funds	1,792	6.6	1,141	4.8
Investments portfolio	**27,010**	**100.0**	23,963	100
Derivatives, collateral	3,564		3,083	
Gilts (interest rate hedging)	3,951		2,549	
Total	**34,525**		29,595	

1 Includes investment in trusts which are included in investment properties in the IFRS Consolidated statement of financial position.

2 Includes direct long income real estate and where applicable, investment in trusts of £135m which are primarily included in investments accounted for using the equity method in the IFRS Consolidated statement of financial position. Long income real estate includes £1,651m commercial ground rents/income strips and £157m residential ground rents.

REINSURANCE CONTRACT ASSETS AND LIABILITIES

The Group has identified separate portfolios of reinsurance contracts, based on whether or not the underlying contracts transfer financial risk in addition to longevity risk. The Group's contracts transferring financial risk are quota share arrangements which are in asset positions. Since the introduction of Solvency II in 2016, the Group has increased its use of reinsurance swaps rather than quota share treaties and these are in liability positions.

Reinsurance assets increased to £2,067m at 31 December 2024 (31 December 2023: £1,143m) as the funded reinsurance in relation to the DB Partner transaction in November 2024 was partially offset by other reinsurance quota share treaties which are in gradual run-off.

CASH AND OTHER ASSETS

Other assets (primarily cash) remained consistent at £1.5bn at 31 December 2024 (31 December 2023: £1.3bn). The Group holds significant amounts of assets in cash, so as to protect against liquidity stresses.

INSURANCE CONTRACT LIABILITIES

Insurance contract liabilities increased to £27.8bn at 31 December 2024 (31 December 2023: £24.1bn). The increase in liabilities reflects the new business premiums written, offset by an increase to the valuation rate of interest and policyholder payments over the period.

PAYABLES AND OTHER FINANCIAL LIABILITIES

Payables and other financial liabilities increased to £7.9bn at 31 December 2024 (31 December 2023: £5.6bn) due to an increase in repurchase agreements used to fund the Group's amortised cost portfolio of gilts which has increased by £1.4bn during 2024.

OTHER LIABILITIES

Other liability balances increased to £940m at 31 December 2024 (31 December 2023: £771m).

IFRS NET ASSETS

The Group's total equity at 31 December 2024 was £1.2bn (31 December 2023: £1.2bn). Total equity includes the Restricted Tier 1 notes of £322m (after issue costs) issued by the Group. The total equity attributable to ordinary shareholders increased to £924m (31 December 2023: £883m).

DEFERRAL OF PROFIT IN CSM

As noted above, underlying operating profit is the performance metric on which we had based our profit growth target. This includes new business profits deferred in CSM that will be released in future. When reconciling the underlying operating profit with the statutory IFRS profit it is necessary to adjust for the value of the net deferral of profit in CSM.

Net transfers to contractual service margin includes amounts that are recognised in profit or loss including the accretion and the amortisation of the contractual service margin. The table below is on a pre-tax basis:

	Year ended 31 December 2024			Year ended 31 December 2023		
	Gross insurance contracts £m	Reinsurance contracts £m	Total £m	Gross insurance contracts £m	Reinsurance contracts £m	Total £m
CSM balance at 1 January	**2,449**	**(490)**	**1,959**	**1,943**	**(332)**	**1,611**
New Business initial CSM recognised	438	24	462	380	(37)	343
Accretion of interest on CSM	113	(30)	83	79	(12)	67
Changes to future cash flows at locked-in economic assumptions	(92)	70	(22)	203	(136)	67
Release of CSM	(177)	23	(154)	(156)	27	(129)
Net transfers to CSM	**282**	**87**	**369**	**506**	**(158)**	**348**
CSM balance at 31 December	**2,731**	**(403)**	**2,328**	**2,449**	**(490)**	**1,959**

The closing CSM balance (post tax) at 31 December 2024 is £1,750m (2023: £1,471m), which when added to £924m of total equity attributable to ordinary shareholders (2023: £883m) less £39m (post tax) intangible assets (2023: £39m), results in Tangible Net Assets of £2,635m or 254p per share (2023: £2,315m and 224p respectively), on which we earned a 15.3% Return on equity (2023: 13.5%).

DIVIDENDS

In line with our stated policy to grow the dividend over time, the Board is recommending a final dividend of 1.8 pence per share, or £19m, bringing the total dividend for the year ended 31 December 2024 to 2.5 pence per share, or £26m. The 20% growth in total dividend is a repeat of the 2023 dividend growth rate.

MARK GODSON
Group Chief Financial Officer

SUSTAINABILITY: TCFD

TAKING STEPS TO A FAIRER FUTURE

Our sustainability strategy has three pillars:

- Making a positive impact
- Leaving a responsible footprint
- Creating a fair world

You can discover more about our sustainability story on our Group website **JUSTGROUPPLC.CO.UK/SUSTAINABILITY**

OUR COMMITMENT TOWARDS NET ZERO

SCOPE 1 AND 2

NET ZERO BY 2025

ALL EMISSIONS

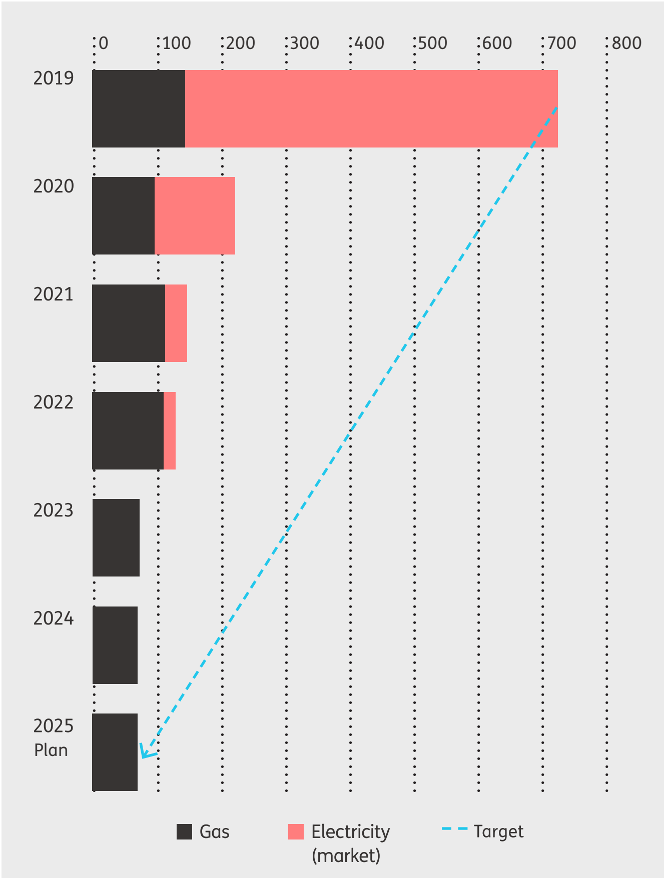
50% REDUCTION BY 2030

(includes all Scope 3 emissions categories as per GHG protocol)

ALL EMISSIONS

NET ZERO BY 2050

(includes all Scope 3 emissions categories as per GHG protocol)



OUR PROGRESS SO FAR TO NET ZERO BY 2025

Just set an ambitious target to reach net zero in our own operations (Scope 1 and 2) by the end of 2025. We have made great progress towards the target so far, reducing our emissions by 651 tCO_2e (a 90% reduction against our baseline). The trees we are planting in partnership with EcoTree have already certified 59,518 tCO_2e of ex-ante credits for use against our net zero target. We had intended to retire our credits once a minimum of a 90% absolute reduction has been achieved, in line with the Science-Based Targets initiative's (SBTi) standards for net zero. We will continue to make further reductions in 2025, before retiring any credits.

You can read more about our **transition to net zero** in our 2024 Transition Plan, on the Sustainability section of our Group website.

Methodology: We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), and 2024 emission factors from the Department for Energy Security and Net Zero. The organisational boundary of our emissions reporting is operational control. Our operational boundary, comprises our directly owned and leased offices and building emissions (including gas, fugitive gas, and electricity) as well as Scope 3 categories 5, 6, 7 and 15. We use both a sales intensity metric (tonnes of CO_2e per £m retirement income sales) and an employee intensity metric (tonnes of CO_2e per employee) to normalise our data and provide useful performance indicators. Eshcon Ltd conducts an annual review of Just Group plc's data collation and calculation processes and provides verification of the GHG Emissions Statement to ISO 14064-3 standards, with the exception of our investments emissions (Scope 3, category 15). We are in the process of setting near and long-term targets aligned with 1.5 degrees science based target trajectory. 100% of the reported emissions relate to emissions in the UK and offshore area.

LEAVING A RESPONSIBLE FOOTPRINT

We are making good progress to achieving our 2030 target to reduce our scope 3 emissions by 50% against our 2019 baseline. The emissions from our investment activities make up the majority of our scope 3 emissions, and as of 28 June 2024, we have achieved a 36% emissions reduction on our investment portfolio (on a tCO_2e/$m nominal invested basis).

Furthermore, we have reduced the carbon footprint of our operations (Scope 1 and 2) by 90% since 2019 (market based). One of the biggest contributions to this is from our switch to a Renewable Energy Guarantees of Origin[1] (REGO) certified energy supply. 99% of our electricity supply is now from renewable sources. The remaining carbon emissions primarily come from gas usage in our offices. We continue to optimise our heating schedule to better align with colleague attendance, reducing our energy consumption and emissions. We voluntarily include in our accounting, gas emissions from shared facilities within the buildings for which we are tenants, such as communal cafeterias. We feel this voluntary step allows us to acknowledge that we still have some indirect gas emissions from our office activities and to take the responsibility to engage with our landlords to assist with their own transition.

We are continuing with colleague education on the climate impact of different methods of travel to continue to encourage a more sustainable way of conducting our business. During the year we set carbon budgets to monitor business travel activities and encourage emission reductions. We have reduced the carbon footprint of our business travel activities by 69% since 2019.

As a growing business, we are seeing a naturally associated increase in requirements for business travel. This means we are likely to need to use more offsets than planned by the end of 2025, in order to bring our business travel emissions to zero. We understand that by offsetting more than 10% we will not meet the SBTi's definition of 'net zero'. If we constrain business travel further we risk impacting our business growth. We acknowledge that including business travel (as a Scope 3 activity) within our Scope 1 and 2 target was ambitious and we are proud of the reduction we have made so far. We also have to balance the growth requirements of the business with the fact that our business travel emissions are small in comparison to our broader Scope 3 emissions. As such we have decided to remove business travel from our 2025 net zero target. We have re-aligned it with the net zero targets we have set for our other applicable Scope 3 emissions, where we have set a target to achieve an overall 50% reduction by 2030 and net zero by 2050. Having already made a 69% reduction on business travel emissions since 2019, we are proud of the progress we have made to date.

1 The Renewable Energy Guarantees of Origin (REGO) scheme provides transparency to consumers about the proportion of electricity that suppliers source from renewable electricity.

90%
reduction in scope 1 and 2, against baseline

99%
of our purchased electricity is from renewable sources (REGO[1] certified)

250,000
trees planted since 2021 through our partner ecotree

CREATING A FAIR WORLD

Creating a fair world is directly influenced by the way we carry out our business and also the way we treat each other, namely colleagues, customers, suppliers, or members of society at large.

We have committed to: The HM Treasury Women in Finance Charter, The BITC Race at Work Charter, The Centre for Ageing Better's Age-friendly Employer Pledge, The Workplace Menopause Pledge, ABI Transparency on Parental Pay and Making Flexible Work campaigns, Disability Confident Employer Scheme.

We are members of: The Asset Owner Diversity Charter, Progress Together, Group for Autism, Insurance, Investment and Neurodiversity, 55/Redefined, The UK Stewardship Code.

We are also in partnership with impact platform, OnHand, allowing colleagues to track their sustainability actions alongside local opportunities to do good.

You can read more about Creating a fair world within our Colleagues and Culture section on pages 54 to 57.

50%
of our board are women
(as at 31 December 2024)

47%
women in the most senior population*, exceeding 40% target

16%
of senior leadership are from an ethnic minority background, target of >16%*

£112K
donated to charity by the business and our colleagues in 2024

£315M
invested in eligible green and social assets in 2024

* The 'senior population' definition for our December 2026 targets have been aligned with the HM Treasury Women in Finance Charter and comprises Executive committee members and their direct reports.

MAKING A POSITIVE IMPACT

We understand we have a long way to go, including continuing to invest in assets that support a positive impact. Like others we are on a journey to fulfil this goal.

Below we provide a breakdown of emissions relevant to Just. For some Scope 3 categories we are working on a methodology to allow us to calculate these figures. We do not consider Scope 3 categories 2 and 8-14, inclusive, to be relevant to us due the nature of our business. For our Scope 3 emissions, our investments make up the majority and we have made good progress in reducing these by 36% since 2019, on course to reach our 50% reduction target by 2030. Although we have not calculated all relevant scopes, we remain confident that we are on track to achieve our 2030 and 2050 net zero targets. In the reporting year we increased the requirement for our office-based employees to attend the office a minimum of 50% of their working time (previously 40%). This has naturally led to an increase in employee commuting emissions, however relative to our base year we have still seen a 45% decrease in emissions on a per person basis.

Emissions – tCO_2e[1,2]	2024	2023
Scope 1 natural gas and fugitive gas[3,4]	70	73
Scope 2 purchased electricity[4]	202	177
Total emissions (location based)	**272**	**250**
Scope 2 purchased electricity[4]	2	1
Total emissions (market based)	**72**	**74**
Scope 3 waste generated in operations[4]	5.3	4.1
Scope 3 business travel[4,5]	166	145
Scope 3 employee commuting/homeworking[4]	1,016	666
Emissions – tCO_2e[1] per $m nominal		
Scope 3 investments[6]	215	234
Usage – KwH		
Scope 1 natural gas and fugitive gas[3]	382,241	401,266
Scope 2 purchased electricity (location based)	974,407	854,557
Scope 2 purchased electricity (market based)	7,552	5,416

SUSTAINABILITY: TCFD continued

	Market based		Location based	
Intensity ratios[7]	2024	2023	2024	2023
tCO_2e per £m sales	**0.01**	0.02	**0.04**	0.06
tCO_2e per FTE	**0.05**	0.06	**0.20**	0.22

1 Tonnes of carbon dioxide equivalent ("tCO_2e").
2 Scope 3 (purchased goods and services), (fuel and energy related activities) and (upstream transportation and distribution) are not reported at this time.
3 Fugitive emissions (nil) are based on any on-site chiller system refrigerant gas escape.
4 In scope of review by Eshcon Ltd.
5 We have improved our methodology for business travel to align with a predominantly mileage-based methodology. We are unable to retrospectively apply this methodology.
6 Data as of 28 June 2024. See breakdown on page 51.
7 Intensity ratios based on Scope 1 and Scope 2.

STRATEGY AND GOVERNANCE

WHY CLIMATE CHANGE IS IMPORTANT FOR JUST

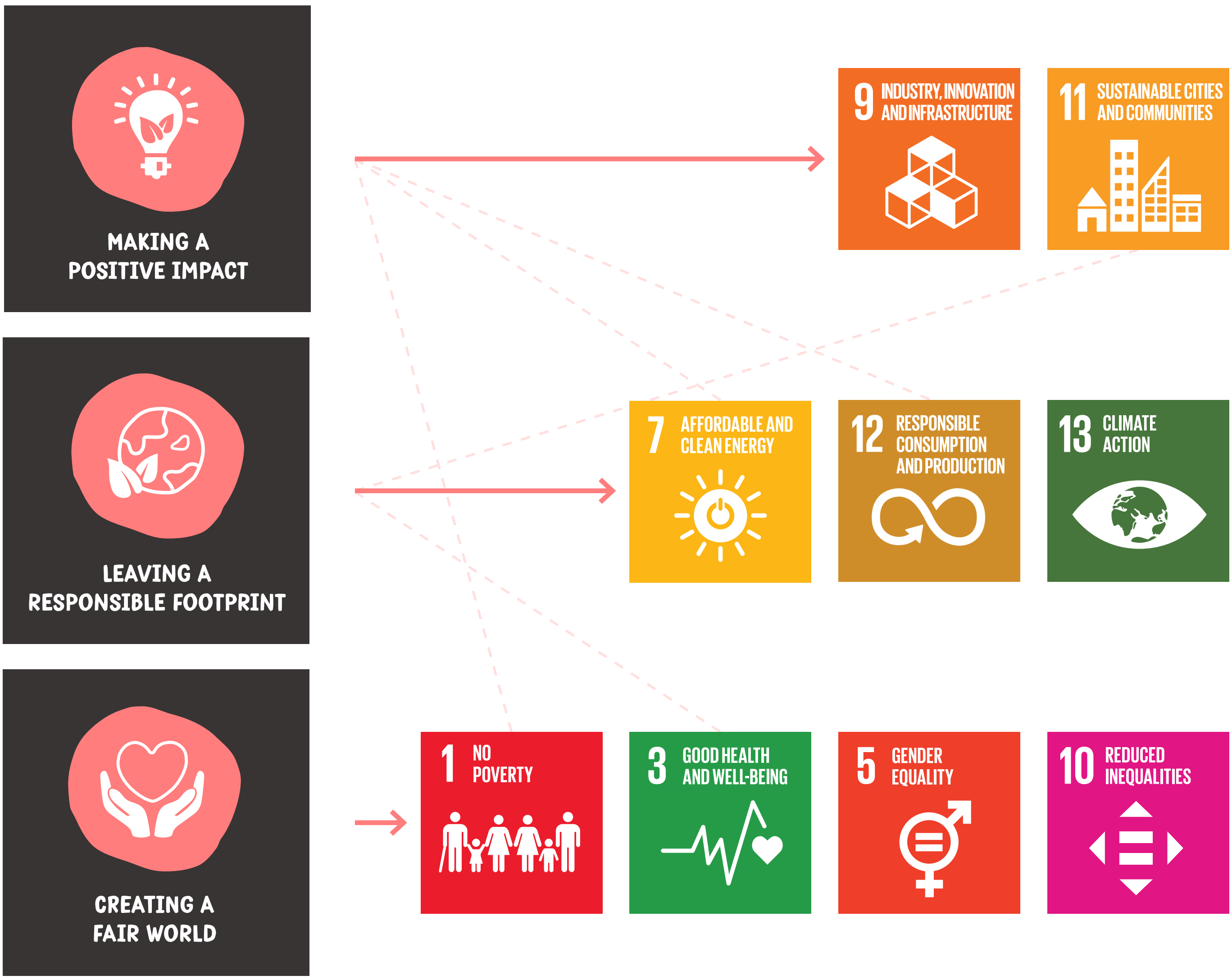
We are aware of the increasing need to protect our business from the risks and effects of climate change and to reduce the impact we have on the planet to continue achieving our purpose. However, there are still many uncertainties regarding how the impacts of climate change will develop, with future government policy potentially playing a significant role. The potential climate change impacts on Just are interconnected with other sustainability issues. We recognise this is a journey and we plan to continue to work towards limiting the effects of climate change.

STRATEGIC OVERVIEW

We have built our sustainability strategy around the United Nations' Sustainable Development Goals and three guiding themes: **Making a positive impact, Leaving a responsible footprint** and **Creating a fair world.** The strategy is aligned to those Sustainable Development Goals where we believe we can make the most difference.

Just has made a commitment to reach net zero in its own emissions (scope 1 and 2) by 2025 and in all other emissions (scope 3) by 2050, with a 50% reduction overall by 2030. This commitment aims to align with the Association of British Insurers' Climate Change Roadmap, published on behalf of the insurance industry. This year the SBTi have granted an extension, to submission deadlines for financial institutions, which we have accepted. The timing of our submission therefore will now align with the revised deadlines published this year.

In 2024 we published the second iteration of our Transition Plan, which can be found on our Group website: www.justgroupplc.co.uk/sustainability. This outlines our focus for 2024 and 2025. In 2026 we will publish the third iteration of our Transition Plan in 2026 to conclude with reaching our first near term emissions reduction target at the end of 2025.



STRATEGIC PRIORITIES

- Grow sustainably
- Scale with technology
- Reach new customers
- Be recommended by our customers
- Be proud to work at Just

The Group's strategic objectives are aligned to growth and careful planning is needed to achieve growth without an undue impact on our transition to net zero. Climate change and wider sustainability issues are important considerations when we make strategic decisions as a business. Just incorporates sustainability into the Group strategy development process and subsequently the Group strategy execution plan. The plan progress is monitored monthly by the Group Executive Committee and quarterly by the Group Board. The link between our Group strategic objectives and those of our sustainability strategy (our three sustainability pillars), is summarised below:

Our pillars	Our commitment	How will we achieve our ambition?	2025 focus	Link to Just's strategic objective
MAKING A POSITIVE IMPACT	Develop and offer sustainable products	Innovate to support our existing and new customers by delivering sustainable products	Further develop propositions to support our customers	
	Increase our green financing opportunities	Look for further opportunities to fund green and social assets	Continue allocating in line with existing targets	
LEAVING A RESPONSIBLE FOOTPRINT	Protect our business	Grow in a sustainable way so Just remains strong for future colleagues and customers	Embed sustainability into business planning	
	Invest responsibly	Continue to integrate responsible investment criteria into our investment decisions	Continue enhancing our investment approach	
	Attain net zero in our own operations by 2025	Identify areas of efficiencies and initiatives to enact	Reduce the need for carbon intensive fuels in our properties	
	Attain net zero in our scope 3 emissions by 2050 (including a 50% reduction by 2030)	Decarbonise our investment portfolio	Meet our additional set of targets aligned to Net-Zero Asset Owner Alliance ("NZAOA") and have our targets validated by the SBTi	
		Continue to support our colleagues in finding ways to reduce their own emissions	Further education on business travel impacts and embed sustainable travel initiatives for our employees. Encouraging reduction first followed by a use of lower emission alternative travel methods, where possible	
		Engage with our supply chain and partners to understand their plans for net zero and encourage reductions	Continue engaging with our supply chain, where possible, and improve data collection and analysis	
CREATING A FAIR WORLD	Manage with good governance	Continue to integrate sustainability throughout our business and ensure it is governed to a high standard	Increase employees' awareness of sustainability issues through annual training, communications and engagement opportunities	
	Improve diversity and inclusion	Build a diverse workforce	Monitor and review progress against ethnicity and gender diversity targets	
	Support health and wellbeing of our colleagues	Continue to deliver against our strategic objective of building a workforce that is proud to work at Just	Retain a positive and supportive culture	
	Support our customers (poverty, income and housing)	Continue to provide sound and helpful advice and continue to provide support to our charitable partners	Increase awareness of initiatives to support our customers	

SUSTAINABILITY: TCFD continued

SUSTAINABILITY AND CLIMATE CHANGE GOVERNANCE

The Group Board is responsible for setting the Group's sustainability strategy and targets. The Group Chief Executive Officer ("CEO") is responsible for delivery of the sustainability strategy and associated emissions targets, delegating responsibilities, as appropriate, to management and various governance bodies shown in the table below. The Group Chief Risk Officer ("GCRO") has been appointed as the executive sponsor for sustainability and holds the designated Senior Management Function for climate change. The Group Board also includes a sustainability sponsor responsible for ensuring the Board is appropriately discussing sustainability matters including climate.

A section of the Group Executive Committee and the Group Board meetings are dedicated to sustainability on a quarterly basis. More information on the activities of the Group Board in the reporting year can be found in the Governance section on page 82. Our governance structure is regularly reviewed to ensure it remains appropriate for the business and ensures sustainability matters are given sufficient time and debate at the appropriate level. The frequency and level of oversight are listed in the table below:

		Focus Areas	Frequency	Chair/Owner
	Responsible lead			
1.	Sustainability lead (Non-Executive Director)	Responsible for championing sustainability at Board level.	Ongoing	Mary Kerrigan
		Meets regularly with executive management to discuss sustainability initiatives and emerging developments.	Quarterly	
2.	Group Chief Executive Officer	Executes the sustainability strategy approved by the Group Board and delegates responsibilities, as appropriate.	Ongoing	David Richardson
3.	Executive Sponsor for Sustainability	Oversees and communicates sustainability initiatives to the business.	Ongoing	Alex Duncan
	Committees			
4	Group Board	Sets sustainability strategy and targets.	Annual review	Board Chair
		Receives updates on sustainability initiatives and activities.	Quarterly	
		Approval of the annual report which includes sustainability reporting.	Annual	
5.	Group Executive Committee	Oversees new sustainability initiatives including emissions reduction strategies.	Quarterly	Chief Executive Officer
		Monitors progress of ongoing sustainability initiatives.	Quarterly	
		Oversees progress to reach diversity and inclusion targets.	Quarterly	
		Reviews any proposed changes to diversity and inclusion targets.	Annual	
		Tracks sustainability management information and progress against the Group Strategy Execution plan.	Monthly	
6.	Group Audit Committee	Reviews the appropriateness and clarity of climate-related disclosures and compliance with financial reporting standards in the annual report.	Annual	Chair of Audit Committee
7.	Group Nomination and Governance Committee	Considers sustainability as part of the skills gap analysis and any impact on succession planning for future director appointments.	At least annually	Board Chair
8.	Group Risk and Compliance Committee ("GRCC")	Receives an update on the status of various climate risk actions and any concerns about the delivery of the actions.	As required	Chair of GRCC
		Oversees sustainability and climate-related risks in the full Group ORSA and quarterly ORSA updates.	Annual and quarterly	
		Considers sustainability and climate-related risks within the Risk Appetite Framework.	At least annually	
9.	Group Executive Risk Committee	Considers the reports for GRCC prior to submission.	As per 8 above	Chief Risk Officer
10.	Remuneration Committee	Formulates and monitors performance-related criteria for Executive Directors and Senior Management (see page 109), which include relevant sustainability targets.	Annual	Chair of Remuneration Committee
11.	JRL and PLACL Investment Committees	Approval of the Responsible Investment Framework, which forms part of the investment framework.	Annual	Chair of JRL and PLACL Investment Committees
		Oversight and review of ongoing adherence of investment activities to meet the Group's net zero commitment.	Quarterly	
		Oversight and review of climate risks impacting the investment portfolio.	Quarterly	
12.	JRML Board	Oversight of approach to reduce the emissions associated with the LTM portfolio to support our net zero commitments.	Quarterly	Chair of JRML Board
		Oversight and review of climate risks impacting the LTM portfolio.	Annual	

	Focus Areas	Frequency	Chair/Owner
13. Sustainability Bond Forum	Reviews the assets eligible for allocation to green and sustainability bonds.	Quarterly	Chief Risk Officer
14. Executive Sustainability Steering Committee	Oversight and approval of the implementation of various sustainability initiatives across the Group and recommends items to the GEC and other committees as appropriate. Reviews the appropriateness and clarity of climate-related disclosures.	Quarterly	Chief Risk Officer
15. Sustainability Working Group	Monitors the status of various sustainability initiatives and risks, reporting into the Executive Sustainability Steering Committee. Act as a forum for the sharing of knowledge relating to existing and future sustainability related activities, market and regulatory developments. Seek approval from the Executive Sustainability Steering Committee for new initiatives or proposals for changes.	Monthly	Sustainability Manager/Head of Responsible Investment

RISKS AND OPPORTUNITIES

RISK MANAGEMENT AND STRESS AND SCENARIO TESTING ANALYSIS

Scenario analysis remains a key tool for ensuring we have a deep understanding of the risks the Group faces over a long-term time horizon. Three Network for Greening the Financial System ("NGFS") scenarios were used again for 2024. For measuring the impact of climate change on our LTM portfolio, we also use a specific set of scenarios using the Representative Concentration Pathway ("RCP") for assessment of physical risks and assuming that a minimum EPC rating of C is implemented by government for assessment of transition risks.

The management, identification and disclosure of climate-related risks and broader sustainability risks are key for Just. We recognise that the potential impact from these risks may influence Just's strategy. We also recognise that sustainability and climate-related risks impact many of the other types of risks faced by Just, such as credit, market, operational, reputational, compliance and legal. The management of sustainability and climate change risk are embedded within Just's risk governance and management structures and reflected within Just's Enterprise Risk Management Framework as both a cross-cutting risk (a risk theme) and also as a risk in its own right. Within Just's risk management system, controls are linked to both the core risks and sustainability and climate change risk. This ensures that the relevant business area remains responsible for managing the risk, whilst also allowing visibility by the Group Sustainability team.

Stress and scenario testing is used to deepen our understanding of the risks the Group faces and establish which risks could become more prominent in certain scenarios. From this we better understand what early warning indicators we may need to be looking out for and what management actions we can take; both now to help prevent the risks from materialising or weaken their impact upon the business if they did materialise, and what actions we may want to take in the future. Assessing the risks in this way can also help to uncover the opportunities for us as we transition to a net zero world.

SUMMARY OF KEY OPPORTUNITIES

The opportunities to Just are emerging as we develop our sustainability strategy and undertake further work to assess our business from a sustainability perspective. We believe that certain opportunities have the potential to materially impact our business by increasing revenue, while others, although not as impactful, could still offer positive financial or societal benefits.

Opportunity	Timescale	Material Impact	Link to Just's strategic objectives
Group: The increased opportunity to influence and support the transition to net zero by engaging with asset owners, managers, suppliers, policy makers and other market initiatives. This will support a market-wide transition which aligns with broader net zero commitments.	<5 years	No	
Investments: Emerging technology and innovation are seen as potential investment opportunities. New products available via external asset managers, which focus more specifically on climate and sustainability objectives, represent an opportunity to provide diversification across our investment portfolio.	<5 years	No	
Defined Benefit: There are opportunities to support a diversified client base of scheme trustees in achieving their responsible investment and climate change goals. Additionally, as ESG considerations become increasingly important for trustees when choosing an insurer, we have the opportunity to position ourselves ahead of the market.	<5 years	Yes	
LTMs: There is an opportunity to provide more support to our customers to help them make their homes more energy efficient and to access affordable borrowing with the need increased due to continued higher energy costs. This could lead to an improvement of the EPC rating of our property portfolio and a reduction in energy costs for our customers. As part of this, we are also exploring a retrofitting proposition to help customers access lending or direct them to grants for specific retrofitting needs.	<5 years	No	
Retail: New products are emerging in the market that focus on responsible investment and 'green' products. We are considering how best to further enhance our approach and products and services.	5 – 10 years	Yes	

STRATEGIC PRIORITIES

Grow sustainably | Scale with technology | Reach new customers | Be recommended by our customers | Be proud to work at Just

SUSTAINABILITY: TCFD continued

SUMMARY OF KEY RISKS

Our climate risk assessment remains that our investment portfolio is the area with the largest potential exposure to climate-related transition and physical risks.

As we continue to develop our process some new key risks have been identified in the reporting period, which can be seen in the table below and are covered in more detail within the Further analysis of key risks section on page 48. The table below shows the key risks that have been identified and whether there have been any changes in risk exposure for those identified in the previous reporting period. Additionally, the key risks are categorised as either a physical or transition risk, or both. Physical risks are those related to the physical effects of climate change and transition risks are those relating to an economy-wide transition to a low-carbon economy. We treat the timescale as to when we could expect the risk to become a material concern to the business.

Risk	Impact	Type	Timescale	Mitigation	2024 change
More stringent energy performance standards for commercial and residential property	Property values may fall below the level of the loan leading to losses	Transition	5 – 10 years	Fund EPC ratings for new LTM customers to improve the energy performance data we hold and help borrowers to improve the energy efficiency of their property. We offer discounted mortgage rates to customers with more energy efficient homes. Potential government assistance for property owners' energy improvement costs. Consider energy performance ratings when lending on LTMs. Structure commercial loans to include key performance indicators for energy efficiency and other climate-related factors.	No change to risk identified
Increased impacts and threats from flooding and coastal erosion and furthermore that particular geographical areas become uninsurable or uninvestable.	For infrastructure and income producing real estate, the borrower's ability to service and repay the loan could be affected by increased costs due to physical risks	Physical	<5 years	Potential government action to protect populated areas. Review technical and environmental due diligence reports to avoid vulnerable infrastructure and income producing real estate.	No change to risk identified
Green investments become difficult to source or produce lower yields	Unable to meet the objectives outlined under our Responsible Investment Framework while meeting investment return needs	Transition	<5 years	Increase the range of sources of origination for potential investments. Availability of green investments expected to continue to increase due to government focus.	No change to risk identified
Credit investments seen as exposed to climate risks lose market value	Income should continue but with increased risk of default if issuers cannot refinance at an affordable price	Transition and physical	10+ years	Reduce and avoid such investments in line with the Responsible Investment Framework.	No change to risk identified
Targets for reducing emissions are missed by Just	Reputational damage from failing to meet stated commitments	Transition	<5 years	Commit and align with initiatives required to reduce emissions. Monitor progress. Pursue Responsible Investment Framework and align with relevant external initiatives/guidance. Enhance LTM proposition strategy to support customers with energy efficiency improvements. Engage with our supply chain to reduce their emissions.	Marginal increase to risk identified

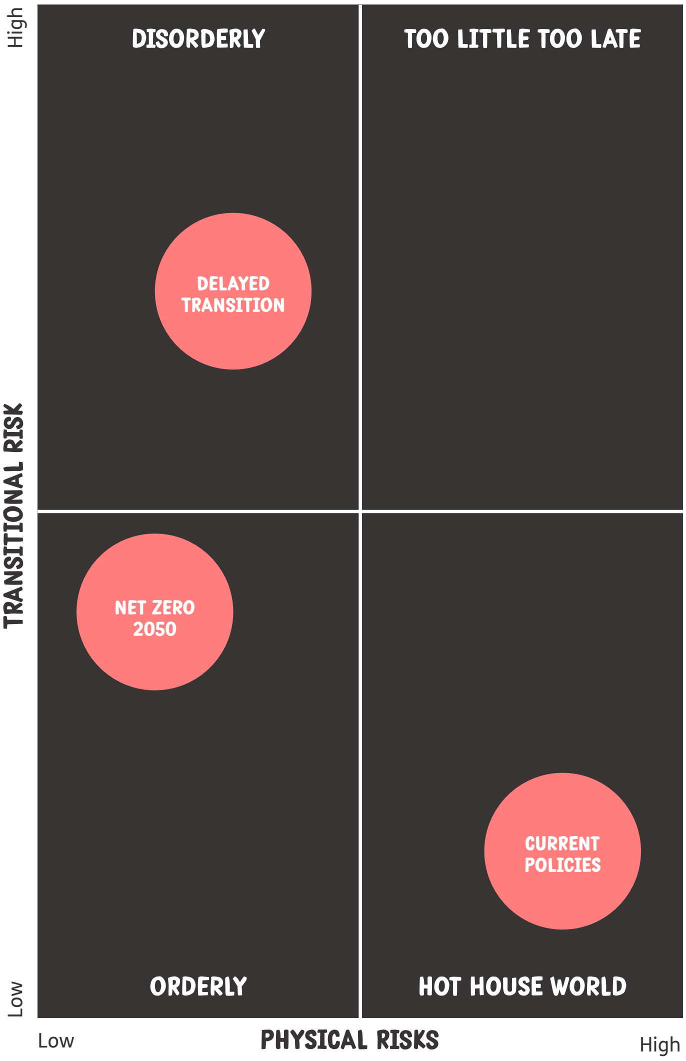
Risk	Impact	Type	Timescale	Mitigation	2024 change
Energy load shedding, rationing or rapid increase in prices	Increased demand for office space, increased costs for employees and the business and a reduction in operational capabilities	Transition	10 years+	Continued monitoring of Government intention around minimum energy performance standards. Increased due diligence on third-party suppliers to assess their understanding and readiness to handle energy supply risks. Review potential, where possible, for onsite renewable electricity generation and storage at our office spaces.	New risk identified in reporting period
Damage to server centres or other critical third-party infrastructure	Reduction in operational capabilities or complete cessation of critical operations	Physical	10 years+	Continue to conduct annual failover and disaster recovery tests. Complete validation of the recovery capability and resilience of services from other key suppliers.	New risk identified in reporting period
Group action lawsuits directly or indirectly against the business or financial service industry	Increased scrutiny of our climate strategy and those of the wider industry, reputational damage, costly and resource intensive to defend	Transition	10 years+	Maintain our progress towards achieving established net zero targets. Continue engagement with industry bodies (such as the ABI), including monitoring of current and future climate change related group action lawsuits.	New risk identified in reporting period
New climate-related regulation or legislation	Increased need for resources or material adaptation in our products and services to remain compliant	Transition	<5 years	Continue engagement with industry bodies (such as the ABI) and continuous horizon-scanning.	New risk identified in reporting period
Mortality, Longevity and Morbidity model assumption inaccuracies	Model risk failures if the effects (both negative and positive) of climate change are not properly factored.	Physical, Transition	10 years+	Continue to track behavioural and health trends and, as needed, modifying assumptions and adjusting reinsurance percentages.	New risk identified in reporting period

SCENARIO TESTING ANALYSIS

Since 2023, the “Divergent Net Zero” scenario has been phased out as part of the NGFS Phase IV. As a result we have adopted the NGFS “Delayed Transition” scenario as our base case, the most closely aligned replacement available. Like our previous base case scenario, this scenario is classified as “Disorderly” and represents a world with delayed near term climate action with strong policies required to limit warming below 2˚C. We use the “Current Policies” and “Net Zero 2050” scenarios as a further exploration of physical and transition risks respectively. We have taken an approach to assess the most extreme transition and physical risk scenarios to better understand the extent to which this may affect the Group. Below we provide additional information on the scenarios we have used, which directly references the descriptions found on the NGFS’ website: www.ngfs.net/ngfs-scenarios-portal/explore

NGFS SCENARIOS	ASSUMPTIONS
Delayed Transition	Delayed Transition assumes global annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2 °C. Negative emissions are limited. This scenario assumes new climate policies are not introduced until 2030 and the level of action differs across countries and regions based on currently implemented policies. The availability of carbon dioxide removal technologies is assumed to be low, pushing carbon prices higher than in Net Zero 2050. As a result, emissions exceed the carbon budget temporarily and decline more rapidly than in Well-below 2 °C after 2030 to ensure a 67 % chance of limiting global warming to below 2 °C. This leads to both higher transition and physical risks than the Net Zero 2050 and Below 2 °C scenarios.
Net Zero 2050 (“NZ2050”)	Net Zero 2050 limits global warming to 1.5 °C through stringent climate policies and innovation, reaching net zero CO_2 emissions around 2050. This scenario assumes that ambitious climate policies are introduced immediately. Carbon dioxide removal is used to accelerate the decarbonisation but kept to the minimum possible and broadly in line with sustainable levels of bioenergy production. Net CO_2 emissions reach zero around 2050, giving at least a 50 % chance of limiting global warming to below 1.5 °C by the end of the century, with limited overshoot (< 0.2 °C) of 1.5 °C in earlier years. Physical risks are relatively low but transition risks are high.
Current Policies	Current Policies assumes that only currently implemented policies are preserved, leading to higher physical risks. Emissions grow until 2080 leading to about 3 °C of warming and the severest of physical risks. This includes irreversible changes like higher sea level rise.

SUSTAINABILITY: TCFD continued



OUR APPROACH

The qualitative side of our scenario testing exercise consisted of the running of four workshops each centred around a key risk. These were: energy supply and business interruption, litigation and regulation, insurance (mortality, longevity and morbidity) and property (investments). The workshop discussions then took each of the three NGFS scenarios in turn, considering specifically what risks could materialise in each scenario, alongside what early warning indicators and pre-emptive and mitigatory management actions could be taken. From this, identification was possible of the gaps between what we are currently doing, what we could be doing and what we may want to consider doing should the scenario in question start to manifest. This also gave us an insight into the opportunities that could exist for us to capitalise on.

For the quantitative side of the exercise we utilise MSCI data, by mapping to the three chosen NGFS scenarios, to produce an updated Climate Value-at-Risk (CVaR) metric (further details of this can be found on page 51). Following this exercise we reviewed the data and undertook an analysis of change for the numbers to identify the key drivers for the changes and how each of the three scenarios could potentially affect our credit portfolio. For our LTM portfolio support from external specialists was used to provide us with modelling outputs and an explanation of the three chosen NGFS scenarios' potential impact. Both the credit portfolio and the LTM portfolio consider the physical and transition risks of climate change.

FURTHER ANALYSIS OF SCENARIOS

ENERGY SUPPLY AND BUSINESS INTERRUPTION

Energy supply risks were identified across all three scenarios. This includes load shedding, rationing or a rapid increase in prices. The effects of this risk include increased demand for office space, increased costs for employees and the business and a reduction in operational capabilities. Physical risks of severe weather events could result, in some scenarios, in damage to our servers or other critical third-party infrastructure. Energy security concerns for the UK were also agreed to be prevalent in all scenarios, including an acceptance that this risk is already materialising. Even in the 'Net Zero 2050' scenario, the risk was still considered to remain through, for example, an increase in the deployment of retrofitting technologies and associated energy demand. Current management actions are helping to manage the risk on our critical infrastructure, such as annual failover and disaster recovery tests that are conducted with our third-party data centres. Further management actions were identified to help us to prepare for scenarios of high energy prices or low National Grid supply, including a focus on how these might affect our ability for staff to work from home and their well-being.

LITIGATION AND REGULATION

Litigation risk comes from group action lawsuits directly or indirectly against Just or the wider financial services industry. In scenarios with a high physical risk, windfall taxes could be introduced on businesses seen to profit from the negative effects of climate change, such as life insurers. Additionally future climate related litigation and regulation are uncertain and could create an increased need for resources or material adaptation in our products and services to remain compliant. In scenarios where the transition away from fossil fuels nears completion, it was considered that the focus of climate-related group action lawsuits could start to turn to other high emitting sectors. The financial services industry produces the most emissions from its investments and it was discussed that in all scenarios, those who fail to make progress on decarbonising their investment portfolio or meet publicly stated targets, could conceivably become the new target of such groups. The risk of an increase in climate related regulations for the financial services industry materialising was viewed as inevitable. Whilst the 'Current Policies' scenario looks at an effective freeze on any further legislation and regulation, it was considered to be unrealistic. A 'Current Policies' scenario (a 3C degree global warming average) could still materialise even with further litigation and regulation. For a Net Zero 2050 scenario this looked like an introduction of minimum energy standards for properties as well as more stringent Solvency requirements as regulators seek to ensure business can cope with the physical losses of climate change or the transitional burdens. This could be through increased quantitative requirements, increased risk management requirements and/or increased disclosure requirements.

INSURANCE RISK (MORTALITY, LONGEVITY AND MORBIDITY)

The Group's primary insurance risk exposure is to longevity risk, through the products we sell. In recent decades, life expectancy has improved due to medical advances and lifestyle changes, which can be expected to continue. Interacting factors, including government policy and individual lifestyle choices, make it difficult to accurately predict how much climate change could impact on longevity, but this can be expected to evolve gradually over the years. All the three scenarios explored could benefit the profitability of the products we sell, however consideration needs to be given to the reliability of models upon which this is based. Windfall taxes could be imposed on businesses seen to profit from the negative effects of climate change on people, especially in high physical risk scenarios. In all scenarios, the inaccuracy of mortality assumptions could lead to model risk failures if the effects of climate change are not properly factored in. Examples include increase in mortality from heat related deaths and reductions in mortality from improved air quality or a society-wide transition to a vegetarian or low-meat diet.

INVESTMENT RISKS:

Our credit investments are held as long-term investments. Although the value of the investments may be affected over time by the market's view of the borrower's credit quality, it is the borrower's ability to repay the debt that affects us the most.

Transition risks: The companies we invest in could face additional costs due to the nature and rate of the transition or, as a result of substitutability, assets could become stranded.

Physical risks: Depending on the location, issuers we are invested in may face higher costs from extreme weather events or sustained asset damage. There may be business interruption from longer duration physical impacts of climate change.

Material increased costs to the borrower, as a result of climate change, may affect their ability to meet their debt repayment obligations, increasing the risk of default. Sensitivity analysis of the risk of default on our credit portfolio is included in note 16.

We seek to incorporate responsible investment, including climate change and climate risk management across all of the teams within the Investment Function, with all teams responsible for different elements of the investment process as outlined below.

Our Responsible Investment Framework sets the basis for managing the risk exposure arising from broader environmental, social and governance risks, including climate change, and is monitored by the Investment Committee. At the broader strategic level, we consider the overall financed emissions of the portfolio and other metrics, such as the portfolio's exposure to issuers with science based targets, to assess the portfolio's potential future decarbonisation pathway.

For the purposes of implementation, we have split our approach into the following areas:

- Top down: portfolio management and asset manager due diligence.
- Bottom up: credit research and investment due diligence.

Top down:

For internally and externally managed assets, our approach to portfolio management seeks to combine fundamental and responsible investment data, to support with meeting our overarching net zero objectives. The investment function uses outputs from our proprietary emissions modelling tool as an input into the investment decision making process while seeking more information directly from issuer reporting, in the case of internally managed assets, and via asset managers for externally managed assets.

For externally managed assets, we seek to engage with our asset managers to understand their broader approach to responsible investment. We use our internal responsible investment manager assessment questionnaire to source information on their approach to responsible investment. The outputs of our assessment feed into a broader manager performance assessment, the results of which are presented to the Investment Committee and communicated to our asset managers.

More information can be found on our responsible investment manager assessment in our UK Stewardship Code report available on our website www.justgroupplc.co.uk/sustainability.

Bottom up:

All of Just's existing and prospective investments, where we have veto rights in place, are scored using our internal classification system ("PAYG"). In 2024 we enhanced this framework to remove the restricted bucket (Red) due to there being significant overlap with this bucket and the Purple bucket.

- Purple – excluded: divestment and no new investment
- Amber – watchlist: invest but monitoring required
- Yellow – neutral: investment permitted
- Green – positive impact: investment encouraged

This ensures a consistent and robust approach is taken when assessing environmental, social and governance risks, including climate-related risks. Our classification system leverages information from third party data providers, external asset managers (where relevant) and directly sourced information from issuers.

As part of our analysis for PAYG, the Credit research team considers a prospective investment's financed emissions using reported or estimated data before determining their recommendation.

To explicitly consider the physical and transition risks of climate change, we leverage third party data on Climate Value-at-Risk ("CVaR"), where data is available, primarily for our liquid corporate bonds. The purpose of this data is to understand, directionally, the potential impact of different climate change scenarios. Where data is unavailable, which is primarily the case for illiquid investments, a sector average based estimate that accounts for investment time horizon is applied to produce a holistic assessment of the portfolio's exposure to physical and transition risks.

We actively consider investments in activities and issuers which are supportive or enabling of the overall transition to net zero, such as renewable energy production. We expect these investments to exhibit less transition risk. For more information, please see our Sustainability Bond Framework on our website www.justgroupplc.co.uk/sustainability.

Just Group is exposed to property risk via the LTMs held on our balance sheet. These LTMs are secured against residential properties located across the UK. If the sale proceeds from the property are insufficient to repay the accumulated loan balance on the death or entry into long-term care of the customer, Just would suffer a loss due to the no-negative equity guarantee.

Climate risk can lead to increased property risk on the LTMs held in our investment portfolio due to changes in property values as a result of physical risks or transitional risks, see pages 51 and 52.

What progress have we made to improve climate risk management of the Investment Portfolio?

In 2024, we continued to enhance our approach to responsible investment in the following ways:

- Enhanced our internal responsible investment classification system to improve the granularity of our assessments.
- Obtained signatory status to the Financial Reporting Council's UK Stewardship Code.
- Enhanced our approach to calculating financed emissions with improvements in data integrity checks.
- Enhanced the capabilities of the team by hiring specialists fully dedicated to responsible investment.
- Improved our overall governance and internal processes, and produced an internal methodology document for financed emissions.

On our LTM investments, our property underwriting assessments allow for existing flood and coastal erosion risk. We have undertaken climate change scenario analysis to improve our understanding of how our lending policy and underwriting approach need to evolve to manage any future exposure to climate change risk. We have been engaging with the Equity Release Council ("ERC") and the Partnership for Carbon Accounting Financials ("PCAF") on developing a standardised approach to emission reporting to further support the development of green lending and retrofit mortgages.

Property risk

The risk is attributable to both our LTM portfolio and also property related investments outside of our LTMs. In high transition risk scenarios the greatest risk may come from the introduction of legislation and regulation mandating the retrofitting of properties as well as the introduction of minimum energy-performance rating standards. This could lead to significant costs for property owners, with the burden also being passed on to businesses through their investment interests and a reduction in future investment opportunities.

SUSTAINABILITY: TCFD continued

The introduction of minimum energy standards or retrofitting technologies could impact the value of properties which fail to meet these standards. Significant costs associated with retrofitting or repairing properties could impact the ability of commercial property owners to repay their debts, posing a risk to the company's financial stability. Similarly for residential property owners, without central government funding of private-sector options, a large number of property owners could struggle to fund the needed improvements.

One consideration made was that even in the ideal scenario of Net Zero 2050, where physical and transition risks remain the lowest, we should still expect to see a risk emerge around demand from property owners for retrofitting technologies.

In all scenarios, but especially those with a high physical risk, flooding poses a significant risk to existing infrastructure and income producing real estate. In addition, coastal erosion and subsidence risks should be considered to increase in all scenarios, with flooding the physical risk of most concern.

With scenarios that present high transition risks, the demographics of a particular area could amplify this risk. For example, minimum EPC standards may disproportionally affect areas that have a high concentration of property owners who live below the poverty line (who may typically have less available funds in which to pay for energy improvements), which produces a concentration risk of properties falling behind such standards. Without central government or local authority financial assistance, this could create a significant concentration of stranded or significantly devalued assets in particular geographic areas.

Particularly in high physical risk scenarios, with more properties being at risk of flooding, there could be a risk that increasing amounts of our assets become stranded. Interlinked with risks around flooding and stranded assets, the concept of compulsory purchase orders was discussed. This would look similar to those made for projects such as High Speed (rail) 2 but for flood alleviation projects to protect towns or other important national infrastructure.

It was identified that for all scenarios, whether transition or physical risks were the prevalent risk, there could materialise a risk that particular geographical areas (or postal code areas) become uninsurable or uninvestable. This risk is already materialising for some areas of the UK affected by extreme coastal erosion or repeated flooding.

METRICS AND TARGETS

The metrics below are used for our Investment Portfolio:

Metric	Description	Calculation Methodology
CLIMATE VALUE-AT-RISK ("CVAR")	A risk metric which is an estimation of scenario-specific valuation impact for transition and physical impacts, at both an issuer and portfolio level.	The CVaR for the in-scope[1] credit portfolio is provided for three scenarios: Delayed Transition, Net Zero 2050 and Current Policies. Each scenario is presented as an aggregate of physical CVaR and transition CVaR and is calculated by normalising the aggregate of the physical CVaR and transition CVaR by the market value (GBP) of the portfolio.
PROPERTY VALUE-AT-RISK ("PVAR")	A risk metric derived from analysing the potential reduction in property values to derive a value at risk.	PVaR is the estimated reduction in property value due to climate change as modelled using RCP8.5 in 2080. We apply the climate scenario to the current LTM portfolio and property values in 2024, with no assumed change in portfolio composition. This is a simplification as we expect the geographic concentration of the portfolio will change as climate risk underwriting changes the composition of new business over time. Reduction in property value is calculated for increased risks of flooding, subsidence and coastal erosion.
CARBON FOOTPRINT	An impact metric that gives the financed emissions (Scope 1, 2 and 3) at an issuer and portfolio level. This metric represents performance against our net zero targets.	The carbon footprint for the in-scope[1] investment portfolio includes the credit portfolio and the LTM portfolio. • Carbon footprint of credit portfolio: calculated by normalising the financed emissions (Scope 1, 2 and 3) of our credit portfolio by the sum of the nominal USD dollars invested. • Carbon footprint of the LTM portfolio is the ratio of total financed carbon emissions to the total outstanding loan expressed in USD millions. The carbon footprint for each property in the LTM portfolio is determined by using data from the EPC, where one exists and is active, using shared building data or from modelling. The carbon footprint is used specifically to monitor our progress towards achieving our net zero commitments.
IMPLIED TEMPERATURE RISE ("ITR")	We use ITR as a forward-looking metric for our credit portfolio, expressed in degrees celsius, which can show the temperature alignment of the issuers we invest in and the portfolio as a whole. For LTMs we monitor the EPC ratings of the portfolio using actual and modelled ratings to monitor our exposure to any introduction of minimum EPC standards.	The ITR for the in-scope[1] investment portfolio includes the credit portfolio. • ITR of the credit portfolio: a weighted average of the temperature alignment of the investments in our credit portfolio, where available, normalised by the sum of the nominal USD dollars invested. We do not have an ITR for the LTM portfolio. The ITR provides a forward-looking measure to understand the temperature alignment of individual issuers.

1 Our methodology excludes funds or positions where data is not available or position sizes are immaterial (<5% of the in-scope credit portfolio) and reinsurance assets, cash positions, derivatives and liquidity funds which are not relevant to this analysis.

The CVaR is purely illustrative as it projects far into the future based on assumptions about our existing investment portfolio. The longer the time period that data is projected into the future, the more uncertainty in the results. The carbon footprint metric reflects the financed emissions of our current portfolio. ITR gives an indication of the temperature alignment of the portfolio. We expect each of these metrics to reduce as the composition of our investment portfolio changes over the years through the application of our Responsible Investment Framework.

ENHANCEMENTS

As part of the scenario analysis, we have further enhanced our approach in the following ways:

1. Modelling and tools:
   - Improved modelling of carbon emissions on LTMs through refined assumptions.
   - Improved analysis of projected financed emissions on the investment portfolio.
   - Improved data integrity checks and controls on the credit portfolio.
   - Fully aligned to the NGFS scenarios following enhancements made by our third party data provider[1].
2. Risk Exposure
   - Reduced exposure to high emissions intensity investments through portfolio optimisation.
   - Financed emissions are now considered as part of due diligence for all prospective investments.

COMBINED ILLUSTRATIVE IMPACTS – CVAR AND PVAR PRE-MANAGEMENT ACTIONS

The results of our quantitative analysis of CVaR relating to the credit portfolio and PVaR relating to the LTM portfolio are shown in the table below. The metrics show the illustrative impacts on our existing credit portfolio if it were to remain unchanged to 2100. The analysis assumes no changes in the Investment Portfolio and does not consider the Group's cash/cash equivalent holdings, derivatives, reinsurance assets and sovereign bonds.

Sub-Portfolio	Delayed Transition	Net Zero 2050	Current Policies[1]
Credit portfolio[1]	-2.0% CVaR	-5.7% CVaR	-0.8% CVaR
LTM portfolio	-1.5% PVaR	-1.5% PVaR	-0.2% PVaR

1 Results as at 31 December 2024. Historically, all scenarios were required to select a physical risk (aggressive or average) alongside the NGFS scenario and Nationally Determined Contributions was the only available scenario, within the 'Hot House World' segment. In line with the NGFS Phase IV scenarios, the Delayed Transition scenario (well below 2 degree pathway) has replaced the Divergent Net Zero scenarios (1.5 degree pathway), our 3rd party provider updated their physical risk methodology, both of which have contributed to changes in CVaR.

Across all scenarios we have seen a fall in the aggregate CVaR which is due to a number of factors including:

- The previous base case scenario, Divergent Net Zero, being replaced with Delayed Transition. The transition risks in the latter are more pronounced in the longer term.
- Updated methodology, where our third party data provider has incorporated more accurate physical risk data which has reduced the overall physical risk across each scenario.

The modelling continues to suggest that transition risks represent a more material risk to our investment portfolio than physical risks.

In the Net Zero 2050 and Delayed Transition scenarios, there is an assumed implementation of minimum EPC standards for residential properties (based on assumptions stated in the Climate Biennial Exploratory Scenario). 70% of the LTM portfolio has an EPC below C, which is the anticipated minimum standard.

For LTMs, we have not made explicit allowance for transition risk within our reported numbers. The estimated potential impact of transition risk on property values is based on the UK government implementing a minimum EPC standard of C and this has not been confirmed as a government policy yet. Any impact would be incremental over a period of years as and when loans become repayable following the customer's death or entry into long-term care. The impact may be mitigated by the extent to which government softens the blow for homeowners through grants and subsidies.

The cost of transition risk could lead to a 1.3% reduction in property values under the net zero scenarios for our LTM portfolio. This is a material reduction of 52% from the figure previously reported, which is due to an enhancement to our methodology. This is now based on the assumption that the most cost effective solution for energy efficiency improvements are completed first, in place of using an average cost approach. Any reduction in property value would only affect Just in instances where it leads to the property sale price being lower than the loan balance.

Our physical risk modelling estimates that they lead to at most a 0.2% reduction in property values by 2080 on our LTM portfolio. Of the physical risks to which we are exposed, increased flood risk due to climate change is expected to have the most material impact.

CARBON FOOTPRINT – INVESTMENT PORTFOLIO

The carbon footprint of our credit and LTM portfolios are shown in the table below. The metrics show our baseline year (2019) and our 2024 position. We acknowledge there is double counting in producing the carbon footprint data and have therefore split the data by scope of emissions. Our carbon footprint does not include cash/cash equivalents, derivatives and reinsurance assets.

Investment Portfolio	2019	2024[1]
Credit portfolio[2] (tCO_2e/$m nominal invested)	Scope 1 and 2: 84	Scope 1 and 2: 89
	Scope 3: 407	Scope 3: 180
	Coverage: (Scope 1, 2 and 3): 99.8%	Coverage: (Scope 1, 2 and 3): 99.2%[3]
LTM portfolio[4] (tCO_2e/$m nominal)	Scope 3: 10.3[5]	Scope 3: 10.4
	Coverage (Scope 3): n/a	Coverage (Scope 3): 96%
Combined	Scope 1 and 2: 60	Scope 1 and 2: 72
	Scope 3: 274	Scope 3: 143

1 Data as at 28 June 2024.

2 A combination of latest available reported and estimated data has been used to calculate the carbon footprint of the credit portfolio using nominal values; this includes our third party data provider aiming to apply the principles under version one of the PCAF Financed Emissions Standard. For asset classes where no approach has yet been identified by PCAF, our third party data provider has applied an appropriate approach that is similar to the PCAF standard. Where data was not available an unweighted sector average was applied to produce a full portfolio footprint. Sector averages cover c.30% of the 2019 data. In 2024, scope 1 data improved significantly with c.7% of data representing sector averages and c.25% for scope 2 and scope 3. Data could be subject to change due to improvements in data quality going forward.

3 Coverage of the portfolio in the carbon footprint data. Data coverage varies across individual scopes of emissions, lowest value shown for prudence.

4 The LTM portfolio's carbon footprint is calculated using an updated method from prior years, which is more accurate. The actual emissions are from the EPC where it exists and is active, and is modelled for the rest of the portfolio. The EPCs are associated for those properties secured against a LTM. Electricity is based on a rolling 12 month average CO_2 intensity factor from the National Grid based on the Distribution Network Operator for the region where that property is located. For other sources, the most recently published intensity factors from the Department for Energy Security and Net Zero 'Government conversion factors for company reporting of greenhouse gas emissions' report is used in place of the SAP 2012 factors. For 38% of properties we use the rating on the record, and for 58% of properties we use an estimated rating. For the remaining 4% of properties, an estimated rating was not available, as the model had insufficient information about the property to produce an estimated rating. The results of the existing data were then extrapolated to represent the whole portfolio. There is not an emissions standard for LTMs. We have calculated the emissions intensity based on the PCAF residential mortgage standard. The contribution of an individual property to the carbon emissions of the overall portfolio is based on current loan-to-value ratio of the relevant LTM. We have used the current loan balance and property value to calculate the loan-to-value ratio.

5 We have updated our approach to calculating emissions on LTMs to use a more accurate approach than prior years. To avoid using an inconsistent baseline, we have restated the 2019 figure. The figures for 2019 and 2024 are now reported in $m/nominal in order that we can report an aggregate scope 3 carbon footprint.

SUSTAINABILITY: TCFD continued

IMPLIED TEMPERATURE RISE

As at 28th June 2024, our weighted average ITR for the credit portfolio is 2.3, which is a marginal decrease relative to previous years.

LIMITATIONS AND OUTCOMES

Credit portfolio – CVaR and carbon footprint

To determine the potential impact on the credit portfolio, we have used the data available from our third party data provider, which predominantly covers our liquid credit assets, and estimated the remaining by taking sector averages, accounting for the investment time horizon. The results of our quantitative analysis of CVaR relating to the credit portfolio does not include the Group's cash/cash equivalent holdings, derivatives, reinsurance assets and sovereign bonds. The exclusion of sovereign bonds is driven by limitations in our methodology, however this is a key consideration for future enhancements to our assessment.

To produce a full portfolio aggregate CVaR and carbon footprint, where data is unavailable via our third party provider, we apply an unweighted sector average and consider the maturity profile of the individual securities. The results are a function of assumptions applied by the NGFS. Sector averages can give an indication of the climate-related risks a company may face but do not account for the company-specific nature of these risks.

The longer-term time horizon for projections on the credit portfolio lends itself to greater uncertainty of potential future impacts. As a result, whilst some conclusions can be drawn from our analysis, we acknowledge that our data has limitations associated with it. We are continuing to address this area as part of our development work going forward. Data could be subject to change due to improvements in data quality going forward.

LTM portfolio – PVaR and carbon footprint

For the LTM portfolio, 38% of the portfolio has an actual EPC rating that is valid and 58% of the portfolio has a modelled rating, which affects the accuracy of the PVaR. This is reflected in the PCAF data quality score of 3.6.

We anticipate that over time issuers will provide greater transparency and reporting on emissions. We expect to restate the carbon footprint figures for the investment portfolio at the baseline year and subsequent years reflecting the overall improvements in availability of data, data quality, or where a methodology change is made. As explained above 38% of the LTM portfolio has an actual EPC rating, which affects the accuracy of the emissions data and is reflected in our PCAF score.

POTENTIAL ACTIONS TO MITIGATE CLIMATE RISKS

From our scenario analysis exercise we were able to identify some potential actions we can take to help mitigate or manage the risks identified:

- Increase due diligence on third-party suppliers to assess their understanding and readiness to handle energy supply risks.
- Better understand the business' exposure to rising energy prices, including budgetary considerations against the different scenarios.
- Specific monitoring of employee health and well-being to understand specifically how resilient staff would be to periods of short and sustained energy price increases.
- Assessment and deployment, where possible, of onsite renewable electricity generation and storage at our offices.
- Continue to validate the recovery capability and resilience of services from key third party suppliers.
- Continue engagement with industry and UK Government bodies and continue dedicating resources to horizon-scanning.
- Increase climate change subject-awareness amongst staff pertinent to managing climate change related risks.
- Continue the tracking of behavioural and health changes in the UK population and as required, use this to modify internal model assumptions around mortality and longevity.

WHAT ARE OUR FUTURE PLANS FOR ENHANCING CLIMATE RISK MANAGEMENT OF THE INVESTMENT PORTFOLIO?

Below we have outlined several potential actions:

Integration

- Incorporate climate-related scenario analysis data within investment decision making alongside other factors.

Engagement

- Continue to influence our issuers, external managers and the wider market to support our ambition to reach net zero.
- Continue to develop our LTM lending propositions to support our customers in making their homes more energy efficient and to reduce the proportion of our LTM portfolio that is below an EPC rating of C. The government's aim is for as many homes as possible to be upgraded to an EPC rating of C, with proposals for this minimum to apply to rented homes from 2030.

Data

- Identify other sources of information to improve the quality of data used to analyse the physical and transition risks of climate change.
- Enhance our modelling to capture the CVaR associated with sovereign bonds.
- Improve use of artificial intelligence and technology, where relevant, to enhance integration of climate change.

In accordance with Listing Rule 6.6.6R(8), climate-related financial disclosures consistent with the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations and recommended disclosures are contained in the Sustainability TCFD section on pages 40 to 52 and in the Risk Management section on pages 65 to 67.

Information on the Group's greenhouse gas emissions, energy consumption and efficiency during 2024 are also included in the Sustainability TCFD section on pages 40 to 42. In preparing the TCFD disclosures, the Group has considered the guidance for all sectors and supplemental guidance for insurance companies within the TCFD Annex "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures."

TCFD Pillars	Recommended Disclosures	Disclosure location
Governance: Disclose the organisation's governance around climate-related issues and opportunities	a. Describe the Board's oversight of climate-related risks and opportunities.	Page 44 Pages 94-99 Pages 104-107
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Page 44 Pages 60-63
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.	Pages 45-50
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Pages 45-51
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Pages 45-52
Risk management: Disclose how the organisation identifies, assesses and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks.	Pages 47-48
	b. Describe the organisation's processes for managing climate-related risks.	Pages 45, 49 and 52
	c. Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management.	Pages 45, and 65-67
Metrics and targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Pages 47, 48, 50 and 51
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions (GHG), and the related risks.	Pages 40-42 and 51
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Pages 40-43

COLLEAGUES AND CULTURE

LOVED BY CUSTOMERS LOVED BY COLLEAGUES

In 2024, we set our sights on becoming the destination employer in our sector – a company loved by customers and loved by colleagues.

Our people continue to be galvanised around our strong purpose of helping people achieve a better later life, and we are harnessing their appetite to be more ambitious in what they do and how they do it. With our people strategy as a key enabler of our growth plans, we have continued to build momentum around three, key strategic priorities:

- **Ensuring** we have the right people, with the right skills, in the right place, at the right time to meet current and future needs.
- **Delivering** a brilliant employee experience underpinned by a sense of belonging, with Just feeling like the best place to work in financial services as a destination employer.
- **Evolving** our Just behaviours to support our future ambition, as part of a culture centred on our purpose and high performance, where colleagues feel proud to work at Just.

'BEST RESOURCING INITIATIVE' AT THE CIPD

In September we were delighted to be awarded the Best Resourcing Initiative at the CIPD (Chartered Institute of Personnel and Development) People Management Awards in recognition of our success in building an in-house Talent Acquisition function. This was a priority to further enable a high-performing organisation that recruits diverse, brilliant people, underpinned by comprehensive strategic workforce planning. It also recognised the extensive work we undertook to build a powerful employer brand as part of our overall attraction strategy.

The CIPD judges praised Just Group for its 'joined-up thinking, clear drivers and strong focus on data-led decisions', emphasising the team's 'clear demonstration of measures achieved in a very short time frame'.

OVER 15,000 HOURS OF LEARNING

In parallel to our talent acquisition strategy, during 2024 we increased our focus on growing our own talent within the organisation.

Shortlisted for a Learning and Development award at the Personnel Today awards, we have continued to roll out our 'Power Up' for people managers. This programme focuses on supporting managers to lead high performing, engaged and inclusive teams, where people feel a strong sense of belonging. We've run modules on key skills including feedback, coaching, career conversations, inclusive leadership and planning and prioritising. Feedback from participants has been exceptional, with an average 92% of survey respondents saying that they would recommend the content to their colleagues.

"The Power Up programme has been a valuable resource. The Leading High Performing teams module gave me a great insight into 'defining a purpose' and led to us developing a team charter and best practice, and The Communicator module gave me the skills needed to share impactful feedback with my team."

Attendee comment
Power Up for People Managers

Following the success of this programme, we launched a new learning offering for all colleagues, branded 'Power Up Your Career'. This includes virtual and in-person workshops on a range of topics, such as financial industry awareness, communicating with impact, influencing, business partnering and project management. This forms part of our strategy to develop talent at different levels of the organisation. Again, feedback on the sessions has been excellent, with an average 97% of survey respondents saying that they would recommend the workshops to their colleagues.

"I found the session really useful and enjoyed the group discussions… some really useful tips and structures shared… lots of interaction and shared experiences."

Attendee comment
Power Up Your Career

Supporting this, we also ran two 'Learning at Work' weeks with virtual and in-person sessions across all our offices. We had more than 1,600 sign-ups to over 25 sessions across the two weeks, including external speakers on topics such as developing a growth mindset through to colleague-led talks on topics around AI and future capabilities. Feedback from participants has been excellent with an average **95%** of survey respondents saying that they would recommend the session they attended to their colleagues.

"Very informative and I definitely learned new things…"

Attendee comment
Learning at Work Week

2024 saw us hire our largest ever graduate cohort (over 20 in both 2023 and 2024), providing a structured career and development programme for these early career colleagues. This includes rotations, apprenticeships leading to professional qualifications, and an 18-month programme focused on core soft skills.

In addition to these in-house programmes, we provide other learning and development opportunities, including full access to LinkedIn Learning, apprenticeship programmes (BPP), development programmes (partnering with Corndel for level 5 & 7 and the Chartered Insurance Institute), external training and professional qualifications in areas like actuarial, finance and technology.

A BRILLIANT EXPERIENCE WORKING AT JUST

As part of setting our sights on Just becoming the best place to work in financial services, we have continued to focus on delivering a brilliant employee experience. This comes together in our EVP – Employee Value Proposition – which articulates the 'deal' between our employees and Just as an employer.

We support positive wellbeing through a flexible approach of company funded and employee selected options. Delivered through our Just Thrive programme, an example of one of our key activities was promoting World Wellbeing Week in June. This included:

- In-office 'know your numbers' health assessments delivered by AXA for awareness around cholesterol, blood pressure, BMI, height/weight and more, attended by over 90 colleagues.
- Women's health and hormones talk, men's health webinar, each hosted by our Women's and Men's networks.
- Benefits webinars from some of our benefit providers, including Level Payroll Saving, My Gym Discounts, My Care Hub, Cycle to Work, EAP and Tooth Fairy.

We have continued to promote our range of physical, mental and financial wellbeing support including our mental health webinars, Headspace app, virtual yoga sessions, menopause support and running or football get togethers. Our mental health first aiders provide a confidential safe space where our people can be listened to, heard and supported via signposting to other resources as necessary. In addition, our Menopause Cafés, hosted by our Menopause Champions, support discussion, sharing advice and resources, asking questions, or simply listening.

COLLEAGUES AND CULTURE continued

“My first attendance at a menopause cafe made me realise that there were other people going through the same thing in the workplace. People needing and reaching out for support and advice, it made a huge difference to me and took a huge weight off my shoulders – I was not alone.”

Attendee comment
Menopause Café, August 2024

We have an all encompassing and well regarded colleague communications and engagement programme which focuses on people having a voice and freely sharing their views. As part of recognising that the ‘tone from the top’ is extremely important, we have quarterly town halls led by our Group CEO and members of our Executive team. We receive excellent feedback on these sessions, with 96% of colleagues who completed our survey agreeing that they found the town hall in October valuable. The sessions provide an opportunity for colleagues to hear a ‘big picture’ update, as well as reflect on current successes and challenges. There is also time for colleagues to ask our Group CEO and leadership team any questions they may have.

“Really inspiring. Great communicator and really good understanding of the business. Seems to really care about people and high degree of integrity.”

Feedback on David Richardson
Peakon survey, May 2024

We also hold more informal opportunities for colleagues to engage in conversation with our leadership team. These include ‘Lean Coffees’ with our Group CEO, where colleagues get to set the agenda of the meeting, and ‘Conversations with the Execs’ led by our Chief People Officer, Ellie Evans, to discuss important topics, including our focus on the customer.

91% OF COLLEAGUES THAT ATTENDED SEPTEMBER’S LEAN COFFEE STRONGLY AGREED THAT THEY FOUND THE SESSION VALUABLE.

“As a new starter the session provided an excellent opportunity to meet colleagues outside of my immediate team/department and was really helpful to hear directly from David. Also helpful to get a sense of the wider topics/themes that came up across the participants – liked the openness and transparency.”

Attendee comment
September’s Lean Coffee

As well as the Executive team, it’s also extremely important that our Non-Executive Directors can hear first hand from colleagues to discuss important topics and also gauge the ‘mood of the nation’. In addition to sessions with colleagues branded as ‘Take on Board’, where discussions over the year ranged from career development to our approach to reward, we also introduced a new session for our senior leadership team (those reporting into the Executive team). Hosted by Michelle Cracknell, our Board lead for engagement and consumer duty, the conversation was focused around the importance of culture and how we can bring our Just behaviours to life.

NURTURING A SENSE OF BELONGING

At the heart of a brilliant experience are colleagues who feel like they belong.

In October we updated our DEIB strategy for 2025 to continue to strengthen our inclusive culture and build a sense of belonging. We know that this is critical to enhance our business success, driving innovation and balanced decision making.

Our seven employee networks, including our newest ones – Men’s Health and Wellbeing, and Older Workers – are thriving. We’ve held many different events and activities, such as immersive experiences for Neurodiversity Celebration Week and our socials for Black History and Pride months.

We have completed the third year of our reciprocal mentoring programme where diverse participants are paired with senior leaders for conversations to increase allyship and drive action. We also take part in the 30% Club Mission Include cross-company mentoring for our diverse talent and the Actuarial Mentoring Programme specifically for diverse actuarial talent. We continue to run our brilliant Just Meet programme quarterly – colleagues who sign up are paired for a 30 minute conversation with a colleague who they do not know.

For the second year running we held a Belonging at Just Week, with an exciting week of events and speakers. This included June Sarpong OBE on diversity, leadership and privilege, allyship from the Association of British Insurers and Hester Grainger on creating neurodiverse teams and cultures. Our scores on our Belonging index from our November Peakon survey were our highest yet, showing how colleagues really value our efforts.

We also held our charity flagship event ‘Just Oarsome’ in Wimbledon Park in September, with dragon boat teams led by members of our Executive Committee. We raised £42,000 for our corporate charity partner Hourglass, the only UK-wide charity dedicated to calling time on the harm and abuse of older people.

PROUD TO WORK AT JUST

During 2024 we held two colleague engagement surveys via Peakon to give our people managers access to meaningful data to support the engagement of their teams. We once again had excellent response rates, with 15,593 free text comments related to a whole range of aspects about working at Just – what we are doing well and areas for improvement.

> **"I really enjoy working at Just, I like my role and what the end result of what I do is. I believe in what we are trying to achieve together."**
>
> **Colleague comment**
> November Peakon survey

Our Peakon survey provides us with an important insight into our culture at Just, and we combine this with other quantitative and qualitative insights to assess 'how' we do things as an organisation and the overall engagement of our people.

At the end of 2024 we were pleased to exceed our 85% 'Proud to work at Just' score, achieving a brilliant 86%, based on six questions particularly relevant to our organisation.

	November 2024	October 2023	October 2022
RESPONSE RATE	90%	90%	85%
OVERALL ENGAGEMENT (OUT OF 10)	8.3	7.9	7.7
PROUD TO WORK AT JUST METRICS	8.6	8.3	8.0

Some other key information includes:

At 31 December 2024

	London	Reigate	Tunbridge Wells	Belfast	Home Based/ Remote	Total
Colleagues	460	558	4	258	104	1,384
Contingent Workers	147	29	0	1	140	317

Our colleague headcount has grown by 17.5% over the last year supporting core business activities and new and emerging propositions. Retention has remained stable at 87%, annualised including all colleagues, fixed term contracts that have come to an end and summer placements. Retention excluding involuntary leavers and fixed term contracts is 92%.

AMBITIOUS AND CURIOUS

As part of enabling our growth strategy, during the year we evolved our Just behaviours, co-designing with colleagues across the organisation. As well as capturing the spirit of the journey we are on, we also wanted to make sure that we have the right behaviours to provide guidance for colleagues in their day to day decision making. The introduction of ambitious and curious were extremely well received by colleagues and we held a launch event in December to bring them to life as part of the Just Way. Embedding our evolved behaviours will be a key priority for 2025 to help drive overall business success.

To conclude the year, in December we were delighted that David Richardson was awarded 'Best People-Focused CEO of the Year' at the HR Excellence Awards. The judges praised David's leadership style as being ***"personal, transparent, and forward-thinking, supported by tangible achievements."*** They went on to say that ***"when we write in HR magazine about how leaders should role model the behaviours they want to see in their organisation – there would be few finer role models than David Richardson."***

RELATIONSHIPS WITH STAKEHOLDERS

The Board recognises that the long-term sustainable success of Just depends on effective engagement with key stakeholders.

We understand the importance of each stakeholder in our success and our duties to them. Strong engagement to understand their interests is crucial. Below summarises our key stakeholders and how the Board and Group engage with them.

The Section 172 statement can be found on **P61.** Examples of principal decisions taken by the Board impacting stakeholders are contained within the Governance in Operation report on **P86** to **P88**.

STAKEHOLDER ENGAGEMENT

COLLEAGUES

The team of colleagues at Just who deliver exceptional service to customers and to the people who support those that deliver the services.

Link to Strategic Priorities

HOW WE ENGAGE

- Directly, day-to-day through line management and by using a variety of communication channels.
- Gather feedback using a range of techniques such as structured surveys and through more informal channels.

WHAT MATTERS TO THEM

- The Group having a clear vision and purpose.
- A brilliant employee experience.
- A listening culture to share views.
- Having the opportunity to grow and develop.
- Diversity, equity, inclusion and belonging initiatives.
- Wellbeing.
- Hybrid working.
- Strong community and environmental credentials.

HOW WE ADDRESS THESE CHALLENGES

- CEO quarterly briefing sessions for all colleagues to reiterate Just's purpose and provide a business update on key initiatives to deliver our strategic priorities the Just Way and help people achieve a better later life.
- Non-Executive Director engagement with colleagues to bring their voice into the boardroom.
- CEO Lean Coffee and informal Executive sessions with colleagues to discuss matters that are important to them.
- Employee engagement surveys and action planning at a Group, functional and local level.
- Developing colleagues through in-role experience, mentoring, online learning and training. This includes training on ethical standards, privacy and data security, which is provided to all colleagues including part-time employees and contractors.
- Continued commitment to building a diverse workforce and inclusive culture at Just, through hosting our second annual Belonging at Just Week and events organised by our seven employee networks, which now include our Men's Health and Wellbeing Network and Older Workers Learning and Sharing Network.
- Providing support and guidance for our colleagues around mental, physical, social and financial wellbeing.
- Hybrid way of working to encourage collaboration and innovation, and sustain Just's culture.
- Providing volunteering opportunities to make a positive impact in our local communities.

COMMUNITY AND THE ENVIRONMENT

Our peers, civic society and the later life financial advice communities who we engage with and the wider environment.

Link to Strategic Priorities

HOW WE ENGAGE

- Partnership with charities supporting local communities.
- Engage with the financial advice community.
- Participate in external sustainability initiatives and publish climate-related disclosures for transparency around our progress.

WHAT MATTERS TO THEM

- Offer support and information to help individuals transition from work to retirement.
- Provide support for vulnerable customers.
- Support fundraising efforts in local communities.
- Leave a responsible footprint.

HOW WE ADDRESS THESE CHALLENGES

- Offer helpful tips and guidance on topics relating to retirement on our customer websites.
- Initiatives to raise awareness in the financial advice community to support the needs of vulnerable customers.
- Partnering with a charity close to our purpose each year. In 2024, we partnered with Hourglass, a national charity whose mission is to end the harm, abuse and exploitation of older people in the UK.
- Continue to make progress to reach our carbon net zero targets.
- Continued partnership with EcoTree, a sustainable forestry management company, to plant trees, as one of our sustainability initiatives.

STRATEGIC PRIORITIES
- Grow sustainably
- Scale with technology
- Reach new customers
- Be recommended by our customers
- Be proud to work at Just

REGULATORS

Organisations who regulate the conduct of firms and their financial stability.

Link to Strategic Priorities

HOW WE ENGAGE

- Formal meetings with regulators.
- Written responses to consultation documents and regulatory requests.
- Participation in workshops directly with regulators and via trade associations.

WHAT MATTERS TO THEM

- Boards and senior management understand the regulatory objectives, and seek to ensure good consumer outcomes are achieved and policyholder commitments are met.
- A culture that supports adherence to the spirit and letter of regulatory rules and principles.
- Foster open and transparent communications with our regulators.
- Positive engagement to encourage effective competition and consumer protection which results in better customer outcomes.

HOW WE ADDRESS THESE CHALLENGES

- Continue to respond to regulators in a timely and constructive manner and engage directly on any key regulatory matters and thematic reviews.
- Implement plans to ensure that new regulatory requirements are met.
- Active participation in policy development directly with regulators and via trade bodies.
- Timely preparation and filing of regulatory returns.

SUPPLIERS

The companies providing the services, materials and resources to enable Just to operate the businesses in the Group.

Link to Strategic Priorities

HOW WE ENGAGE

- Regular performance reviews of our key suppliers enable all parties to understand expectations and support each other to optimise delivery.
- Oversight of controls to mitigate risks and to ensure the delivery of good customer outcomes.
- Written feedback following each tender process to explain the outcomes.
- Conflicts of interest checks, ensuring advantages are not gained through personal relationships.
- Sanctions screening, ensuring that Just and its suppliers are free from financial crime risk.

WHAT MATTERS TO THEM

- Collaborative relationships with open, honest and transparent communications.
- Fair, transparent and objective process and evaluation criteria when bidding for new business.
- Fair payment terms which are consistently met within deadlines.

HOW WE ADDRESS THESE CHALLENGES

- Our procurement and outsourcing policy ensures that tender processes are fair and transparent, and all suppliers receive feedback on submissions. All suppliers are expected to adhere to relevant legislation and regulatory regimes, and to act ethically and with integrity. Risk-based assessments ensures all suppliers receive the relevant level of governance oversight and interaction with Just.
- Clearly defined performance metrics are agreed with our key suppliers at the outset to measure ongoing success.
- Supplier Code of Conduct: A regulatory obligation for Just to make new suppliers aware of relevant internal policies.

RELATIONSHIPS WITH STAKEHOLDERS continued

STRATEGIC PRIORITIES

- Grow sustainably
- Scale with technology
- Reach new customers
- Be recommended by our customers
- Be proud to work at Just

OUR STAKEHOLDERS

INVESTORS

The equity and debt investors who invest the capital to finance the business.

Link to Strategic Priorities

HOW WE ENGAGE

- Direct investor meetings with members of the Board.
- Annual General Meeting and results presentations.
- Industry conferences, marketing roadshows and engagement.
- Shareholder communications.
- Regular news updates on the business and industry topics.

WHAT MATTERS TO THEM

- Deliver a sustainable business model and manage the capital base prudently.
- Business performance and executing on opportunities available.
- Returns on investment.
- Sustainability of the Group's external debt and receipt of scheduled interest and principal payments.
- Operate in a socially responsible and sustainable manner.

HOW WE ADDRESS THESE CHALLENGES

- Growth in net asset value, delivery of performance metrics and targets, and payment of an attractively growing dividend to shareholders.
- Held meetings with existing and prospective shareholders to engage on Just's performance and strategic developments, and to discuss any issues or concerns.
- Consistently high level of engagement with investment analysts, in addition to management presentations to the equity sales teams at banks/brokers.
- International and UK regional roadshows, and attendance at multiple investor conferences.
- Dedicated fixed income investor relations programme, completion of a refinancing exercise and maintained A credit rating with stable Outlook.
- Further refined our strategy with clear, specific goals driven by appropriate priorities.
- The Board receives regular updates on investor relations activities and feedback received from investors.

INDIVIDUALS/FINANCIAL ADVISERS/ TRUSTEES

Individuals wanting help with their retirement finances, financial advisers and trustees accountable for securing good outcomes for pension members and clients.

Link to Strategic Priorities

HOW WE ENGAGE

- Engage directly when we provide regulated financial advice, guidance and other forms of help and customer service.
- Engage indirectly via financial intermediaries and other organisations such as pension schemes and corporates.
- Commission surveys and other research to listen to feedback from customers, advisers and trustees to understand how Just is delivering its services and meeting the needs of our target customers.
- Convene and attend industry events to bring together trustees, advisers and subject matter experts to encourage dialogue and share knowledge.

WHAT MATTERS TO THEM

- Security and peace of mind that Just will deliver its promises.
- Financial strength and strong counterparty credentials that deliver security for advisers, trustees and their members.
- Good value for money and product differentiation.
- Quality of service delivered and good customer outcomes.
- Reputation of the Company.
- A secure asset portfolio with ESG and sustainability credentials.

HOW WE ADDRESS THESE CHALLENGES

- Behave prudently and have strong, effective governance to ensure we always meet the promises we make to our policyholders, and that due care and attention is given to customer outcomes.
- Continue to invest in our colleagues and infrastructure to ensure we maintain our reputation for service design and delivery, evidenced by our awards for outstanding service.
- Differentiate our products offering unique features to customers such as our medically underwritten Just For You Lifetime Mortgage ("LTM") which offers personalised terms for customers.
- Further investment in automation initiatives to enhance services.
- Offer Destination Retirement, a financial planning service that provides tailor-made advice to individuals approaching or transitioning into retirement after work.
- Offer a bulk quotation service to provide early visibility of insurer pricing.
- Offer retrofit mortgages to our LTM customers and invest in accordance with our responsible investment framework to meet policyholder needs.

SECTION 172 STATEMENT

DIRECTORS' STATEMENT

The Directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the long-term success of the Company for the benefit of its members as a whole, whilst having regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006 in the decisions taken during the year.

ENGAGEMENT

The Board recognises that our stakeholders have diverse and sometimes competing interests that need to be finely balanced, and that these interests need to be heard and understood in order for them to be effectively reflected in decision making. Information about how the Board has engaged with stakeholders during the year and outcomes of that engagement can be found on pages 58 to 60 and 86 to 88.

BOARD DECISIONS AND OVERSIGHT

The matters set out in Section 172(1) underpin Just's purpose to help people achieve a better later life. Examples of how stakeholder engagement and Section 172(1) matters have influenced Board discussion and decision making during the year can be found on pages 86 to 88.

The table below sets out where key disclosures in respect of each of the Section 172(1) matters can be found:

SECTION 172(1) FACTOR	RELEVANT DISCLOSURES	LOCATION
The likely consequences of decisions in the long term	• Strategic priorities • Consideration of Section 172(1) factors by the Board	Pages 16 to 17 Pages 86 to 88
The interests of the Company's employees	• Colleagues and culture • Colleague engagement scores • Diversity, equity, inclusion and belonging • Relationships with stakeholders • Non-Executive Director Lead on employee engagement	Pages 54 to 57 Page 57 Pages 56, 88 and 96 Pages 58 to 60 Page 84
The need to foster the Company's business relationships with suppliers, customers and others	• Strategic priorities • Consideration of Section 172(1) factors by the Board • Relationships with stakeholders	Pages 16 to 17 Pages 86 to 88 Pages 58 to 60
The impact of the Company's operations on the community and environment	• Sustainability: TCFD • Board oversight of Just's sustainability strategy • Relationships with stakeholders	Pages 40 to 53 Page 79 Page 58
The desirability of the Company maintaining a reputation for high standards of business conduct	• Our purpose • The Board's role in monitoring culture • Internal controls	Page 1 Page 81 Pages 102 to 103
The need to act fairly between members of the Company	• Business review • Shareholder voting rights • Annual General Meeting	Pages 28 to 39 Page 124 Page 124

STAKEHOLDER SPOTLIGHT...

CALL LISTENING SESSIONS WITH THE BOARD

In July 2024, our Customer Service Contact team in Reigate hosted a "customer call listening" session for our Board members.

The team runs these highly interactive and engaging sessions for all new starters and other colleagues on a monthly basis and has received fantastic feedback to date.

The aim of these sessions is to share our customer-centric calling approach to deliver positive experiences and explain how our call agents provide the "Just" experience through our customer experience framework. The sessions also highlight some of the challenges our customers face, which in turn helps our colleagues feel closer to our customers and better understand their needs.

During the session, the Board listened to some anonymised call recordings followed by a discussion on how our agents are supported, especially when handling complex and emotive calls such as bereavement. Plans were shared about how technology will be leveraged to improve the overall call experience, with enhanced knowledge-based support tools and automation, enabling the call agent to deliver improved customer outcomes.

Through sharing valuable insights from real-life customer stories, the importance of listening and understanding customer and partner needs is brought to life, which is an essential part of ensuring everyone at Just is connected to our purpose of helping people achieve a better later life.

"It was an extremely powerful and humbling session, which has helped me see the decisions I make through a different lens. Thank you for sharing such rich and valuable insights into your daily work."

Mary Phibbs
Senior Independent Director

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

This statement sets out how Just meets the non-financial information and sustainability reporting requirements contained within sections 414CA and 414CB of the Companies Act 2006. For information on Just's business model, see pages 14 to 15.

NON-FINANCIAL KEY PERFORMANCE INDICATORS

The Board receives reports and management information regarding key non-financial matters such as business change initiatives, the investment programme, operational performance, customer outcomes and colleague-related matters. Just's discretionary short-term and long-term incentive plans for colleagues uses stretching financial and non-financial metrics to determine the bonus pool which the Board and Remuneration Committee review.

As part of its Sustainability strategy, Just has set the following key performance indicators. Progress towards meeting these targets is outlined on pages 40 to 53.

KEY PERFORMANCE INDICATOR	TARGET
Amount invested in eligible green and social assets.	Invest £825m in green and social assets over 2023 to 2025.
Level of Scope 1 and 2 emissions.	Achieve net zero in our operations (Scope 1 and 2) by 2025.
Level of Scope 3 emissions.	50% reduction of our overall Scope 3 emissions by 2030.
Net zero business.	Operate as a net zero business by 2050.

NON-FINANCIAL RISK MANAGEMENT

The Risk management report sets out our approach to risk management. Our approach enables all colleagues to take more effective business decisions through a better understanding of risk. The Annual Report and Accounts sets out our principal risks and uncertainties including non-financial risks and how we mitigate those risks. The Group Risk and Compliance Committee ("GRCC") considers various non-financial risks. These include risks arising from people and culture, operational processes, information security, conduct and climate change. The aim is to prevent non-financial risks from materialising and having a detrimental impact on our business (including our reputation), colleagues, customers, suppliers and other stakeholders.

Our Risk team manages the Group's Risk Policy Framework. The framework comprises the following three Group Risk policies, which have been adopted by the Board, and underlying Company risk policies.

1. **Conduct and Operational Risk Policy**. Sets out principles to ensure that decisions and behaviours do not lead to poor outcomes for customers or losses from failed processes, systems, people or external events.
2. **Financial and Insurance Risk Policy.** Sets out principles for how financial and insurance risks taken in activities or transactions to drive the Group's financial performance are identified, measured, monitored, managed and reported.
3. **Risk Management Policy.** Sets out principles for how risks that could significantly affect the ability of the Group to meet its objectives are identified, measured, monitored, managed and reported.

Each Company risk policy has a policy owner and an executive sponsor, who review and approve the policy at least annually and provide an attestation as to its adherence and any material breaches. Under the updated framework, which was embedded in 2024, the GRCC and Board have received updated Group Risk policies with details of all underlying Company risk policies established to address each subordinate risk. This update included an opinion from the Group Risk function on the effectiveness of the risk management framework and how this has been addressed through the Group Risk Policy Framework. Material breaches of policies are recorded in our risk management system and are escalated to the Group Chief Risk Officer. Any serious breaches are reported to the GRCC or Board. This ongoing management of risks highlighted by breaches enables the business to take necessary action to mitigate the risk through training, improving a process or policy, or enhancing associated controls.

NON-FINANCIAL POLICIES AND FRAMEWORKS

Just has non-financial policies which govern how we do business and how we interact with our stakeholders to help ensure that we have a positive impact and fulfil our purpose. Our policies reflect our commitment to act ethically and with integrity in all of our business relationships, and to protect our stakeholders by growing the business sustainably. Our Group Risk Policy Framework is designed to ensure that all policies collectively demonstrate how all core risks to the business are effectively controlled as outlined above.

The following table outlines Just's material areas of impact relating to environmental matters and climate change disclosures, colleagues, social matters, anti-bribery and anti-corruption matters and respect for human rights, which are in scope of the reporting requirements contained in the Companies Act 2006. The information listed is incorporated by cross-reference.

FOCUS AREAS	POLICIES AND STATEMENTS	SUPPORTING INFORMATION
Environmental matters • Delivering net zero targets • Managing climate-related issues • Monitoring carbon performance, metrics and targets • Responsible resource use – water, energy use and air emissions • Managing impacts on the natural environment and biodiversity	• Responsible Investment framework • Sustainability: TCFD • Procurement and outsourcing policy	Page 49 Pages 40 to 53 Page 85
Colleagues • Culture and ethics • Protecting health, safety and wellbeing • Promoting diversity, equity, inclusion and belonging • Rewards and benefits • Investing in training and career development	• Group conduct and operational risk policy • Conduct and customer risk framework • Health and safety policy • Diversity equity, inclusion and belonging policy • Board diversity, equity, inclusion and belonging policy • Capability policy • Training and competence policy	Page 62 Sets out the framework of principles, standards and controls around the management of conduct and customer risk by the Group. Sets the principles which govern the management of health and safety risk. Concerns the promotion of equality of opportunity, inclusive behaviours and diversity at Just. Page 96 Sets out Just's approach to deal with unsatisfactory performance and long-term incapacity. Sets out the standards in respect of training and competency requirements within Just.
Respect for human rights • Reinforcing an ethical business culture • Speaking up against wrongdoing • Approach to human rights and modern slavery • Supporting vulnerable customers	• Modern slavery statement • Data protection – personal information policy • Group conduct and operational risk policy • Conduct and customer risk framework • Financial crime policy • Compliance policy • Whistleblowing policy	Pages 85 and 125 and www.justgroupplc.co.uk Page 85 Page 62 See above. Sets high level standards to meet to manage risks from financial crime. Sets out the Group's approach to ensure it operates in compliance with relevant laws and regulations. Pages 81 and 103
Anti-bribery and anti-corruption • Prevention of bribery and corruption • Conflicts of interest • Corporate gifts and hospitality • Anti-money laundering	• Financial crime policy • Compliance policy • Gifts and hospitality procedure • Conflicts of interest policy • Procurement and outsourcing policy • Whistleblowing policy	See above. See above. Sets out rules and guidance to ensure no undue influence impacts a business decision. Sets minimum standards and provides guidance in relation to activities which may give rise to an actual or potential conflict of interest. Page 85 Pages 81 and 103
Social matters • Partnership with charities and volunteering initiatives • Support local communities • Support vulnerable customers • Responsible approach to tax	• Charity and community strategy • Conduct and customer risk framework • Tax strategy	Pages 58 and 85 See above. Page 85

RISK MANAGEMENT

The Group's enterprise-wide risk management strategy is to enable all colleagues to take more effective business decisions through a better understanding of risk.

EMBEDDING GOVERNANCE VIA THREE LINES OF DEFENCE

1ST LINE
BUSINESS OPERATIONS

The first level of the control environment is the business operations which perform day-to-day risk management activity.

RISK AND CONTROL

- An established risk and control environment

2ND LINE
OVERSIGHT FUNCTIONS

Oversight functions in the Company, such as Risk Management (which includes Regulatory Compliance), support the Board in setting risk appetite and defining risk and compliance policy.

RISK AND CONTROL

- Oversight of the risk and control environment
- Independent challenge and reporting on the risk profile and conduct of the business
- Monitoring actions being taken to mitigate risk

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.

RISK AND CONTROL

- Provide independent challenge and assurance

PURPOSE

The Group risk management framework supports management in making decisions that balance the competing risks and rewards. This allows them to generate value for shareholders, deliver 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.

RISK FRAMEWORK

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

RISK EVALUATION AND REPORTING

We evaluate our principal and emerging risks to decide how best to manage them within our risk appetite. Management regularly reviews its risks and produces management information to provide assurance that material risks in the business are being appropriately mitigated. The Risk function, led by the Group Chief Risk Officer (“GCRO”), challenges the management team on the effectiveness of its risk identification, measurement, management, monitoring, and reporting. The GCRO provides the Group Risk and Compliance Committee (“GRCC”) with his independent assessment of the principal and emerging risks to the business.

Company policies govern the exposure of risks to which the Group is exposed and define the risk management activities to ensure these risks remain within appetite.

Financial risk modelling is used to assess the amount of each risk type against our capital risk appetite. This modelling is principally aligned to our regulatory capital metrics. The results of the modelling allow the Board to understand the risks included in the Solvency Capital Requirement (“SCR”) and how they translate into regulatory capital needs. By applying stress and scenario testing, we gain insights into how risks might impact the Group in different circumstances.

Quantification of the financial impact of climate risk is subject to significant uncertainty. Climate-related transition and physical risks are heavily dependent on government policy developments, social responses to these developments and market trends. Just’s initial focus has been on the implementation of strategies to reduce the likely exposure to this risk. Just will continue to adapt its view of climate risk as both methodologies and data quality improve.

The identification, disclosure and management of climate-related risks and broader sustainability risks are embedded within Just’s Enterprise Risk Management Framework. This includes climate-related scenario analysis, based on Network for Greening the Financial System scenarios, which is a key tool for ensuring we have a deep understanding of the risks the Group faces over a long-term time horizon.

OWN RISK AND SOLVENCY ASSESSMENT

The Group’s Own Risk and Solvency Assessment (“ORSA”) process embeds comprehensive risk reviews into our Group management activities. Our annual ORSA report is an important part of our business risk management cycle.

It summarises work carried out in assessing the Group’s risks related to its strategy and business plan, supported by a variety of quantitative scenarios, and integrates findings from the Group’s recovery and run-off analysis. The report provides an opinion on the viability and sustainability of the Group and informs strategic decision making. Risk updates are provided to the GRCC each quarter, including factors such as key risk limit consumption, and conduct, operational and market risk developments, to keep the Board appraised of the Group’s evolving risk profile.

Reporting on climate risk is embedded into the Group’s regular reporting processes, which will continue to evolve as the quantification of risk exposures develops and key risk indicators (“KRIs”) are identified.

VIABILITY STATEMENT

The Directors have carried out a robust assessment of the principal and emerging risks facing the Group, including those that could threaten its business model, future performance, solvency or liquidity, and make this assessment with reference to the risk appetite of the Board and the processes and controls in place to mitigate the principal risks and uncertainties as detailed in the Strategic Report.

Based on the assessments made, the Directors confirm that they have a reasonable expectation that the Group will continue in operation and meet its liabilities, as they fall due, over the next five years.

The Directors note that the Group is subject to the Prudential Regulatory Regime for Insurance Groups, which monitors the Group’s compliance with Solvency Capital Requirements. A five-year timeframe has been selected for this statement, although the Group, as with any insurance group, has policyholder liabilities in excess of five years and, therefore, performs its modelling and stress and scenario testing on time frames extending to the expected settlement of these liabilities, with results reported in the Group’s ORSA. Given the inherent uncertainty increases as longer time frames are considered, the Directors consider five years to be an appropriate time frame upon which they can report with a reasonable degree of confidence. The Directors have no reason to believe that the Group will not be viable over a longer period.

In making the viability assessment, the Group considers the Group’s business plan approved by the Board, the projected solvency and liquidity position of the Company and the Group, impacts of potential economic stresses, current financing arrangements and contingent liabilities, and a range of forecast scenarios with differing levels of new business and associated additional capital requirements to write anticipated levels of new business. Furthermore, the Directors note that in a scenario where the Group ceases to write new business, the going concern basis would continue to be applicable while the Group continued to service in-force policies.

The resilience of the Group’s capital position is tested under a range of adverse stresses and scenarios before and after management actions within the Group’s control. These include testing against Group risk appetites, severe stresses and specific scenarios which reflect the Group’s exposures to risks. These include stresses on the credit quality of assets, mortality and risk-free rates. Eligible own funds exceeded the minimum capital requirements in all stressed scenarios described above. The scenarios considered are consistent with the going concern assessment in the Financial Statements in the Annual Report.

PRINCIPAL RISKS AND UNCERTAINTIES

Risks and uncertainties are presented in this report in two separate sections: (1) the first section summarises the Group's ongoing principal risks and how they are managed in business as usual; and (2) the second section calls out the risk outlook for subjects that are evolving and are of material importance from a Group perspective.

STRATEGIC PRIORITIES

- Grow sustainably
- Scale with technology
- Reach new customers
- Be recommended by our customers
- Be proud to work at Just

ONGOING PRINCIPAL RISKS

RISK	HOW WE MANAGE OR MITIGATE THE RISK
A MARKET RISK	**STRATEGIC PRIORITIES**
Arises from changes in interest rates, residential property prices, credit spreads, inflation, and exchange rates, which affect, directly or indirectly, the level and volatility of market prices of assets and liabilities. The Group is not exposed to any material levels of equity risk.	• Premiums are invested to match asset and liability cash flows as closely as practicable. • Market risk exposures are managed within pre-defined limits aligned to risk appetite for individual risks. • Exposure is managed using regulatory and economic metrics to achieve desired financial outcomes. • Balance sheet is managed by hedging exposures, including currency and inflation where cost effective to do so. • Interest rate hedging is in place to manage Solvency capital coverage and IFRS equity positions.
B CREDIT RISK	**STRATEGIC PRIORITIES**
Arises if another party fails to perform its financial obligations to the Group, including failing to perform them in a timely manner.	• Investments are restricted to permitted asset classes and concentration limits. • Credit risk exposures are monitored in line with credit risk framework, driving corrective action where required. • External events that could impact credit markets are tracked continuously. • Credit risks from reinsurance balances are mitigated by the reinsurer depositing back premiums ceded and through collateral arrangements or recapture plans. • Credit risk associated with derivatives is managed through collateral arrangements. • The external fund managers we use are subject to Investment Management Agreements and additional credit guidelines.
C INSURANCE RISK	**STRATEGIC PRIORITIES**
Arises through exposure to longevity, mortality, morbidity risks and related factors such as levels of withdrawal from lifetime mortgages and management and administration expenses.	• Controls are maintained over insurance risks related to product development and pricing. • Approved underwriting requirements are adhered to. • Medical information is developed and used for pricing and reserving to assess longevity risk. • Reinsurance is used to reduce longevity risk exposure, with oversight by Just of overall exposures and the aggregate risk ceded. • Group Board review and approve assumptions used. • Regular monitoring, control and analysis of actual experience and expense levels is conducted.
D LIQUIDITY RISK	**STRATEGIC PRIORITIES**
The risk of insufficient suitable assets available to meet the Group's financial obligations as they fall due.	• Stress and scenario testing and analysis is conducted: including collateral margin stresses, asset eligibility and haircuts under stress. • Corporate collateral capacity to reduce liquidity demands and improve our liquidity stress resilience is monitored. • Risk assessment reporting and risk event logs inform governance and enable effective oversight. • Contingency funding plan is maintained with funding options and process for determining actions.
E CONDUCT AND OPERATIONAL RISKS	**STRATEGIC PRIORITIES**
Arise from inadequate internal processes, people and systems, or external events including changes in the regulatory environment. Such risks can result in harm to our customers, the markets in which we do business or our regulatory relationships as well as direct or indirect loss, or reputational impacts.	• Implement risk policies, controls, and mitigating activities to keep risks within appetite. • Oversee risk status reports and any actions needed to bring risks back within appetite. • Scenario-based assessment is in place to establish the level of capital needed for conduct and operational risks. • Monitor conduct and customer risk indicators and their underlying drivers prompting action to protect customers. • Deliver risk management training and other actions to embed regulatory changes. • Ensure that risks associated with outsourcing and critical third parties including their suppliers, are adequately mitigated via robust processes and controls. • Ensure data subjects can exercise their GDPR rights including their right to be forgotten and subject access requests to obtain their data held by Just.
F STRATEGIC RISK	**STRATEGIC PRIORITIES**
Arises from the choices the Group makes about the markets and environment in which it competes. These risks include the risk of changes to regulation, competition, or social changes which affect the desirability of the Group's products and services.	• The Group operates an annual strategic review cycle. • Information on the strategic environment, which includes both external market and economic factors and those internal factors which affect our ability to maintain our competitiveness, is regularly analysed to assess the impact on the Group's business models. • Engagement with industry bodies supports our information gathering. • The Group responds to consultations through trade bodies where appropriate.

RISK OUTLOOK

HOW THIS RISK EFFECTS JUST | **JUST'S EXPOSURE TO RISK** | **OUTLOOK AND HOW WE MANAGE OR MITIGATE THE RISK**

1 POLITICAL AND REGULATORY

TREND: UNCERTAIN **STRATEGIC PRIORITIES**

Changes in regulation and/or the political environment can impact the Group's financial position and its ability to conduct business. The financial services industry continues to see a high level of regulatory activity.

Just monitors and assesses regulatory developments for their potential impact on an ongoing basis. We seek to actively participate in all regulatory initiatives which may affect or provide future opportunities for the Group. Our aims are to implement any changes required effectively and deliver better outcomes for our customers and a competitive advantage for the business. We develop our strategy by giving consideration to planned political and regulatory developments and allowing for contingencies should outcomes differ from our expectations.

On 6 June 2024, the PRA published a new policy statement entitled "PS10/24 – Review of Solvency II: Reform of the Matching Adjustment". The policy statement introduces a number of changes to the MA rules, including on the eligibility of MA portfolios, justification of the MA taken, and firms' reporting. We expect that the PRA will provide further post-implementation guidance during 2025.

The Solvency II reform, including Matching Adjustment and Risk Margin reform is of key importance to the Group's business model. The PRA published final policy and rules on the MA in 2024 with all changes relating to the Solvency II review effective on 31 December 2024. The Company has adapted and created processes to meet the requirements, including assessing the Fundamental Spread to support the required attestation. The Company understands the PRA will evaluate the outcomes in 2025 within an intent to provide further guidance at some point. This further guidance is uncertain.

The Group is participating in the PRA's Life Insurance Stress Test exercise in 2025 and expect the results of to be published in the second half of 2025. We expect the 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.

The Group has limited Funded Reinsurance which is collateralised to ensure recapture risks remain within appetite considering the full balance sheet impacts. SS5/24 – Funded Reinsurance has created requirements for new treaties that include, but are not restricted to, models, limits, capacity available and correlations between counterparties.

The FCA's rules for consumer duty were fully implemented across the Group with the timeframes set and the annual Board report was submitted in July 2024. Following the PRA and FCA regulations on operational resilience from March 2022, Just identified its most important business services and set impact tolerances for each. These are subject to regular scenario testing and an annual self-assessment is prepared for Board approval. Just continues to evolve its operational resilience capability through the pillars that support the delivery of business services.

The new Government has stated its intent to pursue leasehold reform, which the prior Government did not implement due to the election. The Group is closely monitoring the new Government's agenda which remains uncertain following the King's Speech and the possible impact of this on the Group's £157m portfolio of residential ground rents. The value of these assets has been adjusted to reflect an expected increase in credit spread and consequential increase in the credit risk deduction for defaults. The Group has not made any change to the approach for determining this adjustment as at 31 December 2024.

2 CLIMATE AND SUSTAINABILITY

TREND: INCREASING **STRATEGIC PRIORITIES**

Climate change could impact our financial position by impacting the value of residential properties in our lifetime mortgage portfolio and the yields and default risk of our investment portfolios. Just's reputation could also be affected by missed emissions targets or inadequate actions on environmental issues or broader sustainability issues.

Our TCFD disclosures (pages 40 to 53) explain how climate-related risks and opportunities are embedded in Just's governance, strategy and risk management, with metrics to show the potential financial impacts on the Group. The metrics reflect the stress-testing and scenario capabilities developed to date to assess the potential impact of climate risk on the Group's financial position.

The value of properties on which lifetime mortgages are secured can be affected by:

(i) transition risk – such as potential government policy changes related to the energy efficiency of residential properties;

(ii) physical risks – such as increased flooding due to severe rainfall, or more widespread subsidence after extended droughts.

A shortfall in property sale price against the outstanding mortgage could lead to a loss due to the no-negative equity guarantee given to customers.

The value of corporate bonds and illiquid investments can be affected by physical and transition risks from climate change on the assets or business models of corporate bond issuers and commercial borrowers. Yields available from corporate bonds may also be affected by any litigation or reputational risks associated with the issuers' environmental policies or adherence to emissions targets.

Just is proactive in pursuing its sustainability responsibilities and recognises the importance of its social purpose. We have set targets for Scope 1 and 2 to be carbon net zero by 2025. For emissions from Scope 3 including, but not limited to, our investment portfolio, properties on which lifetime mortgages are secured and supply chain we have set net zero targets by 2050, with a 50% reduction in these emissions by 2030. Performance against these targets is being monitored and reported.

We continue to look to improve stress and scenario testing capabilities to support the monitoring of potential climate change impact on our investment and LTMs portfolios with a particular focus on refining the quality of input data.

The lifetime mortgage lending criteria will be kept under review and adjustments made as required.

Under Just's Responsible Investment Framework, the sustainability risks, including climate change, are considered for liquid and illiquid assets. Risks arising from flooding, coastal erosion and subsidence are taken into account in lifetime mortgage lending decisions.

The consideration of sustainability in investment decisions may restrict investment choice and the yields available; but may also create new opportunities to invest in assets that are perceived to be more sustainable.

Following the Bank of England and PRA Climate and Capital Conference, in March 2023, the Bank of England published a report setting out its thinking. This included consideration of whether firms assess risks within the matching adjustment ("MA") adequately to allow for the capture of climate risk. They will also start to explore whether it is appropriately reflected in external credit ratings (or firms' own internal ratings) and if resulting MA benefits could be too large. The ABI are maintaining engagement with key stakeholders including Just.

PRINCIPAL RISKS AND UNCERTAINTIES continued

RISK OUTLOOK

HOW THIS RISK EFFECTS JUST	JUST'S EXPOSURE TO RISK	OUTLOOK AND HOW WE MANAGE OR MITIGATE THE RISK
3 CYBER AND TECHNOLOGY		**TREND: STABLE** **STRATEGIC PRIORITIES**
IT systems are key to serving customers and running the business. These systems may not operate as expected or may be subject to cyber-attack to steal or misuse our data or for financial gain. Any system failure affecting the Group could lead to costs and disruption, adversely affecting its business and ability to serve its Customers, and reputational damage.	Our IT systems are central to conducting our business from delivering outstanding customer service and to the financial management of the business. We maintain a framework of operational resilience and disaster recovery capabilities so that we can continue to operate the business in adverse circumstances. Protecting the personal information of our customers and colleagues is a key priority. Internal controls and our people are integral to protecting the integrity of our systems, with our multi-layered approach to information security supported by training, embedded company policies and governance. We continue to invest in strategic technologies.	The cyber threat to firms is expected to continue at a high level in the coming years and evolve in sophistication, especially with the increased threat of sophisticated and expected high volumes of attacks resulting from Artificial Intelligence. We will continue to closely monitor evolving external cyber threats to ensure our information security measures remain fit for purpose. Further investments in cyber-attack countermeasures were made in 2024, to enable consistent delivery of required security standards, in line with our Cyber strategy. We will continue to evaluate impacts of other new and emerging technologies, such as Artificial Intelligence, during 2025. We also conduct severe but plausible cyber desktop scenarios exercises to find gaps in our controls. To strengthen data security and overall resilience, enhancements to network architecture and data centre upgrades have been implemented in 2024. Our email system continues to be made more resilient to malicious attacks, including detection of emerging types of phishing and malware. A specialist security operations centre monitors all our externally facing infrastructure and services, with threat analysis, incident management and response capabilities. The Group's cyber defences are subject to regular external penetration tests to drive enhancements to our technology infrastructure. The development of in-house systems and our use of third-party systems, including cloud and via third-party administrators' arrangements, is continuously monitored by technical teams following established standards and practices.
4 INSURANCE RISK		**TREND: STABLE** **STRATEGIC PRIORITIES**
In the long-term, the rates of mortality suffered by our customers may differ from the assumptions made when we priced the contract.	A high proportion of longevity risk on new business Just writes is reinsured, with the exception of the Care business. Care longevity risk is immaterial to the Group and is retained in full. Most of the financial exposure to the longevity risks that are not reinsured relate to business written prior to 2016. Reinsurance treaties include collateral to minimise exposure in the event of a reinsurer default. Analysis of collateral arrangements can be found in Note 29. Mortality experience continues to be volatile and remains above pre-pandemic levels.	Experience and insights emerging since mid-2021 indicate that COVID-19, and the aftermath of the pandemic, has had a material and enduring impact on mortality for existing and future policyholders. Our views on the changes are updated annually taking into account recent data, emerging best practice and expected trends. The assumptions about these changes have been incorporated into Just's pricing across our Retirement Income and Lifetime Mortgage products and will be updated as more information becomes available. The Group continues to assess its reinsurance strategy in the light of pricing and experience. This has led to an increase in the retained longevity risk for a subset of new policies in the retail business. Changes in customer behaviour due to current higher interest rates have been taken into account where appropriate.
5 MARKET AND CREDIT RISK		**TREND: INCREASING** **STRATEGIC PRIORITIES**
Fluctuations in interest rates, residential property values, credit spreads, inflation and currency may result, directly or indirectly, in changes in the level and volatility of market prices of assets and liabilities. Investment credit risk is a result of investing to generate returns to meet our obligations to policyholders.	Our business model and risk management framework have been designed to manage exposure to market risks within pre-defined limits and to ensure hedge effectiveness remains high. Investment in fixed income investments exposes the Group to default risk and subsequent losses should collateral and recovery be less than the expected investment value. The Group is exposed to concentration risk and to the downgrade of assets which shows an increased probability of default. Credit risk exposures arise due to the potential default of counterparties where we have reinsurance, holding cash balances, or have traded derivatives to mitigate market risk exposures. To reduce risk, the Group ensures it trades with a wide range of counterparties to diversify exposures. Reinsurance and derivative contracts will be collateralised to reduce exposure to counterparty credit risk. Reinsurance contracts are struck on terms with protection against termination. Derivative transactions are under standardised agreements with various collateral arrangements under each master agreement. The Group is aligned to SS5/24 – Funded Reinsurance in respect of reinsurer counterparty risk measurement and management.	Interest rates remain elevated and central banks affirm their intention to lower rates slowly to ensure inflation hits and remains at target. Economic growth has been positive but low. There is a risk rates do not fall leading to wider difficulties due to debt levels and refinancing risk for corporate borrowers. Our investment assets may experience increased movements in downgrade and/or default experience. We continually monitor our portfolio and take necessary actions as part of our overall approach to credit risk management. Sustained high interest rates may result in UK residential property price falls, increasing the Group's exposure to the risk of shortfalls in expected repayments due to no-negative equity guarantee within its portfolio of lifetime mortgages. Commercial property price falls would reduce the value of collateral held within our loan portfolio secured against commercial properties. Our balance sheet sensitivities to these risks can be found in note 16. Credit risk on cash assets is managed by imposing restrictions over the credit ratings of third parties with whom cash is deposited.

RISK OUTLOOK

HOW THIS RISK EFFECTS JUST	JUST'S EXPOSURE TO RISK	OUTLOOK AND HOW WE MANAGE OR MITIGATE THE RISK
6 LIQUIDITY RISK		**TREND: INCREASING** **STRATEGIC PRIORITIES**
Having sufficient liquidity to meet our financial obligations as they fall due requires ongoing management and the availability of appropriate liquidity cover. The liquidity position is stressed to reflect the most extreme market conditions.	Exposure to liquidity risk arises from: • short term cash flow volatility leading to mismatches between cash flows from assets and liabilities, particularly servicing collateral requirements of financial derivatives and reinsurance agreements; • the liquidation of assets to meet liabilities during stressed market conditions; • higher-than-expected funding requirements on existing LTM contracts, lower redemptions than expected; and • liquidity transferability risk across the Group.	Liquidity risk is ever present therefore the Group manages liquidity to ensure sufficient levels to withstand historic events. Controls are in place to maintain liquidity risk within preset limits including the use of corporate bond collateral agreements to assist in liquidity risk mitigation. Financial markets are expected to remain volatile into the foreseeable future resulting in an increased level of liquidity risk. At the same time, Just is experiencing strong market demand for defined benefit de-risking solutions from pension schemes. The Group's use of derivative positions is planned to increase in proportion to its planned growth. Throughout any period of heightened volatility, Just maintains robust liquidity stress testing and holds a high level of liquidity coverage above stressed projections. The Group maintains a robust short term liquidity stress testing process and holds a high level of liquidity coverage above stressed requirements. Medium and long term liquidity risk projections are used to support planning for future liquidity requirements.
7 STRATEGIC RISK		**TREND: STABLE** **STRATEGIC PRIORITIES**
The choices we make about the markets in which we compete and the demand for our product and service offering may be affected by external risks including changes to regulation, competition, or social changes.	Risks to the Group's strategy arise from regulatory change as the Group operates in regulated markets and has partners and distributors who are themselves regulated. Actions by regulators may change the shape and scale of the market or alter the attractiveness of markets. Changes in the nature or intensity of competition may impact the Group and increase the risk the business model is not able to be maintained. The actions of our competitors may increase the exposure to the risk from regulation should they fail to maintain appropriate standards of prudence.	Regulation changes have been significant in recent years. It is unlikely that Group's regulators will make any significant change until these have been embedded, however the government has asked them to propose change to grow UK competitiveness and hence the economy. At the time of writing, it is not possible to judge the impact of these further changes on the Group overall. A range of governmental initiatives from the review of the pensions landscape may change the operation of existing DB pension schemes and workplace pensions. The Government is keen for the development of Collective Defined Contributions ("CDC") Schemes. The Group believes that CDC would likely be complementary to the existing decumulation market rather than replace it. Both the ABI and the Group continue to actively contribute to ongoing discussions specific to this matter. The FCA will further consult on draft rules and guidance in 2025 following the Advice Guidance Boundary Review, the outcome of which could impact the financial advice landscape. The risks to the Group from selection of strategies to compete are mitigated through a strategic review process examining the competitive environment, the Group's capabilities, and ability to deploy resources to take advantage of opportunities.

CHAIR'S GOVERNANCE OVERVIEW

GOVERNANCE HIGHLIGHTS

Culture Oversight	Board oversight of culture during the year. **Read more on page 81**
Board Performance	Annual evaluation of the performance of the Board and principal Board Committees led by the Chair and Group Company Secretary. **Read more on page 89**
Consumer Duty	Board assessment of the Group's approach to ensuring the delivery of good customer outcomes. **Read more on page 86**

JOHN HASTINGS-BASS
Chair

Dear shareholders and other stakeholders,

In my opening Chair's statement on pages 6 to 7, I set the scene for our Annual Report with an overview of our performance and successes, and the outlook for the business in the year ahead. On behalf of the Board of Just Group plc (the "Board"), I am pleased to present the 2024 Corporate Governance report, which supplements the information contained in the Strategic report.

This section of the Annual Report and Accounts explains how the Board seeks to ensure that we have effective corporate governance and oversight in place to help support the creation of long-term sustainable value for our shareholders and broader stakeholders.

As covered in the Governance in Operation report, the Board considers that, for the year under review, it has applied the Principles and complied with all Provisions of the UK Corporate Governance Code 2018 (the "Code").

Plans are in place for the Group to comply with the 2024 iteration of the Code, which is effective from 1 January 2025 except for Provision 29 which will apply to financial years beginning 1 January 2026.

Throughout the Corporate Governance report, we have set out how the Board has discharged its duties through the activities of the Board and its Committees.

STRATEGY AND PURPOSE

The Board has agreed on an effective corporate governance framework, which includes the key mechanisms through which the Group sets its strategy and objectives, monitors performance and considers risk management. Just has a compelling, clear purpose, to help people achieve a better later life by providing competitive products, financial advice, guidance and services to those approaching, at, or in-retirement. Our priority is to deliver profitable and sustainable growth so that we can take advantage of the markets we operate in.

We work hard to ensure our customers benefit from our services and our shareholders receive the benefit of long-term, sustainable value creation, whilst also taking into consideration the needs of our other stakeholders and the impact of our operations on the wider society and environment.

BOARD AND COMMITTEE COMPOSITION

Kalpana Shah informed the Board of her decision to resign as an independent Non-Executive Director with effect from 1 March 2025 after serving four years on the Board. From 31 January 2025, Michelle Cracknell was appointed as a member of the Group, JRL and PLACL Audit Committees and I have been appointed as interim Chair of the Group Risk and Compliance Committee ("GRCC") pending the appointment of a permanent Chair to replace Kalpana. Further details on the changes and recruitment process for a new independent Non-Executive Director are contained in the Nomination and Governance Committee report.

A key focus in 2024 was ensuring the smooth onboarding of Just's Group Chief Financial Officer, Mark Godson, and independent Non-Executive Director, Jim Brown, who were both appointed to the Board in late 2023. The Nomination and Governance Committee has continued to monitor the skills and capabilities needed to support the Group deliver its strategic objectives, and this will remain a focus in the year ahead.

BOARD AND COMMITTEE ACTIVITY

The Governance in Operation report describes the work of the Board and its Committees over the year. This has been a busy year for the Board and I would like to take the opportunity to highlight some of the main activities during and in respect of the 2024 financial year.

- The Board has been actively engaging on the Group's strategy, sustainability and change initiatives to ensure that it can achieve its growth ambitions in a controlled and sustainable manner.
- The Board was actively engaged in the oversight of the Group's largest single defined benefit de-risking transaction to date.
- The Board considered and approved proposed debt refinancing arrangements.

- The Board was briefed on new regulatory requirements including changes to the PRA's expectations on funded reinsurance arrangements and agreed changes to the funded reinsurance counterparty limits to ensure ongoing compliance with regulations.
- The Board assessed how the Group has embedded Consumer Duty requirements to ensure the delivery of good customer outcomes.
- The Nomination and Governance Committee reviewed succession plans, the Board Diversity, Equity, Inclusion and Belonging Policy, Board training schedules, and annual Board, Committee and Director performance reviews. It monitored plans to ensure compliance with the 2024 iteration of the Code. It also considered the Board's role in the oversight of Just's culture and behaviours, and agreed enhancements to reporting.
- The Group Audit Committee provided oversight of the preparation of the Group's Annual Report and Solvency II reporting. It was briefed on sustainability disclosure requirements, interest rate exposures and the Solvency UK matching adjustment reform, including matching adjustment attestation requirements. It appointed a new Director of Group Internal Audit who provided reports on internal controls and updates on assurance activities.
- The GRCC considered various risk matters during the year. This included a review of Just's risk appetites and stress and scenario testing results. Regular updates on conduct and customer risk matters, and regulatory developments were also received. Other areas of focus included the management of model risk, third party risk and technology risk.
- The Remuneration Committee discharged its delegated responsibilities for the remuneration arrangements for the Chair, Executive Directors and Senior Management during the year. It also reviewed workforce remuneration and related policies, and took into consideration the alignment of incentives and rewards with the Group's culture. The Remuneration Committee conducted a tender process and appointed Deloitte as its new remuneration consultant in late 2024. Further details on the tender process can be found on page 117.

An outline of the range of matters discussed at Board meetings during the year can be found on pages 82 to 83. More information on the work and activities of the principal Board Committees can be found on pages 94 to 122.

BOARD PERFORMANCE

Board evaluation is an important annual process and in 2024, there was an internal performance review facilitated by the Chair and Group Company Secretary. A key theme of the review focused on the interaction between the Board and its Committees, and the efficient operation of meetings. Further information on the review and the conclusions can be found in the Governance in Operation report.

The Board has assessed the performance, independence and time commitment of all of the Non-Executive Directors and concluded that they continue to be effective and meet all of the independence and time commitment expectations. The Board also believes that the mix of tenure and balance of skills is in the best interest of shareholders and recommends the re-election of all current Directors at the 2025 Annual General Meeting ("AGM").

STAKEHOLDER ENGAGEMENT

During the year, the Directors engaged with stakeholders in various ways. The Executive Directors met with numerous investors and potential investors, and the Non-Executive Directors took advantage of opportunities to engage with colleagues. The Relationships with stakeholders report and Section 172 statement contain more details of how the Board has considered our different stakeholders when making decisions.

ANNUAL GENERAL MEETING

The 2025 AGM will be held at 10.00am on 8 May 2025 at 1 Angel Lane, London EC4R 3AB.

The Directors were pleased with the support received from shareholders at the 2024 AGM with investors representing over 80% of the share capital voting and, of those, more than 90% of the votes were in favour of the resolutions.

On behalf of the Board, I would like to thank shareholders for their continued engagement and support. I would also like to thank our colleagues for their continued commitment and dedication to Just and our purpose. The Board and I look forward to engaging with our stakeholders in the year ahead.

JOHN HASTINGS-BASS
Chair
6 March 2025

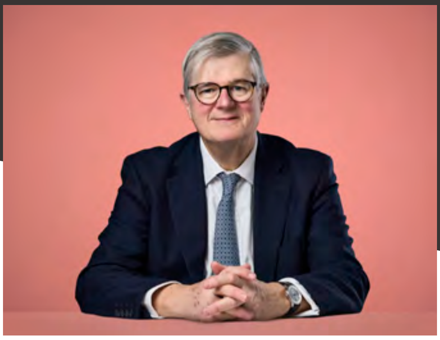
UK CORPORATE GOVERNANCE CODE 2018

The 2018 Code, which is available to view on the Financial Reporting Council's website is the standard against which we measured ourselves in 2024.

Details on how we have applied the Principles and complied with the Provisions set out in the Code and how governance operates at Just have been summarised throughout this Governance section and elsewhere in the Annual Report as set out below.

BOARD OF DIRECTORS

NON-EXECUTIVE CHAIR



JOHN HASTINGS-BASS

CHAIR

N M RE RI

Appointed: 13 August 2020 (5 years)

CAREER AND EXPERIENCE

John brings over 45 years of business experience in the insurance and reinsurance sectors and has undertaken the role of Chair in a number of publicly quoted and privately owned businesses.

John began his career in Hong Kong with Jardine Matheson in 1976. He moved to London and was latterly a Director of JLT Group and Chief Executive Officer of International Business Group. He joined Arthur J. Gallagher in 2007 as Chairman of International Development, leading the Asia Pacific business, and served as Chair of Novae Group plc from 2008 to 2017. In January 2015, John was appointed Non-Executive Chair of BMS Group, the private equity backed global insurance broking group, and in October 2022, he was appointed Chair of Dale Management Agency Limited.

John is a Trustee of the Landmark Trust and is Chair of its Audit Committee.

SKILLS AND COMPETENCIES

- Strong broad commercial skills in strategy, mergers and acquisitions
- High level of competency managing customer and financial adviser relationships through his brokering experience
- Extensive experience of all aspects of governance from over 15 years as an independent Non-Executive Director

CURRENT OTHER LISTED DIRECTORSHIPS

None

KEY INTERNAL DIRECTORSHIPS

- Director of Just Retirement Limited
- Director of Partnership Life Assurance Company Limited
- Director of HUB Financial Solutions Limited

EXECUTIVE DIRECTORS

DAVID RICHARDSON

GROUP CHIEF EXECUTIVE OFFICER

M

Appointed: 4 April 2016 (9 years)

CAREER AND EXPERIENCE

David was appointed as Group Chief Executive Officer on 19 September 2019. Prior to that David was Deputy CEO and Managing Director of the DB Solutions business. He was the CFO of Partnership Assurance Group plc from February 2013 until April 2016.

Since his appointment as Group CEO, David has focused on transforming the Group into a customer-focused leader in the retirement space, growing the business sustainably and profitably to create material value for shareholders.

Over a 30-year career David has gained deep and varied experience across long-term savings, life insurance, pensions and reinsurance sectors. Previously, David was Group Chief Actuary of Phoenix Group, where he was the Executive Committee member responsible for restructuring the group's balance sheet and enhancing its overall capital management. Prior to this, David worked in various senior roles at Swiss Re in the UK and US, across both its Admin Re and traditional reinsurance businesses. David commenced his career at Tillinghast.

SKILLS AND COMPETENCIES

- Extensive experience in long-term savings, life insurance, pensions and reinsurance
- Outstanding enterprise-wide executive leadership
- Strategic clarity supported by strong delivery
- Qualified Actuary
- Chartered Financial Analyst (CFA) charterholder

CURRENT OTHER LISTED DIRECTORSHIPS

None

KEY INTERNAL DIRECTORSHIPS

- Director of Just Retirement Limited
- Director of Partnership Life Assurance Company Limited

MARK GODSON

GROUP CHIEF FINANCIAL OFFICER

M

Appointed: 1 December 2023 (1 year)

CAREER AND EXPERIENCE

Mark brings over 20 years' experience in the insurance industry across several international markets, with particular expertise in delivering growth strategies, business transformation, commercial optimisation, and mergers and acquisitions. Prior to his appointment as Group Chief Financial Officer, Mark was a partner at Ernst & Young (EY), and leader of their UK Actuarial practice.

Prior to EY, Mark was a Director at Swiss Re, leading the pricing, structuring, and diligence of closed and open book transactions across Europe and USA.

Mark holds Executive responsibility for sponsorship of the Race Equality network.

SKILLS AND COMPETENCIES

- Significant international experience across the insurance industry
- Strong understanding of the markets the Group operates in
- Qualified Actuary

CURRENT OTHER LISTED DIRECTORSHIPS

None

KEY INTERNAL DIRECTORSHIPS

- Director of Just Retirement Limited
- Director of Partnership Life Assurance Company Limited
- Director of Just Retirement Money Limited
- Director of Partnership Home Loans Limited

PLC COMMITTEES
- A Group Audit Committee
- RE Remuneration Committee
- M Market Disclosure Committee
- N Nomination and Governance Committee
- RI Group Risk and Compliance Committee
- Committee Chair

JRL AND PLACL COMMITTEES
- A Audit Committees
- I Investment Committees
- Committee Chair

SENIOR INDEPENDENT DIRECTOR

MARY PHIBBS
SENIOR INDEPENDENT DIRECTOR

A A N RE RI M

Appointed: 5 January 2023 (2 years)

CAREER AND EXPERIENCE
Mary has more than 40 years of international business, retail and corporate finance, risk management, advisory and board experience in various countries.

Previous UK and overseas board experience includes serving as Chair of Virgin Money Unit Trust Managers Limited, and a Non-Executive Director of Morgan Stanley & Co International plc, Novae Group plc, New Day Group Limited, Friends Life Group plc, and the Charity Bank Limited. Mary has held senior positions at Standard Chartered Bank plc, ANZ Banking Group, National Australia Bank, Commonwealth Bank of Australia, and PricewaterhouseCoopers LLP.

Mary currently serves on the Board of the Institute of Chartered Accountants for England and Wales. She is also a Non-Executive Director of The Canada Pension Plan Investment Board (CPP Investments) in Toronto, and is Chair of its Risk Committee.

SKILLS AND COMPETENCIES
- Extensive experience in financial services including retail, insurance and investment management sectors
- Strong experience of financial, accounting, risk management and internal control matters
- Chartered Accountant (ACA, FCA)
- Fellow of the Institute of Chartered Accountants in England and Wales
- Fellow of the Institute of Chartered Accountants in Australia and New Zealand

CURRENT OTHER LISTED DIRECTORSHIPS
None

KEY INTERNAL DIRECTORSHIPS
- Director of Just Retirement Limited
- Director of Partnership Life Assurance Company Limited
- Director of Just Retirement Money Limited
- Director of Partnership Home Loans Limited

NON-EXECUTIVE DIRECTORS

JAMES BROWN (KNOWN AS JIM BROWN)
INDEPENDENT NON-EXECUTIVE DIRECTOR

RE RI I

Appointed: 1 November 2023 (1 year)

CAREER AND EXPERIENCE
Jim has considerable corporate finance, restructuring and mergers and acquisition experience, and has worked within the financial services industry throughout his career, latterly within the Retail and Commercial banking sector.

Jim was appointed as a Non-Executive Director of Secure Trust Bank plc on 31 March 2024 and as Chair on 16 May 2024. He was Chief Executive Officer of Sainsbury's Bank plc and a member of the Sainsbury's Group Operating Board until his retirement from such roles at the end of March 2024. Prior to this, Jim was Chief Executive Officer of Williams and Glyn between 2015 and 2017 and Chief Executive Officer of Ulster Bank in Northern Ireland and the Republic of Ireland from 2011 to 2015.

Internationally, Jim has held a number of senior roles in Asia, Australia and New Zealand, including Chief Executive Officer of Retail and Commercial Banking, Asia and the Middle East for RBS and ABN AMRO.

SKILLS AND COMPETENCIES
- Extensive experience of corporate finance, restructuring and mergers and acquisitions
- Highly competent in change management
- Certified Bank Director

CURRENT OTHER LISTED DIRECTORSHIPS
Secure Trust Bank plc

KEY INTERNAL DIRECTORSHIPS
- Director of Just Retirement Limited
- Director of Partnership Life Assurance Company Limited

MICHELLE CRACKNELL
INDEPENDENT NON-EXECUTIVE DIRECTOR

RE N A A

Appointed: 1 March 2020 (5 years)

CAREER AND EXPERIENCE
Michelle brings a wealth of strategic and customer behavioural experience, having spent over 30 years in senior roles in the regulated financial services industry.

Michelle was Chief Executive Officer of The Pensions Advisory Service from 2013 to 2018. Prior to that, she held Director roles in advice firms, pension providers and insurance companies.

In addition to Just Group, Michelle is a Non-Executive Director and Trustee of Lloyds Banking Group Pension Funds, Chair of FIL Wealth Management Limited, Non-Executive Director of FIL Holdings Limited and Financial Administration Services Limited. Michelle is also a Non-Executive Director and Chair of the Audit and Risk Committee of PensionBee Group plc, and a Non-Executive Director of Sport England and Chair of its Audit and Risk Committee. She is a Trustee of the charity, Orthogeriatric Research Fund.

SKILLS AND COMPETENCIES
- Broad knowledge and understanding of employee benefits
- Extensive experience in later life benefits and regulated financial services
- Chartered Actuary (Fellow)

CURRENT OTHER LISTED DIRECTORSHIPS
PensionBee Group plc

KEY INTERNAL DIRECTORSHIPS
- Chair of Just Retirement Money Limited
- Chair of Partnership Home Loans Limited
- Director of Just Retirement Limited
- Director of Partnership Life Assurance Company Limited
- Director of HUB Financial Solutions Limited

BOARD OF DIRECTORS continued

NON-EXECUTIVE DIRECTORS continued

MARY KERRIGAN

INDEPENDENT NON-EXECUTIVE DIRECTOR

I A A

Appointed: 1 February 2022 (3 years)

CAREER AND EXPERIENCE

Mary has considerable experience in the pensions, life insurance and investment industries, and is a former partner of Willis Towers Watson.

Outside of Just Group, Mary is a Non-Executive Director of New Ireland Assurance Company plc and Companjon Services DAC, and is Chair of their respective Risk Committees. She is also a Non-Executive Director of Aegon Asset Management UK plc and La Banque Postale Asset Management Limited. Mary is a member of the Independent Governance Committee of Prudential Assurance UK Limited and Trustee of The London Irish Centre.

SKILLS AND COMPETENCIES

- Considerable experience in the pensions, life insurance and investment industries
- Qualified Actuary
- Holds a Chartered Financial Analysts Certificate in ESG Investing

CURRENT OTHER LISTED DIRECTORSHIPS

None

KEY INTERNAL DIRECTORSHIPS

- Director of Just Retirement Limited
- Director of Partnership Life Assurance Company Limited

NON PLC INDEPENDENT NON-EXECUTIVE DIRECTORS

JOHN PERKS

LIFE COMPANIES' CHAIR

A I

Appointed: 1 April 2021 (4 years)

CAREER AND EXPERIENCE

John has significant experience in the life and pensions industry, with over 30 years of experience in the sector. He was previously Chief Executive Officer of Police Mutual and Managing Director of Life & Pensions at LV=. Prior to that, he held senior roles at Prudential, AXA and Swiss Life. At LV=, John was a "friendly competitor" of Just Group in many of its product markets, in addition to his role as Chief Executive Officer of its pension advice company, bringing important commercial and strategic perspectives to the Boards.

Outside of Just Group, John is Chair of HSBC Life (UK) Limited. He is also a Non-Executive Director of Mobius Life Limited, and is Chair of its Audit and Risk Committee.

SKILLS AND COMPETENCIES

- Considerable experience in the life and pensions industry
- Broad knowledge of the advice market and risk management
- Chartered Actuary (Fellow)

CURRENT LISTED DIRECTORSHIPS

None

KEY INTERNAL DIRECTORSHIPS

- Chair of Just Retirement Limited
- Chair of Partnership Life Assurance Company Limited
- Chair of HUB Financial Solutions Limited

KATHLEEN BYRNE (KNOWN AS KATHY BYRNE)

INDEPENDENT NON-EXECUTIVE DIRECTOR

I

Appointed: 1 February 2022 (3 years)

CAREER AND EXPERIENCE

Kathy Byrne has over 40 years' experience in the insurance industry and was previously Chief Executive Officer of the Metropolitan Police Friendly Society. A qualified actuary, Kathy started her career at consulting actuaries Hymans Robertson & Co and was Managing Director of Cardif Pinnacle's investment business unit. Prior to this she was their Group Actuarial Director.

Kathy has an MBA from Henley Management College and has served on the Institute and Faculty of Actuaries Council.

Outside of Just Group, Kathy is a Non-Executive Director of Amicorp FS (UK) plc. Kathy is also a co-founder and shareholder of Alpasión Vineyard, Mendoza, where she held a Non-Executive Director role until 2020.

SKILLS AND COMPETENCIES

- Considerable experience in the insurance and investment management industries
- Experience of providing strong innovation, marketing and product development
- Chartered Actuary (Fellow)

CURRENT LISTED DIRECTORSHIPS

Amicorp FS (UK) plc

KEY INTERNAL DIRECTORSHIPS

- Director of Just Retirement Limited
- Director of Partnership Life Assurance Company Limited
- Director of Just Retirement Money Limited
- Director of Partnership Home Loans Limited

PLC COMMITTEES

A Group Audit Committee
RE Remuneration Committee
M Market Disclosure Committee
N Nomination and Governance Committee
RI Group Risk and Compliance Committee
Committee Chair

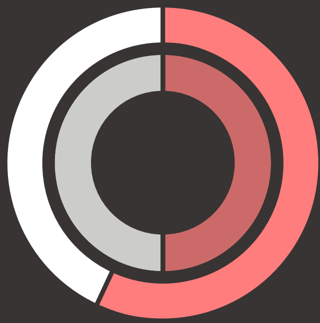
JRL AND PLACL COMMITTEES

A Audit Committees
I Investment Committees
Committee Chair

INDEPENDENCE

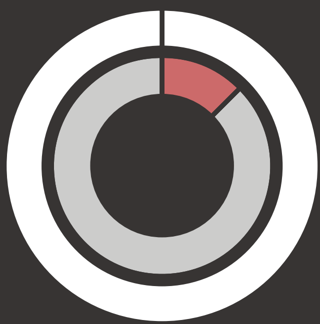
05 March 2025		
	Chair	1
	Executive Directors	2
	Non-Executive Directors	4
31 December 2024		
	Chair	1
	Executive Directors	2
	Non-Executive Directors	5

GENDER DIVERSITY



05 March 2025		
	Male	4
	Female	3
31 December 2024		
	Male	4
	Female	4

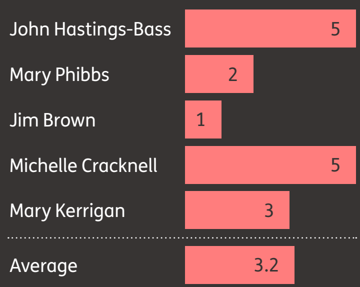
ETHNIC DIVERSITY



	05 March 2025	31 December 2024
Asian	0	1
Black	0	0
Mixed	0	0
White	7	7
Other	0	0

AVERAGE NON-EXECUTIVE DIRECTOR TENURE [1]

3.2 YEARS



Please note all statistics relate to Just Group plc only.

SKILLS AND COMPETENCIES

See the Nomination and Governance Committee report on **PAGE 97** for the Directors' skills and expertise matrix.

COMMITMENT TO DIVERSITY

The Directors recognise the benefits of having a diverse and inclusive Board. As part of the Non-Executive Director recruitment process in 2025 to fill a vacancy, the Nomination and Governance Committee will be mindful of the recommendations of the FTSE Women Leaders Review, the Parker Review and the diversity targets set out in the Listing Rules.

Further details on the recruitment plans are contained on **PAGE 95.**

1 As at 5 March 2025.

SENIOR LEADERSHIP

01.
DAVID RICHARDSON
GROUP CHIEF EXECUTIVE OFFICER

See David's Biography on **P72**

02.
MARK GODSON
GROUP CHIEF FINANCIAL OFFICER

See Mark's biography on **P72**

03.
DAVID COOPER
GROUP MARKETING AND DISTRIBUTION DIRECTOR

Role and experience

David is responsible for marketing, distribution and the Group's HUB business. He leads the Group's brand, insight and marketing activities, Group business development and is responsible for the Group strategy function. He is also the accountable Executive for all aspects of customer strategy including Consumer Duty. David holds Executive responsibility for sponsorship of the Older Workers Learning and Sharing network.

With 40 years in the financial services industry, David has operated in a number of sectors including retail banking, general insurance, personal credit, actuarial consulting and the retirement industry. He has worked for a variety of large organisations including GE Capital, Centrica, Bradford & Bingley and Hymans Robertson as well as much smaller growth businesses such as Stalwart Assurance, the business that developed enhanced annuities.

David is an Executive Director of various Just subsidiaries including HUB Financial Solutions Limited.

On behalf of Just, David is a Director of 55 Redefined Limited, a Group which delivers solutions that are targeted towards attracting, engaging, growing and retaining those in the 50+ demographic.

04.
ALEX DUNCAN
GROUP CHIEF RISK OFFICER

Role and experience

Alex is responsible for the oversight of risk management and compliance with financial regulation. He holds accountability, among others, for the firm's performance of its obligations under the FCA senior management and certification regime (SMCR); conduct rules training and reporting, countering the risk that the Company might be used to further financial crime; the Group's Own Risk and Solvency Assessment; the firm's Compliance; and Climate Change risk. Alex holds Executive responsibility for Just's implementation of its Sustainability strategy and for sponsorship of the Pride at Just network.

With over 35 years' experience in the financial services industry, Alex has held roles in reinsurance, investment banking, consulting, treasury, mergers and acquisitions, and capital management. Alex is a Chartered Actuary (Fellow) of the Institute and Faculty of Actuaries.

05.
ELLIE EVANS
GROUP CHIEF PEOPLE OFFICER

Role and experience

Ellie is responsible for the people and culture agenda, and plays an active role in delivering the Group's strategy and fostering Just's culture of inclusion, belonging and high performance. In her role, Ellie is focused on ensuring the Group possesses the necessary talent, leadership and capabilities to meet both current and future business needs. Her remit encompasses all facets of colleague experience, including engagement, the workplace environment, development, reward, belonging and inclusion, and sustainability. Ellie is, together with Paul Fulcher, the joint Executive Sponsor for Just's charitable activities.

Ellie has over 20 years of cross industry HR leadership experience in operational, talent, learning, engagement, organisational design and development roles. Prior to Just, Ellie has worked at companies such as BAA plc, BP plc, Volkswagen Group, ABF plc and most recently, BGl Group.

06.
PAUL FULCHER
GROUP CAPITAL MANAGEMENT AND INVESTMENT EXECUTIVE

Role and experience

Paul is responsible for Just's in-house Investment function, and for Capital Management. He leads on the first line management of Just's market, credit, demographic and reinsurance risks, and manages the Group Pricing function. Paul is the Executive Sponsor for the social mobility network Just Mobile, and, together with Ellie Evans, leads the Group's charitable activities.

Paul has 35 years of experience in the life insurance industry. Before joining Just, Paul was a principal at Milliman LLP, a life and financial services consulting firm. Prior to his time at Milliman, he spent six years at Nomura as a Managing Director, overseeing their Structuring and Insurance Solutions team providing solutions to insurers across Europe. He also worked in risk advisory and capital solutions roles for the Royal Bank of Scotland and UBS, and on mergers and acquisitions in the UK and Japan for HSBC and PwC. Paul is a Chartered Actuary (Fellow) of the Institute and Faculty of Actuaries.

07.
PRETTY SAGOO
MANAGING DIRECTOR, DEFINED BENEFIT SOLUTIONS

Role and experience

Pretty is responsible for the Group's de-risking (pension risk transfer) activities, providing security in retirement for members of corporate defined benefit ("DB") pension schemes that transfer to the Group. She also leads the DB business and proposition development for corporate pension schemes. Pretty holds Executive responsibility for sponsorship of the Diverse Abilities network.

Pretty has over 20 years of pensions and life insurance experience gained through a career in Investment Banking and Insurance. Prior to Just, Pretty was Head of New Business and Pensions at Athora, a European Insurance consolidator, where she was responsible for developing the new business franchise to support their growth. Pretty has also worked in pricing and execution for Legal and General, and insurance and pension solutions at Deutsche Bank.

Outside of Just, Pretty is a Trustee for the Mineworkers' Pension Scheme.

08.
PAUL TURNER
MANAGING DIRECTOR, RETAIL

Role and experience

Paul is responsible for the Group's retail businesses in the UK and South Africa. The retail business delivers retirement solutions to intermediated customers through insurance, investment and mortgage propositions. Paul holds Executive responsibility for sponsorship of the Women's and Men's Health and Wellbeing networks.

Paul has over 30 years' experience in the insurance industry. Prior to Just, Paul held various senior international roles at Swiss Re in Asia and Australia including the executive leadership of its life and health business for Southeast Asia based in Singapore, and Chief Underwriting Officer for Asia Pacific based in Hong Kong.

Paul is an Executive Director of various Just subsidiaries including our life companies, Just Retirement Limited and Partnership Life Assurance Company Limited. Outside of Just, Paul is a Just representative Director for EPPARG Limited.

01.
DAVID RICHARDSON

02.
MARK GODSON

03.
DAVID COOPER

04.
ALEX DUNCAN

05.
ELLIE EVANS

06.
PAUL FULCHER

07.
PRETTY SAGOO

08.
PAUL TURNER

GOVERNANCE IN OPERATION

The Just Group plc Board (the "Board") is committed to underpinning all of Just's activities with the highest standards of corporate governance to fulfil our purpose of helping people achieve a better later life. This report sets out our governance framework and how we have applied the principles of the UK Corporate Governance Code (the "Code").

OUR GOVERNANCE FRAMEWORK

Our Governance Framework is designed to embed strong governance and oversight processes and to ensure compliance with the Code. It covers the group of companies of which Just Group plc is the ultimate shareholder (the "Group"). An overview of the governance arrangements in place for the subsidiary companies is provided at the end of this report under the heading "Subsidiaries Governance".

BOARD OF DIRECTORS

The Board is responsible for the overall leadership of the Group and setting its purpose, values and strategy including the Group's sustainability strategy. The Board ensures our culture is aligned with our strategy, oversees our conduct and affairs, and promotes the success of the Group for the benefit of our shareholders and other stakeholders.

The effective working relationship between the Board and the Group Chief Executive Officer and the Group Executive team facilitates support and challenge through regular reporting and dialogue.

The Board delegates certain matters to its Board Committees. At each scheduled Board meeting, the Chairs provide an update on their Committees' activities.

GROUP CHIEF EXECUTIVE OFFICER

Responsible for the overall performance and day-to-day leadership of the Group.

GROUP EXECUTIVE COMMITTEE

Assists the Group Chief Executive Officer to discharge their duties.

Key responsibilities include:

- Implementing the strategy and business plan set by the Board.
- Executing plans to meet sustainability commitments.
- Development and oversight of culture and people initiatives.

BOARD COMMITTEES

GROUP AUDIT COMMITTEE

Responsible for monitoring the integrity of the financial statements, reviewing the effectiveness of the Group Internal Audit function, assessing the Group's internal controls and maintaining the external auditor relationship.

GROUP RISK AND COMPLIANCE COMMITTEE

Responsible for maintaining effective systems of risk management, compliance and internal control throughout the Group.

NOMINATION AND GOVERNANCE COMMITTEE

Responsible for reviewing Board and Board Committee composition and succession needs, proposes new Board appointments and oversees governance developments.

REMUNERATION COMMITTEE

Determines the remuneration policies for the Chair, Executive Directors, Senior Management and Solvency II identified staff. It is also responsible for the operation of share incentive plans and the oversight of gender and ethnicity pay gap reporting.

MARKET DISCLOSURE COMMITTEE

Oversees the identification of inside information and disclosure of information to the market to ensure the Company complies with relevant regulatory rules including the UK Market Abuse Regulation.

Underlying the governance framework between the Board, Board Committees, Group Chief Executive Officer and the Group Executive Committee, are various senior management committees and forums strengthening our governance and improving Board oversight.

SENIOR MANAGEMENT COMMITTEES AND FORUMS

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. The Senior Management Committees and Forums include:

BUSINESS AREAS' LEADERSHIP	BUSINESS CHANGE	INVESTMENTS	RISK MANAGEMENT	SUSTAINABILITY
• HUB Executive Committee • Retail Senior Management Team Committee • UK Corporate Business Senior Management Committee	• Executive Change Committee	• Asset Liability Committee • Credit Committee • Insurance Committee	• Executive Risk Committee • Conduct and Operational Risk Committee • Information Security and IT Risk Committee • Retail Conduct and Customer Risk Committee	• Sustainability Bond Forum • Executive Sustainability Steering Committee • Sustainability Working Group

CORPORATE GOVERNANCE STATEMENT

UK CORPORATE GOVERNANCE CODE 2018 COMPLIANCE

The Directors have assessed the Company's compliance with the 2018 Code for the year ended 31 December 2024. The Board has noted the 2024 iteration of the Code, which applies to the Company with effect from the financial year commencing 1 January 2025. As such, the Company will first report against the new Code in its next Annual Report in 2026.

The Board has considered and concluded that the Company applied the Principles and complied with all Provisions of the Code in 2024. Further details of how the Company applied the Code's Principles and complied with the Provisions are provided in the Chair's governance overview, Governance in Operation report and Board Committees' reports.

LEADERSHIP AND RESPONSIBILITY

ROLE OF THE BOARD

The Board is responsible for the overall leadership of the Company and establishing the Group's purpose, values, culture, standards and strategy. The Board promotes the long-term sustainable success of the Company, generating value for customers, shareholders, other stakeholders and the wider society.

The schedule of matters reserved for the Board contains items reserved for the Board to consider and approve relating to strategy and management, structure and capital, financial reporting and controls, internal controls and risk management, material contracts, Board composition and succession planning, corporate governance matters and delegations of authority.

The matters reserved for the Board are reviewed at least annually to ensure they remain appropriate and in line with best practice. Throughout 2024, the Board acted in accordance with the matters reserved for the Board.

The Board discharges some of its responsibilities through its Board Committees, which have terms of reference defining their roles and responsibilities that are reviewed and approved by the Board at least annually. The matters reserved for the Board and terms of reference of the principal Board Committees can be found at www.justgroupplc.co.uk/about-us/governance.

STRATEGY

The Board spends a significant amount of time during meetings reviewing, analysing and debating matters relating to Just's key strategic priorities, advising and shaping Just's strategic direction as needed. It is responsible for overseeing the execution of the Group's strategy and business plan, and receives regular updates on key strategic initiatives from the Group Chief Executive Officer and members of the Group Executive team. During the year, the Board considered and agreed the medium and longer-term strategy of the Group and its strategic goals and objectives at its strategy day and Board meetings. An overview of the Group's strategic priorities and business model can be found in the Strategic report on pages 14 to 17. More information on the Board's approach to its sustainability strategy is covered in the next section.

Technology is an area of focus for the Board and is taken into consideration as part of its discussions on strategic priorities and transformation initiatives. Rapid growth in digital tools and computing power presents both opportunities and risks for Just. To stay abreast of this topic, the Board received updates on the use of artificial intelligence and the implementation of the Group's technology strategy from the Group Chief Digital Information Officer. The Group Risk and Compliance Committee ("GRCC") received regular updates on cyber security risk, data protection and third party data risk, and it approved the updated cyber security strategy in 2024.

SUSTAINABILITY STRATEGY

The Board has set Just's sustainability strategy, which has three pillars:

- making a positive impact;
- leaving a responsible footprint; and
- creating a fair world.

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 in line with the Association of British Insurers ("ABI") climate change roadmap.

Mary Kerrigan has been appointed as the Sustainability Lead for the Board, and is responsible for ensuring the Board is appropriately discussing sustainability matters including climate change. Mary has functional expertise in sustainability and has completed the Chartered Financial Analyst's Certificate in ESG Investing. During the year, Mary regularly interacted with the Executive Sponsor for Sustainability and Head of Responsible Investment to engage on driving the sustainability agenda and to receive progress updates on various ESG initiatives. She also attended management's Executive Sustainability Steering Committee to engage with colleagues on sustainability initiatives and developments.

During the year, the Board considered its sustainability strategic priorities at its strategy day and received quarterly updates on the status of Just's commitment to meet net zero targets and various initiatives, including activity to increase engagement with Just's supply chain. The Board considered and approved the second iteration of Just's Transition Plan, which was published on our website in March 2024. It also assessed Just's readiness to apply to become a signatory of the UK Stewardship Code and authorised the submission of its application, which was approved by the Financial Reporting Council in July 2024. The first annual Stewardship Report, which sets out Just's stewardship priorities and how the Group has aligned with the 12 Principles of the UK Stewardship Code, was approved by the Board and is available to view on our website.

Further details on Just's sustainability strategy and story can be found in the Sustainability: TCFD report on pages 40 to 53, and on the Just website at www.justgroupplc.co.uk/sustainability.

GOVERNANCE IN OPERATION continued

DIVISION OF ROLES AND RESPONSIBILITIES

As at the date of this report, there are seven members of the Board: the Chair (independent on appointment), two Executive Directors and four Non-Executive Directors, all of whom are considered independent. John Hastings-Bass is the Chair and Mary Phibbs is the Senior Independent Director.

The Board believes that documented roles and responsibilities for Directors including a clear division of key 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.

The following table provides an overview of key Executive and Non-Executive accountabilities, which support the integrity of the Board's operations.

DEFINING BOARD RESPONSIBILITIES

CHAIR
- responsible for the effective leadership and governance of the Board but takes no part in the day-to-day running of the business;
- leads 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;
- ensures the Board determines the risk appetite of the Group and considers material risks when setting Just's strategy and business plan;
- leads the succession planning process (except his own succession) and chairs the Nomination and Governance Committee;
- encourages all Directors to contribute fully to Board discussions and decision making, and ensures that there is constructive challenge on major proposals;
- fosters relationships within the Board and provides a sounding board for the Group Chief Executive Officer on important business matters;
- identifies development needs for the Board and individual Directors;
- leads the process for evaluating Board and individual Director performance; and
- ensures effective communication with major shareholders, regulators and other stakeholders.

GROUP CHIEF EXECUTIVE OFFICER
- responsible for leadership of the business and manages it within the authorities delegated by the Board;
- proposes and develops the Group's strategy (including the sustainability strategy) and significant commercial initiatives;
- leads the Group Executive team in the day-to-day running of the business;
- ensures the Group's operations are in accordance with the business plan approved by the Board, including the Board's overall risk appetite, the policies established by the Board, and applicable laws and regulations;
- represents the Group's interests to external parties;
- maintains dialogue with the Chair on important business and strategy issues;
- recommends budgets and forecasts for Board approval;
- makes recommendations to the Remuneration Committee on Just's remuneration strategy; and
- leads the communication programme with shareholders, regulators and other stakeholders, and ensures the appropriate and timely disclosure of information to the stock market.

SENIOR INDEPENDENT DIRECTOR
- provides a sounding board for the Chair;
- serves as an intermediary for the other Directors when necessary;
- serves as an alternative channel of communication for shareholders and other stakeholders; and
- meets annually with each Non-Executive Director without the Chair present to appraise his performance and, as required, to address any other matters which the Directors might wish to raise.

GROUP CHIEF FINANCIAL OFFICER
- leads the actuarial, finance, investment operations and reporting, legal, company secretarial and tax functions;
- deputises for the Group Chief Executive Officer;
- proposes policy and action to support sound financial management; and
- engages with shareholders, analysts and other key stakeholders.

INDEPENDENT NON-EXECUTIVE DIRECTORS
- provide constructive challenge and scrutiny of the performance of management, and promote the highest standards of integrity and governance;
- bring an external perspective, knowledge and experience to the Board; and
- assist in the development of strategy and the decision making process.

GROUP COMPANY SECRETARY
- supports the Chair and provides guidance to aid the smooth functioning of the Board;
- ensures the Board receives high-quality information in adequate time and has access to appropriate resources;
- advises the Directors on corporate governance developments;
- facilitates Board performance reviews; and
- coordinates Director induction programmes and assists with their professional development.

DESIGNATED NON-EXECUTIVE DIRECTOR CHAMPIONS

Consumer Duty: supports the Chair and Group Chief Executive Officer in ensuring that Consumer Duty is raised in all relevant discussions and that the Board is challenging management on how it is delivering good consumer outcomes.

Employee Engagement: gathers the views of colleagues through employee engagement and provides an employee voice in the Boardroom.

Sustainability: supports the Chair in ensuring that sustainability matters are raised in all relevant discussions, and challenges and guides management on Just's targets and wider sustainability developments.

Whistleblowing: ensures and oversees the integrity, independence, and effectiveness of whistleblowing policies and procedures.

The Board has delegated responsibility for implementing the strategy and business plans, and for managing risk and operating effective controls across the business to the Group Chief Executive Officer who is responsible for the day-to-day leadership of the Group in accordance with the purpose, values, behaviours and culture set by the Board. The Group Chief Executive Officer has established a committee of senior executives to assist him with the discharge of the duties delegated to him by the Board (the "Group Executive Committee").

The Group Executive Committee is responsible for:

- implementing the strategy set by the Board and recommending strategic developments to the Board;
- business risk management and the oversight of the implementation of effective controls to manage and mitigate risks;
- executing plans to meet the sustainability commitments that the Board has set;
- recommending the business plan and budgets to the Board for approval;
- monitoring the Group's performance;
- implementing and oversight of processes which govern how we do business and how we interact with our stakeholders; and
- development and oversight of initiatives to ensure colleagues feel well led, managed and supported with opportunities for development.

There is also a Group Executive Risk Committee ("ERC") chaired by the Group Chief Risk Officer, which focuses on risk management across the Group. This includes oversight of risk appetite, risk controls, and regulatory and compliance matters. The ERC considers reports from management before they are presented to the GRCC.

CULTURE, VALUES AND BEHAVIOURS

The Board seeks to ensure that Just's culture, values and behaviours remain aligned with our purpose, recognising that they are integral to the success of Just. Our Directors are committed to growing and fostering a strong culture and values, and the Board monitors progress across the Group in a number of ways. Some examples of how the Board and its Committees monitor culture are provided below.

The Board's collective responsibility for safeguarding Just's culture is an important aspect of its role. It aims to set a clear tone from the top and lead by example through strong custodianship over the Just brand and promoting and embedding our values. During the year, the Nomination and Governance Committee reviewed a paper on the Board's role in assessing, measuring and monitoring culture. It considered and agreed various recommendations to enhance the Board's oversight in 2025 and beyond.

WHISTLEBLOWING

A healthy culture is one where everyone feels able to speak up, in the event of wrongdoing. Just's Whistleblowing Policy is reviewed and approved by the Group Audit Committee at least annually. Colleagues across the Group are encouraged to raise any matters of concern with our Group Company Secretary or anonymously through our dedicated and independent whistleblowing hotline or portal. The Group Company Secretary leads the review and response from relevant areas of the business, and raises the matters with the Group Audit Committee Chair, who is the whistleblowing champion. Regular reports are provided to the Group Audit Committee on the operation of the policy, including an overview of the steps taken to ensure colleagues are aware and understand the whistleblowing process and associated protections.

HOW THE BOARD MONITORS CULTURE

The following is a non-exhaustive set of examples of how the Board and its Committees monitor culture at Just.

INTERNAL COMMUNICATIONS
The Directors have access to HQ, Just's intranet, which publishes the latest news, updates on network activities and events, recognition articles, guidance material and the colleague magazine, US., which all provide an insight into culture at Just.

INFORMAL CHANNELS
Useful stakeholder feedback is received via informal channels that relates to or potentially impacts Just's culture or values, which can inform Board discussions or decisions.

COLLEAGUE ENGAGEMENT SURVEYS
The Board reviews results from colleague engagement surveys, which include questions on culture, and receives updates on action plans which are developed based on feedback received.

NON-EXECUTIVE DIRECTOR ENGAGEMENT
Non-Executive Directors participate in "Take on Board" sessions directly with colleagues. These sessions are framed around various themes including culture, diversity, inclusion, and remuneration alignment.

BOARD REPORTING
The Board receives regular updates from the Group Chief Executive Officer on major areas of focus, centred around the Group's strategic priorities, which include Be Proud to Work at Just. The Board also receives updates on colleague-related initiatives from the Group Chief People Officer.

REMUNERATION
The Remuneration Committee ensures that our approach to remuneration is aligned with Just's culture. It sets Short and Long Term Incentive Plan metrics, which are aligned with the Company's expected behaviours and values.

DIVERSITY, EQUITY, INCLUSION AND BELONGING
The Nomination and Governance Committee monitors Just's diversity, equity, inclusion and belonging strategy and the Board receives updates on the various initiatives undertaken by the business to create an inclusive workplace, which is a key element of our culture.

TOWN HALLS
The Group Chief Executive Officer leads regular interactive "Town Halls", which are important touchpoints in terms of promoting our culture and providing an opportunity for colleagues to hear and ask questions about key initiatives, results and events in an engaging format.

RISK CULTURE
Key risk indicators focused on risk culture have been developed that are reviewed bi-annually by the GRCC. This provides an opportunity for the Directors to consider positive developments and areas requiring more focus by the business.

CUSTOMER CALL LISTENING SESSIONS
During the year, some of our Directors attended a customer call listening session, which brought to life how our Customer Service Contact team provide the "Just" experience on calls with customers, as covered in more detail on page 61.

BOARD CHAMPIONS
The Board has designated specific responsibilities to various Non-Executive Directors in relation to Consumer Duty, employee engagement, sustainability and whistleblowing who provide updates to the Board on their insights.

WHISTLEBLOWING
The Group Audit Committee is responsible for the oversight of whistleblowing matters. It receives updates on whistleblowing activity, including incidents, investigations and outcomes.

GOVERNANCE IN OPERATION continued

BOARD ACTIVITIES

Set out below are the key focus areas of the Board during the year, their alignment to our Group strategic priorities and the decisions taken by the Board.

GROUP STRATEGIC PRIORITIES

- Grow sustainably
- Scale with technology
- Reach new customers
- Be recommended by our customers
- Be proud to work at Just

STRATEGY, CULTURE AND MANAGEMENT

- Held a Board strategy session to consider and agree refinements to the Group's strategy with a particular focus on our customers, Just's compelling purpose and ambition, performance momentum, financial strength and culture.
- Approved the Group's key strategic targets and priorities for the year.
- Received updates on the delivery of the Group strategy execution plan.
- Monitored progress of various initiatives to reach our carbon net zero targets, and received updates on climate matters.
- Received regular updates on sustainability matters and approved the Transition Plan and application to become a signatory of the UK Stewardship Code.
- Engaged on Just's reinsurance strategy.
- Considered resource capacity and capability requirements to meet the future needs of the business.
- Considered the Group's approach to the utilisation of artificial intelligence technology, and the opportunities and risks associated with its use.
- Received updates on the Change delivery programme.
- Monitored colleague engagement and culture initiatives, and received updates on diversity, equity, inclusion and belonging initiatives.
- Approved updates to the Diversity, Equity, Inclusion and Belonging Policy.
- Received detailed updates on strategically important initiatives for the Group.
- Conducted in-depth reviews of the strategy, including opportunities and challenges, of each of the Group's business areas.

Alignment to strategic priorities

STRUCTURE AND CAPITAL

- Assessed the Group's capital and liquidity requirements including optimisation of its Solvency II capital structure.
- Approved the continuation of the purchase of shares in the market through the Group's Employee Benefit Trust in order to meet exercisable share incentive awards.
- Approved debt refinancing arrangements.
- Engaged on internal loan refinancing arrangements.
- Approved resolutions for adoption by shareholders to permit the issue of new shares and Restricted Tier 1 ("RT1") capital for the 2025 AGM to create flexibility for the Group if required.
- Approved the payment of RT1 coupons in respect of RT1 notes.
- Approved the Capital Management Policy.

Alignment to strategic priorities

FINANCIAL PERFORMANCE AND INVESTOR RELATIONS

- Approved the business plan and targets, and monitored the Group's results against them.
- Approved the Group's half-year and annual financial results.
- Reviewed the dividend policy. Recommended the 2023 final dividend and declared the 2024 interim dividend.
- Approved the Group Solvency and Financial Condition Report for submission to the Prudential Regulation Authority.
- Received updates on investor activity, market and peer analysis, and share price performance.
- Reviewed broker reports on the Group and received feedback from investor meetings.

Alignment to strategic priorities

RISK MANAGEMENT AND INTERNAL CONTROLS

- Approved changes to risk appetites to continue to manage risks effectively.
- Considered risks to the Group's strategy and business plan.
- Approved the annual Group's Own Risk and Solvency Assessment ("ORSA") and ORSA Policy.
- Approved the annual operational resilience self-assessment.
- Engaged on the Group's financial resilience.
- Approved the Group's recovery plan in line with regulatory requirements.
- Received annual Chief Actuary validation reports.
- Considered reinsurance counterparty arrangements.
- Provided oversight of a material defined benefit de-risking transaction, including reinsurance arrangements, and approved a Matching Adjustment application.
- Provided oversight of Consumer Duty-related activities. Assessed progress against regulatory expectations and approved the first Annual Board Consumer Duty report.

Alignment to strategic priorities

GROUP STRATEGIC PRIORITIES

- Grow sustainably
- Scale with technology
- Reach new customers
- Be recommended by our customers
- Be proud to work at Just

BOARD AND BOARD COMMITTEE GOVERNANCE

- Received reports from the principal Board Committees.
- Approved updates to matters reserved for the Board and Board Committees' terms of reference.
- Approved updates to the Inside Information Policy and Securities Dealing Policy and Code.
- Received updates on regulated subsidiaries governance, initiatives and challenges.
- Convened the 2024 Annual General Meeting ("AGM").
- Conducted an internal performance review of the Board, Board Committees and individual Directors' effectiveness.
- Considered key changes to the Principles and Provisions of the Code and noted plans to ensure ongoing compliance.
- Reviewed changes to the UK Listing Rules relevant to Just.
- Received an overview of the Economic Crime and Corporate Transparency Act 2023 and its impact on Just.
- Approved the Company's Modern Slavery Statement.
- Attended a series of workshops and training sessions covering, amongst others, detailed updates on expense allocations and assumptions, stress and scenario testing, and sustainability matters.

Alignment to strategic priorities

MEETING ATTENDANCE

There were seven scheduled Board meetings in 2024 and an offsite to discuss the Group's strategy. All scheduled meetings were in-person with facilities for virtual attendance for those Directors who could only attend remotely. Various senior executives and external advisers were invited to attend and present on various business development and governance matters, as required.

The table below sets out Directors' attendance at the scheduled Board and Board Committee meetings in 2024. Additional Board and Board Committee meetings were convened during the year to discuss material transactions, and various governance and regulatory matters.

Papers were circulated before each meeting to give the Directors sufficient opportunity to consider the issues to be discussed. In exceptional circumstances where Directors could not attend some of the additional meetings, they had the opportunity to provide comments and raise any concerns to the Chair in advance of the meeting. The Group Company Secretary attended the Board meetings and he, or his nominated deputy, attended all Board Committee meetings. Minutes and actions are documented, and circulated following each meeting.

		Board	Group Audit	Group Risk and Compliance	Nomination and Governance	Remuneration
John Hastings-Bass	Chair	7/7	–	8/8	3/3	5/5
David Richardson	Executive Director	7/7	–	–	–	–
Mark Godson	Executive Director	7/7	–	–	–	–
Mary Phibbs	Senior Independent Director	7/7	6/6	8/8	3/3	5/5
Jim Brown	Non-Executive Director	7/7	–	8/8	–	5/5
Michelle Cracknell[1]	Non-Executive Director	7/7	–	–	3/3	5/5
Mary Kerrigan	Non-Executive Director	7/7	6/6	–	–	–
Kalpana Shah[2]	Non-Executive Director	7/7	6/6	8/8	–	–
Additional meetings held		2	0	0	0	0

1 Michelle Cracknell was appointed as a member of the Group Audit Committee on 31 January 2025.

2 Kalpana Shah resigned as a Director on 1 March 2025.

BOARD SUPPORT

The Group Company Secretary supports the Chair and the Board, which includes bringing all governance matters to the attention of the Board and delivering an annual programme of Board and Board Committee meetings, training and presentations from senior management, to ensure that each Director has sufficient information required to discharge their statutory duties, in a timely and effective manner.

Directors may seek independent professional advice at the Company's expense where they consider it appropriate in relation to their duties. All Directors have access to the advice and services of the Group Company Secretary and the Group General Counsel.

GOVERNANCE IN OPERATION continued

STAKEHOLDERS AND KEY BOARD DECISIONS

COLLEAGUES

Ensuring colleagues feel proud to work at Just remains a key strategic priority for the Board. During the year, we evolved our Just behaviours to support our future ambition as part of a culture centred on Just's purpose and high performance, where colleagues feel proud to work at Just.

Colleagues were invited to attend a series of engagement sessions with Non-Executive Directors branded as "Take on Board" in 2024. At all sessions, colleagues had the opportunity to ask questions on any matters of interest and provide feedback, which was an opportunity for the Directors to gain insight on what matters to our colleagues, and what requires the attention of the Board. In addition, the designated lead Non-Executive Director on employee engagement provided feedback to the Board on colleague-related matters as outlined in the spotlight on employee engagement.

SHAREHOLDER ENGAGEMENT

The Group maintained an open dialogue with its institutional shareholders and debt investors during 2024 through a programme of meetings undertaken by the Group Chief Executive Officer, Group Chief Financial Officer and the Investor Relations team. Equity-led post results roadshows were held in March and August/September 2024, in addition to two North America roadshows for prospective investors in May and October. Executive Directors and management attended multiple investor conferences throughout the year, where they met both debt and equity investors. They also provided briefings to brokers and non-brokers, and throughout the year hosted various events, roundtable discussions and one-to-one meetings with existing and prospective investors.

There was regular engagement with shareholders during 2024 on a number of important matters including the growth opportunities available to the Group, our market positioning and competitive threats, the investment strategy, capital management and allocation, and the regulatory environment following the Solvency UK reforms. Other topics included customer regulation such as the FCA's Consumer Duty and the retirement income thematic review, the effect of any pension reforms, people and culture, and proposition development.

The Investor Relations team provides regular reporting to the Board on investor activity, market and peer analysis, share price performance and investor feedback from meetings with the Chair, Executive Directors and the Investor Relations team. Analysts' and brokers' reports are also made available to the Directors and the Board receives detailed feedback from our corporate brokers following the results roadshow.

The Company's ordinary shares are covered by seven analysts. The Investor Relations team also maintains an open dialogue with non-covering analysts, banks, brokers, credit analysts and other market participants. Fitch continues to maintain their A/A+ credit ratings for subsidiaries of the Group, and reaffirmed a Stable outlook in November 2024.

During 2024, the value of the Company's ordinary shares increased by 89% to 162.40 pence at 31 December 2024, compared with the FTSE 250 life insurance index which decreased by 12%.

The Senior Independent Director and Committee Chairs are available for consultation with shareholders if they have concerns which are inappropriate to raise with the Chair, Group Chief Executive Officer or other Executive Directors.

Our 2024 AGM was held on 7 May 2024 in our London office. Shareholders were given the opportunity to raise questions in person at the AGM or via email in advance of the meeting. All resolutions were passed with at least 90% of those voting supporting the resolutions.

SPOTLIGHT ON EMPLOYEE ENGAGEMENT

Michelle Cracknell is the Employee Engagement Champion. She brings a wealth of experience and knowledge on colleague dynamics, culture and values, which is valuable for this role. A role profile has been developed for the Employee Engagement Champion role, which ensures that the Board complies with Provision 5 of the Code regarding engagement with employees.

Each year, Michelle follows an agreed plan of work in collaboration with the Group Chief People Officer, which uses all the channels of communication and fosters new engagement opportunities. The role profile and effectiveness of this employee engagement method has been reviewed as part of the annual Board and Director performance review process. It was concluded that it remains effective and adds value in ensuring that the Board considers employees in its decision making. It will remain unchanged in 2025.

Michelle had an active year. She met regularly with the Group Chief People Officer to discuss developments on colleagues, culture and wellbeing matters. She also engaged with colleagues on an informal basis in our Belfast, London and Reigate offices, and she attended a customer call listening session with members of the Customer Contact Service team.

Michelle introduced a new session on culture with senior leaders of the Company. This provided an interactive opportunity to engage on Just's approach to culture and gain an insight into how Just's culture has been embedded across the business.

As part of the Take on Board series in 2024, Michelle and the Group Chief People Officer hosted a session on remuneration matters and the alignment of Executive Directors' remuneration with the wider workforce, which created an opportunity for colleagues to ask questions and provide feedback.

Through these various forms of engagement, Michelle is able to provide feedback to the Board on her insight into what matters to our colleagues and important initiatives that support Just's strategic priority to ensure colleagues feel proud to work at Just.

"I'm grateful for the open and candid conversations I've had with various colleagues at Just. The insights gained are invaluable to help me fulfil my role as employee engagement champion."

Michelle Cracknell
Independent Non-Executive Director

CUSTOMERS

Just has a compelling, clear purpose to help people achieve a better later life. This is reflected in the strategic priorities set and monitored by the Board, which are described in the Strategic report on pages 16 to 17.

The Board is responsible for the oversight of Consumer Duty to ensure customers' needs are put first. It receives regular updates on customer initiatives and challenges management on its actions to ensure they are embedded across the business. In 2024, the Board assessed the Group's progress to fully comply with regulatory expectations and was satisfied that it is compliant. It approved its first annual Board Consumer Duty report and oversees initiatives to continue to enhance customer experiences. The GRCC regularly monitors conduct and customer risk metrics, and engages on the actions required to ensure the ongoing delivery of good customer outcomes. The Board has appointed Michelle Cracknell as its Non-Executive Director Consumer Duty Champion who meets regularly with relevant stakeholders in the business to engage on the Group's approach to ensure it achieves good customer outcomes. Michelle presented her insights on progress and areas requiring further investment to the GRCC during the year.

SUPPLIERS

The Board recognises the value that Just's suppliers provide to our business and it is committed to fostering strong business relationships with its third party service providers. Just's Procurement and Outsourcing Policy ensures high standards of honesty, impartiality and integrity are maintained in our business relationships. It ensures that contractual arrangements with third parties are undertaken with due regard for the associated risks. The Board monitors the third party register and approves any material contracts. The GRCC oversees the management of third party risks, including cyber risks. Further information on engagement with suppliers can be found in the Relationships with stakeholders report on page 59.

BEING A RESPONSIBLE CORPORATE CITIZEN

Just has a number of policies to ensure we operate in a socially responsible and compliant manner, reflecting our value of doing the right thing for all stakeholders, including customers, colleagues, shareholders, suppliers and wider society.

Anti-bribery and anti-corruption

The Board takes a zero tolerance approach to bribery and corruption. Our colleagues undertake regular training to ensure they understand their responsibilities to prevent financial crime. Just has a number of internal policies relating to anti-bribery and anti-corruption, which are not published externally, including a financial crime policy, which sets high level standards for the Group and colleagues to meet to manage the risks from financial crime.

The Board keeps abreast of activities by the Company to adhere to legislative and regulatory developments to reduce economic crime, including the prevention of fraud. At least annually, the GRCC receives reports from the Group's Money Laundering Reporting Officer on controls in place to prevent financial crime.

Data protection and privacy

The Board is responsible for ensuring that Just operates an effective control framework, which includes the need to safeguard customers and colleagues' personal data. Just has policies and processes to promote sound practices for the collection and processing of personal data, and training is provided to ensure colleagues understand their responsibilities. The GRCC oversees the management of data protection risk and receives a report at least annually from Just's Data Protection Officer on the effectiveness of Just's data protection framework and control environment.

Modern slavery and human rights

Just takes a zero tolerance approach to modern slavery and the Board is committed to uphold human rights throughout our business and value chain. Each year, the Board approves a modern slavery statement, which covers, among other matters, how modern slavery and human rights risk in Just's operations and value chain is assessed, due diligence that is performed and Just's policies and practices. The current statement can be found on our website at www.justgroupplc.co.uk.

Tax strategy

The Board is responsible for ensuring Just complies with all tax reporting and payment obligations in a timely and transparent manner. Each year, the Group Audit Committee considers and approves Just's tax strategy, which sets out the framework for managing taxes, including information on the Group's approach to tax risk management and governance. The current tax strategy is available to view on our website, www.justgroupplc.co.uk.

Community

As part of Just's key priority of creating a fair world, Just continues to support charity and local community initiatives which are relevant to our business, colleagues, customers and other stakeholders. In 2024, Just partnered with Hourglass, a charity whose mission is to end the harm, abuse and exploitation of older people in the UK. Just also has a Charity and Community strategy, which supports colleagues' fundraising (half matching each colleagues' funds up to £500). The Board received updates on the various volunteering events organised in 2024 as covered in more detail in the Colleagues and Culture report on pages 54 to 57.

Environment

As part of the Board's strategy on sustainability, Just has set net zero targets and is a signatory to the Stewardship Code. Further details on Just's sustainability initiatives can be found in the Sustainability: TCFD report on pages 40 to 53.

GOVERNANCE IN OPERATION continued

HOW THE BOARD CONSIDERED STAKEHOLDERS DURING THE YEAR

The Board sets the strategic direction, culture and values for Just. The Directors collectively have a diverse set of skills, knowledge, experience and stakeholder expertise, which assists the Board in making well-informed decisions, which promote the long-term sustainable success of the Company. At each Board meeting, detailed papers provide information on the impacts of decisions on stakeholders, including customer experience outcomes, sustainability considerations, and risks that require the attention of the Board.

The Group's Section 172(1) statement can be found in the Strategic report on page 61. The table below sets out examples of how factors under Section 172(1) of the Companies Act 2006 and engagement with stakeholders had fed into Board discussion and decision making on key topics. More information on Board engagement with stakeholders can be found on pages 58 to 60.

Section 172(1) factors:

- Long term
- Colleagues
- Business relationships
- Community and environment
- High standards of conduct
- Investors

CONSUMER DUTY

S172 factor considered:

Background
The Board is responsible for the oversight of Consumer Duty and, as part of its regulatory obligations, it must review a report, which sets out the results of its monitoring activities and any actions required at least annually.

How the Board approached it
In 2024, the Board received regular reports on the governance arrangements to embed Consumer Duty, the status of the delivery of the second phase of the Group's Consumer Duty programme and a detailed view of Just's reporting framework. Appropriate time was allocated during the Board meetings to give Directors the opportunity to challenge management on its approach to delivering good customer outcomes. In July 2024, the Directors considered an assessment of whether Just was delivering good outcomes for its customers, which were consistent with the Duty. As part of the review, the Directors considered whether there was any evidence of poor outcomes and if the experience of any group of customers was worse than others and why. The Board also reflected on the actions that had been taken to address any risks or issues identified by the business and whether the Group's future business strategy was consistent with acting to deliver good customer outcomes under the Duty.

The Board noted that implementing the Duty was a natural extension of the Group's business strategy and it was intrinsic to Just's purpose to help people achieve a better later life. The Board considered the various activities that had been undertaken as part of continuous development to deliver good customer outcomes and whether Just's practices were aligned with regulatory expectations.

The Board received an update on resourcing requirements to embed Consumer Duty across the business. The Directors discussed the steps that had been taken to ensure colleagues understood Just's approach to delivering good customer outcomes and noted that training and support was provided to ensure colleagues fulfilled their roles and responsibilities. In addition, the Remuneration Committee approved strategic performance metrics for senior management, which included measures aligned with the delivery of good customer outcomes.

Outcome
After assessing the work undertaken by the business to deliver good customer outcomes, and taking into consideration customer experience, regulatory expectations, colleagues' responsibilities and resourcing needs, and the long-term strategy of the business, the Board concluded that the Group was in full compliance and approved its first annual Board report on Consumer Duty.

The Board also agreed that there were opportunities to further enhance its data gathering and production of management information to monitor customer outcomes, which would be a main focus area for the business in the year ahead. The Board continues to receive regular updates on Consumer Duty and all papers must now include an explanation on the impact on customer experience and outcomes to aid the Board's oversight of the delivery of good customer outcomes.

FUNDED REINSURANCE COUNTERPARTIES

S172 factor considered:

Background
In 2024, the PRA published its new policy expectations in respect of funded reinsurance arrangements for life insurance firms. The Board considered the impact of the changes and what actions needed to be taken by Just to ensure compliance with the new requirements.

How the Board approached it
The Board received a detailed update on changes to regulatory requirements, which were published by the PRA in its Supervisory Statement (SS)5/24 in relation to funded reinsurance. The changes build on existing regulatory requirements and expectations that apply in respect of firms' reinsurance arrangements.

The Board assessed Just's alignment and compliance with the new regulatory requirements. As part of the discussions, the Board considered the Group's reinsurance strategy and the approach required to support the needs and growth ambitions of Just's Defined Benefits business, when determining what actions should be taken. One area of focus during the Board discussion was reinsurance counterparty limits. The Board revisited the current risk appetite noting that Just's reinsurance strategy and financial position had evolved over time, and it also took into consideration the new regulatory expectations from the PRA. An important focus area was the need to offer competitive prices to Just's customers, while also ensuring that appropriate processes and controls are in place to protect policyholders in the event that a reinsurer fails to deliver on its contractual commitments.

Outcome
After considering Just's long term reinsurance strategy and stakeholder expectations, the Board approved changes to the reinsurance counterparty risk appetite and associated limits.

DEFINED BENEFITS STRATEGY

S172 factor considered:

Background
The Board considered and refined the Group's strategy with clear, specific goals driven by appropriate priorities to be delivered sustainably and following the Just way. One of the strategic objectives for the business was to enhance the Group's capacity to support Defined Benefit ("DB") growth ambitions sustainably.

How the Board approached it
The Board considered Just's strategy and agreed on goals for 2024 and beyond, driven by appropriate priorities to fulfil its purpose of helping people achieve a better later life. The Group remains focused on achieving its growth ambitions, maintaining a sustainable capital model and reaching its environmental sustainability targets. It updated its strategic priorities to reflect its growth plans. The strategic objectives approved by the Board fall into five broad categories, namely, Grow sustainably, Scale with technology, Reach new customers, Be recommended by our customers and Be proud to work at Just. Sustainably building on the success of the DB business to date and enhancing brand awareness were themes which weaved through a number of the strategic objectives.

As part of the strategic objective to enhance the Group's capacity to support DB growth ambitions sustainably, the Board set a goal to write larger DB deals. In preparation for supporting larger transactions, the GRCC requested a detailed overview of the Large Deal Framework and the governance arrangements, which support its effective operation. The GRCC considered the processes that were followed to mitigate the risks that had been identified and drew comfort that there was a strong governance framework to ensure the smooth delivery of larger DB transactions.

During the year, the Board played an active role in the oversight of the successful completion of Just's largest defined benefit de-risking transaction, a £1.8bn full Buy-in covering the benefits of c. 22,500 pensioner and deferred members. As part of the discussions, the Board engaged on third party relationships and Just's operational readiness for the transaction. The Board considered the technological developments that had been made to enable the DB function to scale its business and it reflected on the importance of maintaining high standards of conduct to operate the DB scheme effectively and to protect Just's reputation.

The Board engaged on the reinsurance arrangements and associated regulatory expectations, and approved a new reinsurance counterparty for the transaction. The Board also kept abreast of resourcing requirements and the allocation of resources, and noted that there was strong and effective collaboration between teams, which led to the successful delivery of this transaction.

Outcome
The long term sustainability of the Group and associated impact on investors and customers were key considerations by the Board when determining the Group's strategic priorities. Further information on the Group's strategy can be found in the Strategic priorities report on pages 16 to 17. Scaling with technology has been an important focus area that has enabled Just to execute larger transactions and deliver excellent customer service.

The Board had a debrief on the transaction to reflect on what worked well and whether any processes could be enhanced in the future to ensure the Group maintains high standards of conduct to help achieve its sustainable growth ambitions for the DB business.

DEBT REFINANCING PROGRAMME

S172 factor considered:

Background
Just has issued Restricted Tier 1, Tier 2 and Tier 3 debt instruments, which have varying maturity dates. The Board considered the Group's debt structure and asked management to explore debt optimisation opportunities.

How the Board approached it
The Board is responsible for determining the Group's appetite for issuing debt instruments as part of its long-term strategic plans. During the year, the Board considered the Group's debt structure and maturity timelines, and noted that market conditions were favourable to potentially early refinance £405m of debt first callable/due in 2025. The Board asked management to explore the opportunities available and to present options for consideration.

A proposal to refinance a tranche of Tier 2 and Tier 3 debt into a larger single Tier 2 note was presented to the Board. The Directors took into consideration the financial implications of the proposal to repurchase the existing notes, including issuance costs for the new Tier 2 note and investor appetite. Feedback from the regulator was also taken into consideration.

The Board engaged on the sustainability credentials and their alignment with the Group's sustainability strategy. It was proposed that the new issue would be a Sustainability bond with proceeds invested in a mixture of qualifying Green and Social assets. Just's Sustainability Bond Framework was updated to include an overview of the Group's broad approach to investing and the specific type of assets that Just would invest in as part of the new issue.

Outcome
Once the Board approved the Tier 2 refinancing arrangements in principle, a Board Committee was authorised to consider the market conditions at launch and approve the final terms. Following approval, Just issued a Tier 2 note as covered in more detail on page 32. This issuance supports the long term success of the Company, meets debt investor demand and provides a reference pricing point for future debt issuance. It also is aligned with Just's sustainability strategy through investment in Green and Social assets.

GOVERNANCE IN OPERATION continued

DIVIDEND PAYMENTS

S172 factor considered:

Background
The Board considered the long term impact of payment of dividends on the Group's liability and solvency positions.

How the Board approached it
As part of the Board's considerations for the payment of a final dividend for the year ended 31 December 2023, the Board assessed the affordability and sustainability of a dividend with regard to the solvency position, business performance, and liquidity of the business across the plan period, and it reviewed the outcome of various stress and scenario tests. The Board also considered the impact of the dividend decision on shareholder expectations as it relates to the Group's dividend policy. A similar exercise was carried out when considering the Group's half year results.

The Board considered growth options and concluded that a 20% increase would be appropriate for the dividend payment due to the strong financial results for the financial year ended 31 December 2023 and projected growth plans for the Group. The 20% growth in total dividend was ahead of the 15% 2022 dividend growth rate.

Outcome
Following due consideration of the various matters, the Board agreed a 20% growth in total dividend and declared a final dividend of 1.50 pence per ordinary share, which was paid to shareholders in May 2024. An interim dividend of 0.7 pence per ordinary share was declared, which was paid to shareholders in October 2024.

DIVERSITY, EQUITY, INCLUSION AND BELONGING

The Board is fully committed to promoting diversity, equity, inclusion and belonging at Board and senior management level as well as throughout the Group. The Board has in place a Diversity, Equity, Inclusion and Belonging ("DEIB") Policy which sets out the Board's broader diversity strategy and plans alongside Just's approach to the diversity of the Board, its principal Committees and the Group Executive Committee. This policy was updated during the year to reflect updates to the Group's DEIB strategy to continue to strengthen Just's inclusive culture and sense of belonging. Our progress against our DEIB strategy and targets is underpinned by a range of initiatives, which are outlined in the Colleagues and culture report. The Board sponsor for DEIB is the Group Chief Executive Officer.

The Board satisfied the diversity targets set by the FTSE Women Leaders and Parker reviews, and 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. Recruitment is underway to fill a vacancy and one of the considerations as part of the search will be the Board's commitment to promoting diversity, and specifically, to satisfy the Parker review and Listing Rules targets on ethnicity.

In 2024, gender diversity across senior roles (grade 14+, 13% of colleagues) increased by six percentage points to 39% female, which exceeded our historic target to reach 33% by the end of 2023. As a signatory to the Women in Finance Charter, we have updated our target to state that 40% of our most senior population (Executive Committee and their direct reports) will be female by the end of 2026. As at 31 December 2024, 47% of this population were female. As a signatory to the Race at Work Charter, we are committed to ensuring our workforce is representative of the ethnic composition of the broader UK population. We have set an ethnicity target that more than 16% of our most senior population (recently updated to align with the new approach to gender reporting i.e. Executive Committee and their direct reports) will be ethnically diverse by the end of 2026. As at 31 December 2024, 16% of this population were ethnically diverse and we remain committed to maintaining progress against this target.

The tables below set out data about the gender and ethnicity of the Board and senior management as at 31 December 2024 (the Listing Rules reference date), in the format prescribed by the Listing Rules.

Gender diversity as at 31 December 2024	Number of Board members	Percentage of the Board (%)	Number of senior positions on the Board[1]	Number in executive management[2]	Percentage of executive management (%)
Men	4	50	3	8	80
Women	4	50	1	2	20
Other categories	0	0	0	0	0
Not specified/prefer not to say	0	0	0	0	0
Ethnic background as at 31 December 2024					
White British or other White	7	87.5	4	9	90
Mixed/multiple Ethnic Groups	0	0	0	0	0
Asian/Asian British	1	12.5	0	1	10
Black/African/Caribbean/Black British	0	0	0	0	0
Other ethnic group including Arab	0	0	0	0	0
Not specified/prefer not to say	0	0	0	0	0

1 Senior positions on the Board, as defined by the Listing Rules, comprise the Chair, Senior Independent Director, Group Chief Executive Officer and Group Chief Financial Officer.

2 Executive management, as defined by the Listing Rules and in line with the Code requirements, comprises members of the Group Executive Committee and the Group Company Secretary. The number of males and females in senior management positions in accordance with the Companies Act 2006 definition (includes Executive Directors of the Group's subsidiary undertakings but excludes Directors of the Parent Company) was 12 (86%) and 2 (14%) respectively as at 31 December 2024.

As set out in the above table, 50% of the Board and 20% of executive management (as defined by the Listing Rules) were female as at 31 December 2024. 12.5% of the Board and 10% of executive management were ethnically diverse. The data collected for the purposes of making this disclosure was received from the Directors on a voluntary basis. The data of our executive management and wider workforce is captured via the Company's internal HR system on a voluntary basis. Recognising that for some, gender identity can differ from that assigned at birth, all colleagues are offered the opportunity to volunteer their gender identity on our HR system.

The Board has delegated responsibility to the Remuneration Committee to oversee gender and ethnicity pay gap data and reporting. Just's median hourly gender pay gap decreased from 34.0% in April 2023 to 31.6% in April 2024 (mean hourly pay gap is 26.4% and has decreased by 4.9%). Our median hourly ethnicity mean pay gap decreased from -20.2% in April 2023 to -14.7% in April 2024, remaining in favour of our ethnically diverse colleagues (mean hourly pay gap of -2.3% has swung in favour of our ethnically diverse colleagues). Further details can be found in the gender and ethnicity pay gap reports at www.justgroupplc.co.uk.

BOARD PERFORMANCE REVIEW

In accordance with the Code, the Board conducts an annual performance review of the Board and its principal Committees to assess the effectiveness of its activities, the quality of its decisions, and the contributions made by Board members both individually and collectively. The 2024 performance review was conducted internally by the Group Company Secretary, led by the Chair. Each Director completed a questionnaire covering a broad range of topics, including strategy, risk, finance, people and culture, Board dynamics, composition, and succession. Additionally, Directors provided their views on key focus areas for the Board in 2025 and were given the opportunity to raise any other observations. As in previous years, the review also included the Boards of the regulated life companies, Just Retirement Limited ("JRL") and Partnership Life Assurance Company Limited ("PLACL"). This process aimed to assess the strengths, skills, culture, and decision making of the Board, and to identify any challenges and opportunities for improvement.

Subsequent to the questionnaire, the Group Company Secretary conferred with the Chair to review the conclusions and delivered a comprehensive written report to the Nomination and Governance Committee, followed by the Board. The Board considered the findings and determined the main actions. Each Committee Chair received detailed feedback regarding the effectiveness of their respective Committee for further evaluation and action.

The last external review was undertaken by Boardroom Review Limited in 2023. All actions necessitating further attention from the 2023 Board performance review were addressed throughout 2024, as outlined in the table below. In line with the Company's approach and the Code, the next externally led review is scheduled for 2026.

The Nomination and Governance Committee will monitor progress against the actions agreed from the performance review throughout the year to ensure that all areas that required further attention are addressed.

PROGRESS AGAINST 2023 REVIEW FINDINGS

Focus areas	Actions taken during 2024
Board administration	The Company's approach to Board governance was thoroughly reviewed by the Chair and the Nomination and Governance Committee throughout the year, with support from the Group Company Secretary. The recommendations were discussed with each Committee Chair, resulting in several administrative adjustments. These included allocating sufficient time for the presentation of new and ongoing strategic initiatives, scheduling sessions throughout the year dedicated to training, and arranging additional meetings when necessary, rather than extending existing ones. Throughout the year, paper templates were refined to offer improved guidance on information presentation. The primary focus was to ensure that there was sufficient detail regarding the discussions and challenges encountered during the development process of Board proposals.
Culture	Throughout the year, the Board placed significant emphasis on the topic of culture. With ongoing support from the Group Chief People Officer, the Board assessed and reviewed a comprehensive programme of cultural activities implemented across Just. This included updates received on the outcomes of the two employee engagement surveys conducted during the year, which offered insights into our colleagues' perceptions of the Company's culture. Further enhancements will continue to be made to the Board's oversight role in 2025, such as the presentation of a bi-annual report on culture to the Board. Additionally, the Board's designated Non-Executive Director for employee engagement, Michelle Cracknell, hosted a session with various senior leaders of the Company on the topic of culture and her insights, as well as the considerations being addressed by the Board.
Effective control environment	Ensuring that the control environment and three lines of defence remain effective and interconnected is of critical importance to the Board. In October 2024, an educational and insight session attended by members of the Group Audit Committee and GRCC was held, the purpose of which was to raise awareness of the new requirements to be introduced under Provision 29 of the revised Code, and to oversee any additional processes required to ensure compliance by 1 January 2026. The Board, supported by the Group Audit Committee and GRCC, will continue to closely monitor the effectiveness of the control environment and schedule further joint meetings as considered necessary throughout 2025.

GOVERNANCE IN OPERATION continued

2024 BOARD PERFORMANCE FINDINGS

The performance review of the Board yielded positive results, indicating significant progress in several key areas as compared to previous assessments. Notable areas included the adequacy of information provided to the Board regarding the Group's strategic initiatives, the involvement of stakeholders at the Board and its principal Committees, and the relationship between the Chair, Non-Executive Directors, and the Group Chief Executive Officer remains strong.

The review concluded that the Board, its Committees and individual Directors continue to operate effectively and demonstrate a high level of skills, knowledge and experience.

Several opportunities for improvement and refinement have been identified, as detailed in the table below. The Group Company Secretary has developed an action plan that will be overseen by the Nomination and Governance Committee, with periodic progress reports presented to the Board.

2024 BOARD PERFORMANCE FINDINGS

Focus areas	Commentary and actions for 2024
Information flow	It was acknowledged that as the business continues to grow, it is important to efficiently manage the flow of information to the Board to ensure timely and appropriate communication. Additionally, regard must also be given to the administration of the Board's annual rolling forward agenda. **Agreed actions by the Board:** • Conduct a comprehensive review of the administration and strategic planning related to the Board's annual rolling forward agenda. • Ensure that the information flow from the Committees to the Board is effective, considering the timeliness and appropriateness of the information being conveyed.
Board and Committee management	The effective management of the Board and its Committees is crucial for maintaining operational efficiency. While the review concluded that the Board and its Committees are effective, it was acknowledged that establishing guidelines would improve processes and provide clarity regarding both attendees' roles and Directors' expectations during meetings. **Agreed actions by the Board:** • Develop comprehensive guidelines for effectively managing the Board and its principal Committees, applicable to both attendees and Chairs. These guidelines should cover several key areas including meeting administration, attendance protocols, agenda alignment, and Directors' expectations.
Board and Committee composition	To support the Group's ongoing growth ambitions, it is important to ensure that the composition of the Board and its principle Committees remains appropriate in relation to its size, diversity and expertise, to continue to operate effectively. **Agreed actions by the Board:** • Conduct a review of the composition of the Board and each of the principal Committees, considering the appropriate size, diversity and expertise. • Continued focus on Executive and Non-Executive succession planning.

DIRECTORS' INDUCTION, TRAINING AND DEVELOPMENT

Upon appointment, all Directors receive a formal and tailored induction programme to ensure their smooth transition and to enable them to gain an understanding of the Company's purpose, vision, strategy, culture and values, alongside the governance framework, sustainability strategy and the opportunities and challenges facing our industry. The induction is tailored based on discussions with the Chair and the Group Company Secretary, considering existing expertise, business priorities, and any potential Board or Board Committee roles. The programme has evolved over time, culminating in a combination of senior management and advisor meetings, site visits, and a library of documents including past meeting papers and minutes, financial and operational plans and priorities, and compliance and regulatory information. The Group Company Secretary briefs new Directors on Company policies, Board and Committee procedures, and core governance practice, which includes Directors' duties and market abuse regulatory requirements.

SPOTLIGHT ON TRAINING

The Company is committed to fostering the continuous development of all employees and members of the Board, which is a core aspect of its culture and essential for Directors to effectively fulfil their responsibilities. Directors receive training on recent and forthcoming developments based on the annual Board skills and knowledge assessments and feedback from Directors, the Group Company Secretary, and other senior leaders to ensure their knowledge and skills remain current. Additionally, any Director may request further information or one-to-one sessions with management to support their individual duties or collective Board roles.

Furthermore, during the annual Board performance review, the Chair engages with each Director to discuss their training and development needs, which are subsequently incorporated into their development plan and Board training programme. Just also facilitates ongoing opportunities for Directors to enhance and update their skills, knowledge and familiarity with the Company in the areas mutually identified as beneficial.

Annually, the Nomination and Governance Committee reviews and approves the Board training programme, after which training sessions are scheduled throughout the year. These sessions typically consist of a live presentation followed by a question-and-answer segment, allowing Directors to delve into specific aspects of the presentation. The sessions not only enhance the Board's knowledge and skills but also provide them access to senior leaders and other Company experts below the Board and Executive levels who frequently conduct the training. Valuable insights are also obtained from external advisers.

SAMPLE OF TRAINING SESSIONS HELD DURING 2024

Sustainability disclosures	The session, facilitated by Ernst & Young ("EY"), updated the Board on the principal regulatory requirements and standards for sustainability disclosures pertinent to UK insurers. It also sought to clarify the responsibilities of the Board and Group Audit Committee, as well as to provide insights into the current and forthcoming landscape of sustainable technology.
IFRS and Solvency II balance sheets	The session, led internally by senior leaders from the Capital Management and Finance functions, refreshed the Board's knowledge and comprehension of the key components of the Company's IFRS and Solvency II balance sheets.
HUB advised propositions	The session, led internally by senior leaders of the Group Compliance function and the HUB business, provided an overview of the HUB business advice propositions, addressed mis-selling risks within the advice journeys, and discussed the broader regulatory environment.
Expense allocation	The session, led internally by a senior leader from the Finance function, refreshed the Board's knowledge of the process to allocate expenses across products and categories within the financial statements, and how expense assumptions feed into the setting of the maintenance basis.
Corporate Governance Code reform	The session, facilitated by Deloitte, informed our Directors of the upcoming requirements under Provision 29 of the revised Code. It aimed to provide a thorough cross-sector analysis of the processes being established or revised to ensure effective implementation of these new requirements.

GOVERNANCE IN OPERATION continued

AUDIT, RISK AND INTERNAL CONTROL

PREPARATION OF THE ANNUAL REPORT

The Board diligently ensures that a fair, balanced and understandable assessment of the Group's position and prospects is presented. The Board believes that the Annual Report delivers the essential information required for shareholders to assess the Group's position, performance, business model and strategy.

The going concern statement and a review of whether there are any material uncertainties to the Group's ability to continue to adopt the going concern basis of accounting in respect of the Annual Report is set out in the Group Audit Committee report and Directors' report. The Viability statement is on page 65.

ASSESSING EMERGING AND PRINCIPAL RISKS

The Board defines the nature and scope of risks it is prepared to undertake in pursuit of its strategic objectives by establishing its risk appetite framework. The Directors conducted a robust assessment of the emerging and principal risks facing the Group, including those that could affect its business model, future performance, and constraints on capital and liquidity. A detailed description of these principal and emerging risks, along with the procedures for identifying emerging risks, is provided in the section on principal risks and uncertainties.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

Throughout the year, the Board, with assistance of the Group Audit Committee and GRCC, as well as support from the Risk and Group Internal Audit functions where appropriate, monitored the Group's risk management and internal control systems and assessed their effectiveness. The Group Internal Audit function provides independent and objective assurance regarding the adequacy and effectiveness of the Group's controls to the Group Audit Committee annually. Further details on this review can be found in the Group Audit Committee report.

REMUNERATION

The Remuneration Committee focuses on determining and agreeing Just's remuneration policy and practices and reviewing their ongoing appropriateness and relevance. It ensures remuneration is strongly aligned to Just's purpose and strategy, encourages long-term stewardship and rewards individual contributions towards the success of Just.

Just's Directors' Remuneration Policy (the "Policy") was approved with over 95% of shareholder votes in favour at the Company's AGM on 9 May 2023. It is intended the Policy will apply for a period of up to three years and shareholders will be asked to approve the updated Policy at the 2026 AGM (or earlier if required). The full Policy is provided in the 2022 Annual Report, which is available on the Just website. The Directors' Remuneration report describes how the factors set out in the Code (clarity, simplicity, risk, predictability, proportionality and alignment to culture) are addressed in the Policy on page 121.

Further details on how the Remuneration Committee has complied with the Code in 2024 can be found on pages 108 to 122.

SUBSIDIARIES' GOVERNANCE

The governance of the Group's wholly owned subsidiaries (the "subsidiaries") is of paramount importance to the Board in ensuring that its strategy, purpose, values, and culture permeate all business areas. Due to the significance of the regulated life companies ("life companies") within the Group's business model, the Board conducts its meetings concurrently with the Boards of these companies. Additionally, it receives reports from other regulated entities as necessary regarding their activities and any significant issues or concerns. The Group Chief Executive Officer provides updates on the performance and key developments of the Group as a whole.

The Group Board Committees oversee matters within their remit to the extent relevant and necessary for the subsidiaries.

With the exception of JRL and PLACL which have established separate audit committees and investment committees as outlined below, the regulated companies have not established any separate Board Committees as it is more effective to manage any specific matters on a Group-wide basis.

The following provides an overview of the governance arrangements for our UK regulated entities.

REGULATED LIFE COMPANIES

JRL and PLACL are the Group's life companies. JRL serves as the primary operating entity within the Group, thereby exerting a strategic and substantial influence on the consolidated Group performance. The principal activities of JRL include underwriting premiums for Defined Benefit de-risking solutions, Guaranteed Income for Life solutions, the Secure Lifetime Income product, and residential lifetime mortgage solutions in the UK, in addition to servicing and administering existing policies. PLACL's principal activities focus on the orderly run-off of life assurance products and annuities, and writing new Care annuities in the UK.

Boards

Operating the life companies' Boards on a nested basis with the Board ensures the Group strategy and governance are aligned and implemented effectively. To maintain independence in mindset and decision making, the JRL and PLACL Boards include two independent Non-Executive Directors who are not Directors of Just Group plc. One of these Directors, John Perks, chairs the life company Boards. A separate section is included in the nested meeting agendas for JRL and PLACL business to ensure time is allocated for each Board to address matters specific to each respective company.

The matters reserved for the JRL and PLACL Boards have been documented and approved by their respective Boards. They are reviewed annually to ensure they reflect best practice and are aligned with the approach for other entities, where appropriate.

Board committees

Audit

The Boards of JRL and PLACL have established independent subsidiary audit committees to ensure effective oversight of financial reporting and internal controls, and to ensure compliance with relevant regulatory requirements. The JRL and PLACL Audit Committees primarily convene concurrently with the Group Audit Committee. During these meetings, topics of mutual interest are discussed simultaneously from the perspective of each respective Committee. Dedicated time is allocated, when necessary, to address issues specific to each company. Each of the JRL and PLACL Audit Committees comprise one independent Non-Executive Director who is not a Director of Just Group plc, ensuring an independent focus and adherence to good governance practices. The terms of reference, which outline the scope and delegated responsibilities of each Committee, are reviewed and approved by the JRL and PLACL Boards at least annually.

Investment

The Boards of JRL and PLACL have delegated responsibility for the oversight of investment activities within an investment management governance framework to the JRL and PLACL Investment Committees.

Key responsibilities include:

- recommending the investment framework, material changes to the investment strategy and any major strategic initiatives to the JRL and PLACL Boards for approval;
- overseeing 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;
- reviewing climate-related risks to the investment portfolio;
- reviewing the performance of external investment managers and the effectiveness of reporting procedures; and
- approving the 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 held two meetings on a nested basis with the GRCC in 2024 to consider investment risk related matters.

The terms of reference, which set out the scope and delegated responsibilities of each Committee, are reviewed and approved by the JRL and PLACL Boards at least annually.

REGULATED DISTRIBUTOR

HUB Financial Solutions Limited specialises in offering comprehensive financial retirement solutions and distributing products tailored for the at-retirement and in-retirement market. The Board consists of three Non-Executive Directors and one Executive Director, and it is chaired by John Perks. During the year, there were four scheduled Board meetings, along with an additional strategy session. The matters reserved for the Board are documented and approved by the Board.

REGULATED LIFETIME MORTGAGE PROVIDERS

The principal activity of the regulated lifetime mortgage providers, Just Retirement Money Limited ("JRML") and Partnership Home Loans Limited ("PHLL"), is the origination and administration of loans secured by residential mortgages. Each Board comprises three Non-Executive Directors and two Executive Directors, and it is chaired by Michelle Cracknell. Four scheduled meetings were held during the year. The matters reserved for the JRML and PHLL Boards are documented and approved by the respective Boards.

NOMINATION AND GOVERNANCE COMMITTEE REPORT

"This report outlines the key areas of focus and activities carried out by the Nomination and Governance Committee during the year ended 31 December 2024 and priorities for the year ahead."

JOHN HASTINGS-BASS
Chair, Nomination and Governance Committee

ROLE

The Nomination and Governance Committee (the "Committee") is responsible for regularly reviewing the structure, size and composition of the Board and its Committees, and where appropriate makes recommendations to the Board for the orderly succession of Executive and Non-Executive Director appointments. It oversees the refreshment of the Board and its Committees, 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 Committee is also responsible for keeping under review compliance with the UK Corporate Governance Code (the "Code"), monitoring emerging trends in, and consultations on, corporate governance matters, considering the potential effect on the Group's governance arrangements and recommending any relevant changes to the Board, as appropriate, on matters including the corporate governance framework of the Group. It is responsible for overseeing the induction, training and continuous professional development of the Group's Directors.

The full responsibilities of the Committee are set out in its terms of reference, which are reviewed annually and can be found at www.justgroupplc.co.uk/about-us/governance.

REVIEW OF THE YEAR

The Committee continued to focus on maintaining strong and effective leadership at Just, aligned to the skills, knowledge, experience and diversity needed to support the Group's delivery of its growth ambitions. Three scheduled meetings were convened during 2024. The Group Chief Executive Officer and Group Chief People Officer were invited to attend the meetings during the year. Other Group executives and senior managers were invited to attend meetings, where appropriate, to report on their areas of responsibility.

KEY HIGHLIGHTS IN 2024

- Reviewed Board composition, Non-Executive Director independence and time commitment.
- Assessed the performance of the Board, its principal Committees and individual Directors.
- Recommended the re-election of Directors.
- Considered Director and senior management succession plans and contingency arrangements.
- Agreed the Board training requirements and schedule for 2025.
- Recommended updates to the Board Diversity, Equity, Inclusion and Belonging Policy.
- Formalised requirements for Board champion roles.
- Considered the Board's compliance with the 2018 Code in 2024.
- Ongoing oversight of compliance with 2024 iterations of the Code.
- Considered and agreed recommendations to enhance the Board's oversight of Just's culture.
- Engaged on principles for the future operation of Board and Committee meetings.

AREAS OF FOCUS

The Committee follows an annual rolling forward agenda with standing items considered at each meeting in addition to any matters arising and topical issues which the Committee has decided to focus on. The key focus areas for the year are covered in the sections below.

BOARD LEADERSHIP

COMPOSITION

The composition, skills, experience and diversity of the Board continued to be assessed by the Committee during the year. The Committee considered whether there is a diverse mix of skills, knowledge, expertise and backgrounds to enhance decision making, reduce the risk of groupthink and support the robust management of risk.

As part of the skills and competency review, the Committee considered the Directors' current attributes, which are set out in the skills and expertise matrix on page 97. The Board comprises individuals with significant financial services and actuarial experience, which continues to be valuable in supporting the complex matters that arise in the business. The Committee considered the needs of the Board to support the Group's growth ambitions. The short term priority is to appoint an additional independent Non-Executive Director with relevant risk management expertise.

The Committee determined that the current mix of Executive and Non-Executive Directors is appropriate, preventing the Board from being too large and ensuring that it remains predominantly independent. The Committee was also satisfied that there is collective experience, expertise, diversity and cultural alignment to set and challenge the Group's sustainable longer-term strategy and understand the needs of the business to achieve its growth ambitions.

To ensure that the Directors maintain relevant skills and knowledge of the Group, their training needs are reviewed regularly. A comprehensive training programme is in place as covered in more detail in the Governance in Operation report.

BOARD AND COMMITTEE CHANGES

In January 2025, Kalpana Shah informed the Board of her decision to resign as an independent Non-Executive Director as of 1 March 2025. The Committee is leading the recruitment process for the appointment of a new independent Non-Executive Director and Chair of the Group Risk and Compliance Committee ("GRCC"). A summary of the process is shown on the last page of this report. A role specification has been agreed by the Committee and the Board's commitment to recruiting diverse talent is an important consideration as part of the search process. External search consultancy, Russell Reynolds Associates ("RRA"), which has no connection to the Company or any Director, has been appointed to facilitate this search. RRA has adopted the voluntary code of conduct addressing gender diversity and best practice in search assignments. On 31 January 2025, Michelle Cracknell was appointed as a member of the Group's Audit Committees. The Committee was satisfied that Michelle has relevant experience and insight to bring valuable contributions to the Audit Committees' deliberations. Following consideration by the Committee and the Board, I have been appointed as interim Chair of the GRCC to ensure its smooth operation pending the appointment of a new Committee Chair.

CONFLICTS OF INTEREST

Each Director has a duty to disclose any actual or potential conflict of interest, as defined by law, for consideration and approval by the Board. This requirement is supported by an annual authorisation process, in which the Committee reviews the Directors' conflicts of interest register and seeks confirmation from each Director of any changes or updates to their position.

INDEPENDENCE

The independence of the Non-Executive Directors was considered by the Committee as part of the Board performance review. The independence criteria set out in the Code was taken into consideration as part of the review in addition to the Directors' conflicts of interest.

The Committee concluded that over half of the Board (excluding the Chair) are independent in the manner required by the Code and that they continue to demonstrate independence in both character and judgement. Each of the current Non-Executive Directors that

COMPOSITION

MEMBERS	
John Hastings-Bass	Chair
Michelle Cracknell	Independent Non-Executive Director
Mary Phibbs	Senior Independent Director

There has been no change in membership during the year.

Committee meeting attendance can be found on **P83**. Biographies of Committee members can be found on **P72-74**.

GENDER DIVERSITY

05 March 2025	
Male	1
Female	2
31 December 2024	
Male	1
Female	2

ETHNIC DIVERSITY

05 March 2025	
Asian	0
Black	0
Mixed	0
White	3
Other	0
31 December 2024	
Asian	0
Black	0
Mixed	0
White	3
Other	0

NOMINATION AND GOVERNANCE COMMITTEE REPORT continued

were considered to be independent during the year are identified on pages 72 to 74. Additional measures are in place to support Director independence, which include meetings between the Chair and Non-Executive Directors, individually and collectively throughout the year, without the Executive Directors present.

TIME COMMITMENTS

The expected time commitment of the Non-Executive Directors is agreed and set out in writing in a letter of appointment, and the need for availability in exceptional circumstances is recognised. The Committee supports the Board by ensuring that the Directors have sufficient time to meet their obligations. Any additional external appointments may only be accepted following approval by the Board. Non-Executive Directors are expected to avoid holding an excessive number of external appointments.

As part of the annual performance review of the Directors, the Committee considered each Non-Executive Director's time commitments and whether they continued to have sufficient availability to perform their roles. The Committee assessed and confirmed to the Board that the Non-Executive Directors devoted sufficient time to effectively discharge their obligations to ensure the long-term sustainable success of Just. The other Directorships of the Non-Executive Directors are set out in their biographies. No Director is appointed to the Board of any FTSE 100 company.

SUCCESSION PLANNING

BOARD SUCCESSION

The Committee continued to oversee the succession planning process for the Board in 2024 to fulfil its responsibility to proactively plan for an orderly succession of Directors to ensure continuity and the retention of relevant skills, knowledge and expertise. The Committee reviewed the current tenure of the Non-Executive Directors and was satisfied that no immediate action was required. As part of the review, the Committee considered contingency plans to ensure the continued smooth operation of the Board and Committees in the event of any unplanned changes to the Board.

SENIOR MANAGEMENT SUCCESSION

The Committee regularly reviews succession plans for the Group Executive Committee and Group Company Secretary to ensure they are orderly and aligned with Just's strategic objectives. As part of the review during the year, the Committee identified immediate emergency successors for critical roles to mitigate risk events and candidates with a longer-term development trajectory. The Committee remained satisfied that the plans were comprehensive and robust.

DIVERSITY, EQUITY, INCLUSION AND BELONGING

The Board's strategy reinforces Just's commitment to drive progress on all aspects of diversity, equity, inclusion and belonging ("DEIB") with a pledge to build a culture at Just that has DEIB at its core. The Board DEIB Policy (the "Policy") was reviewed by the Committee during the year. The Committee recommended, and the Board subsequently approved, changes to the Policy to reflect updates to the Group's DEIB strategy. The Committee considered the 2024 iterations to the Code, which has removed the list of diversity characteristics that should be considered when promoting diversity, inclusion and equal opportunity in recognition that diversity characteristics are wide ranging. The Committee was comfortable that the Policy already encompassed all aspects of diversity within Just, therefore no changes were required to meet the new Code requirements.

As at 31 December 2024, the Board met the three targets on Board diversity set out in the FCA Listing Rule 6.6.6 (9). The Senior Independent Director is female and one Non-Executive Director was from a minority ethnic background. As set out in a table on diversity in the Governance in Operation report on page 88, 50% of the Board and 20% of executive management (as defined under the FCA Listing Rules) were female as at 31 December 2024. As at the date of this report, the ethnicity target is temporarily not met.

The Committee fully supports Just's commitment to all aspects of diversity, including gender, race, sexuality, neurodiversity and disability, and welcomes the steps taken with respect to gender and ethnic diversity as a signatory to the Women in Finance Charter and Race at Work Charter. A focus as part of succession planning in 2025 will be to meet the FCA Listing Rule target on ethnic representation on the Board.

BOARD AND COMMITTEE EFFECTIVENESS

As part of the annual performance review of the Board, its principal Committees and individual Directors, the Committee considered and approved the proposed questionnaires and timeline of the exercise.

There was an extensive discussion on the findings from the review and feedback provided by the Chair on his assessment of the individual Directors overall performance. The Senior Independent Director also provided feedback on her review of the Chair. Various recommendations were subsequently approved by the Board.

Progress against the delivery of these actions will be monitored by the Committee during the year. Further details on the approach taken and outcomes of the review can be found in the Governance in Operation report.

DIRECTOR RE-ELECTION

The Committee has considered the Directors tenure and independence, and balance of skills, knowledge and experience of the Board as well as taking into consideration the requirements of the FCA Listing Rules. The Committee and the Board believe that the current composition of the Board is in the best interests of our stakeholders, and that the Non-Executive Directors continue to challenge appropriately and act independently. Consequently, all current Directors will be standing for re-election at the Company's Annual General Meeting on 8 May 2025 to serve on the Board to promote the long-term success of the Company.

CORPORATE GOVERNANCE

CHANGES TO THE CODE

The Committee monitors emerging trends and requirements on governance matters, and ongoing compliance with the Code. During the year, the Committee considered a gap analysis of the 2024 iteration of the Code and monitored the status of actions that had been agreed to ensure ongoing compliance with the Code.

BOARD AND COMMITTEE OPERATION

The Committee considered the operation of the Board and its Committees, and the decision making process. At the start of each scheduled Board and Committee meeting, there is a private session for the Non-Executive Directors to discuss any pertinent matters or concerns without management present. There is also a standing agenda item for meeting participants to discuss the effectiveness of the meeting and quality of papers, which provides an opportunity to agree on any enhancements that could be made in future.

During the year, the Group completed its largest ever Defined Benefit de-risking transaction and the Committee Chair asked the Group Company Secretary to consider the governance process to ensure it was appropriate to oversee similar material developments in future. Following engagement with key stakeholders, the Group Company Secretary presented his findings to the Committee, which included various administrative recommendations. After considering the Group Company Secretary's observations, the Committee was satisfied that the governance arrangements were effective.

The Chair discussed the efficient operation of the Board and Committees with each of the Directors to identify opportunities to streamline processes across all Board and Committee meetings, where sensible. Following consideration of the feedback received, guidance will be drafted for review by the Committee before it is presented to the Board for adoption by the Directors.

BOARD CHAMPIONS

The Board has designated specific responsibilities to various Non-Executive Directors in relation to Consumer Duty, employee engagement, sustainability and whistleblowing. During the year, formal role profiles were developed with input from the respective Non-Executive Directors for consideration and approval by the Committee. The role profiles will be reviewed by the Committee on an annual basis as part of the Board and Director performance reviews. An extract of a role profile is provided below.

CONSUMER DUTY CHAMPION – ROLE PROFILE EXTRACT

The Non-Executive Director is expected to:

- meet regularly with stakeholders to ensure good customer outcomes;
- meet on a quarterly basis with the Director of Compliance;
- periodically attend the GRCC to present their insights on progress; and
- provide support to management on all papers with a Consumer Duty theme.

CULTURE

The Committee considered the Board's approach to assess, measure and monitor Just's culture and its alignment with the expectations of the Code. There was a discussion on proposed enhancements to the Board's oversight role and it was agreed that a bi-annual report on culture will be presented to the Board in future. An overview of the Board's role in the oversight and embedding of Just's culture is included in the Governance in Operation report.

PRIORITIES FOR THE YEAR AHEAD

The focus of the Committee for the year ahead is to continue to strengthen the effectiveness of the Board's governance and oversight framework, and to oversee the implementation of the 2024 iteration of the Code. Director recruitment and induction, and succession planning will also be key areas of focus in 2025.

On behalf of the Nomination and Governance Committee

JOHN HASTINGS-BASS

Chair, Nomination and Governance Committee
6 March 2025

BOARD RECRUITMENT AND SUCCESSION PROCESS

STAGE 1
Confirm objective of the process and role specification

STAGE 2
Engage an external recruitment firm and set out process

STAGE 3
Assess how the specification can be met through a longlist

STAGE 4
Review technical and cultural fit to agree a shortlist

STAGE 5
Identify the preferred candidate to recommend to the Board

BOARD SKILLS AND EXPERTISE TO SUPPORT LONG-TERM SUCCESS

The skills and expertise matrix below sets out a high level of skills and experience that the Non-Executive Directors have assimilated outside of their Board role at Just. The collective position is enhanced by the innate differences in approach and thinking styles, which results from the diverse background and experience of each individual as set out in their biographies on pages 72 to 74.

Core skills ■ Secondary skills □

	John Hastings-Bass	Jim Brown	Michelle Cracknell	Mary Kerrigan	Mary Phibbs
SECTORAL EXPERIENCE					
Insurance/Financial Services	■	■	■	■	■
Pensions	□		■	■	■
Equity Release	□	■	□	□	■
FUNCTIONAL EXPERTISE					
Actuarial			■	■	□
Customer Experience	■	■	■	■	□
Digital/Fintech	□	■	■	□	■
Finance/Audit/Accounting	□	■	□	■	■
Mergers and Acquisition	■	■	■	□	□
Remuneration	■	■	■	□	■
Risk Management	■	■	□	■	■
Sustainability	□	□	□	■	■
OTHER					
Financial Services Regulation	■	■	■	■	■
Listed Board Experience	■	■	■	□	■

GROUP AUDIT COMMITTEE REPORT

"I am pleased to present my report on behalf of the Group Audit Committee for the year ended 31 December 2024. This report outlines the main activities and areas of focus during the year."

MARY PHIBBS
Chair, Group Audit Committee

ROLE

The Group Audit Committee (the "Committee") is responsible for assisting the Board in discharging its responsibility for oversight of the Group's financial and solvency reporting, and the effectiveness of the Group's systems of internal controls and other related activities. The Committee is also responsible for the oversight of the work and effectiveness of the Group Internal Audit function and the external auditor.

The Committee is responsible for considering the above matters from the perspective of the Company together with the Audit Committees of each of the Group's life companies, Just Retirement Limited ("JRL") and Partnership Life Assurance Company Limited ("PLACL"), as well as from the perspective of any other Group entity as deemed appropriate. The Committee works closely with other Committees, in particular the Group Risk and Compliance Committee ("GRCC"), with close co-operation between the Chairs of these Committees. The Chair of the Committee is also a member of the GRCC. This ensures that the Audit Committee agenda is focused on higher risk areas and the results of internal and external audit work can be used to inform the work of the GRCC.

The full responsibilities of the Committee are set out in the terms of reference, which are reviewed annually and can be found at www.justgroupplc.co.uk.

COMMITTEE MEMBERSHIP

The Committee currently comprises three independent Non-Executive Directors. Kalpana Shah was a member throughout 2024 until 1 March 2025 when she resigned as a Director of the Company. Michelle Cracknell was appointed as a member of the Committee on 31 January 2025. Collectively the members bring a diverse array of financial and commercial expertise essential for the necessary fulfilment of the Committee's responsibilities, including specific expertise in life insurance accounting and competence pertinent to the sector in which the Group operates. The Board is satisfied that the Committee Chair possesses recent and relevant financial experience as advocated in the UK Corporate Governance Code (the "Code").

In addition to the Committee members, the Executive Directors attended the meetings together with members of the senior leadership team who presented reports within their respective areas of responsibility. Other Non-Executive Directors were invited to participate and contribute to the discussions and debates. The external auditor for the Group, PricewaterhouseCoopers LLP ("PwC"), was present at all meetings throughout the year. The Committee routinely allocated private time to meet with the Group Chief Financial Officer, the Director of Group Internal Audit, and the external auditor, without the presence of executive management, allowing for confidential discussions.

REVIEW OF THE YEAR

Six scheduled meetings were convened during 2024. The Committee also held an educational session with the GRCC to discuss the new requirements under Provision 29 of the Code which explicitly requires an annual directors' declaration on the effectiveness of risk management and internal controls forming part of the Annual Report starting from the 2026 year end reporting cycle. The Committee was satisfied that sufficient progress is being made to ensure the Group is aligned with the new requirements in advance of its implementation.

During the year, the Committee was briefed on a range of key topics by management's subject matter experts. These topics included Sustainability Disclosures, Expense Allocation, and IFRS and Solvency II balance sheets, with an emphasis on interest rate exposure, and Solvency UK reforms to Matching Adjustment.

The effectiveness of the Committee was reviewed as part of the annual Board performance review and the Board concluded that the Committee was effective. The Committee considers the quality of papers and effectiveness of its discussions as a standing item at the end of each meeting, and assesses its compliance with its terms of reference annually.

AREAS OF FOCUS

The Committee adheres to an annual rolling forward agenda, which includes various standing items considered throughout the year, as well as specific matters requiring the Committee's attention. Regular reporting is received from Group Internal Audit and the external auditor as outlined later in this report.

Key areas of focus during the year included the following matters.

FINANCIAL REPORTING

In 2024 and to date in 2025, the Committee:

- reviewed the areas of significant estimate and judgement relevant to the Group's financial statements and considered the impact of Solvency UK reforms on the Group's capital position (see page 100);
- reviewed the assumptions critical to assessing the value of assets and liabilities, in particular insurance contract liabilities and lifetime mortgages;
- reviewed the Matching Adjustment and took into account the requirements under PS10/24 including consideration of Fundamental Spreads and adjustments considered necessary to reflect the compensation for the risks retained by the Group;
- considered correspondence received from the Financial Reporting Council ("FRC") in respect of the 2023 Annual Report, together with FRC publications, with a view to continuing to provide high quality and relevant disclosures within the Annual Report;
- reviewed reports on internal controls and progress towards compliance with the forthcoming requirements on reporting on all material controls in the 2026 Annual Report as part of the 2024 Code;
- reviewed documentation prepared in support of the going concern basis and longer-term viability assessment;
- considered reports from the Group Chief Actuary;
- reviewed reports from the external auditor on the outcomes of their half-year review and financial year end audit. The Committee considered the external auditor to have displayed the necessary professional scepticism its role requires throughout the year; and
- oversaw the preparation and reviewed the Group's Solvency II reporting including the Group-wide Solvency and Financial Condition Report ("SFCR") and the Annual Quantitative Reporting Templates ("AQRTs") ahead of submission to the Prudential Regulation Authority ("PRA").

After thorough assessment and consideration of all relevant matters, the Committee was pleased to recommend to the Board, ahead of its publication, that the judgements and assumptions relevant to items reported within the financial statements are appropriate and that the Group Annual Report is fair, balanced and understandable, and provides the necessary information for shareholders to assess the Group's position, prospects, business model and strategy.

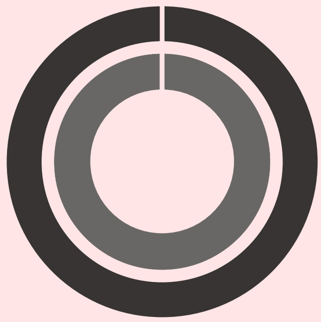
COMPOSITION

MEMBERS	
Mary Phibbs	Chair
Michelle Cracknell	Independent Non-Executive Director
Mary Kerrigan	Independent Non-Executive Director

Kalpana Shah resigned as a Director and member of the Committee on 1 March 2025. Michelle Cracknell was appointed as a member of the Committee on 31 January 2025.

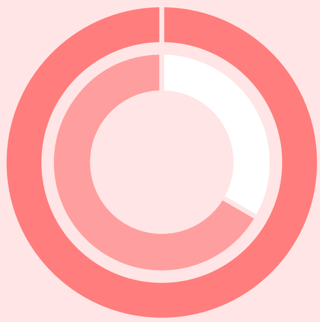
Committee meeting attendance can be found on **P83**. Biographies of Committee members can be found on **P72–74**.

GENDER DIVERSITY



05 March 2025	
Male	0
Female	3
31 December 2024	
Male	0
Female	3

ETHNIC DIVERSITY



05 March 2025	
Asian	0
Black	0
Mixed	0
White	3
Other	0
31 December 2024	
Asian	1
Black	0
Mixed	0
White	2
Other	0

GROUP AUDIT COMMITTEE REPORT continued

REVIEW OF SIGNIFICANT FINANCIAL REPORTING JUDGEMENTS

The key areas of financial reporting judgements considered by the Committee in relation to the 31 December 2024 Group Annual Report are set out below. Further details on the significant judgements and estimates are included in note 1.3 of the financial statements.

SIGNIFICANT JUDGEMENTS	APPROACH	ACTION BY THE COMMITTEE
Judgements applied in the measurement of insurance contract liabilities and reinsurance contract assets	The Group's accounting policies for insurance contracts include judgements made on initial adoption of IFRS 17 regarding: • use of a top-down approach for determination of discount rates based on a reference portfolio of assets; • calibration of the risk adjustment to provide a 70% confidence level regarding the adequacy of reserves; and • weighting of coverage units based on the probability of the policy being in-force.	The Committee reviewed the significant judgements initially made on adoption of IFRS 17 and concluded that these remain appropriate.
Longevity assumptions used in the measurement of LTMs and insurance contracts	The longevity assumptions regarding the Group's Retirement Income and LTM customers are key assumptions used in valuing these contracts. As explained in notes 16(d)(vi) and 22(b)(ii)m: • changes to assumptions regarding mortality include adoption of the latest CMI 2023 model with updated overlay for expected post COVID-19 pandemic effects; and • a comprehensive review of the LTM basis for longevity, long-term care and voluntary redemption has been performed.	The Committee considered management's assessment of the latest mortality trends, including insights into the expected longer-term impacts on mortality following the COVID-19 pandemic. The Committee agreed with management's recommendation and approved the proposed changes to demographic assumptions.
Economic assumptions used in the measurement of insurance contracts	As explained in notes 16(d)(vi) and 22(b)(iii), changes to yield curves used to discount insurance contract cash flows reflect an assessment of the latest trend analysis of defaults and current spreads in determining the allowance for both expected and unexpected credit risk. For LTM assets, updates have been made to reflect the outcomes from a review of recent experience regarding property sales completion timing. As explained in notes 16(d)(vi) and 22(b)(iv, v): • strengthening of assumptions regarding future expenses reflect the latest expense forecast and allocation model, and the impact of increased in-housing of investments; and • for LPI inflation, an update has been performed of the inflation model calibration.	The Committee reviewed the analysis of economic assumptions including those relating to credit risk and expectations regarding future expenses. The Committee approved strengthening of the basis for maintenance expenses for in-force business.
Selection of valuation approach for financial instruments in the absence of an active market	Where the Group concludes that there is no active market for an investment, judgement is applied in selecting an appropriate valuation technique. As explained in note 16(d)(vi), the Group applies a variant of the Black-Scholes option pricing formula with real world assumptions to measure the No-Negative-Equity-Guarantee ("NNEG") included in LTM contracts. As explained in note 1.13.4: • in the absence of an active market internally developed valuation models are used to value illiquid assets. The results from these models are compared against independent price verifications provided by third parties to ensure their reasonableness. Key assumptions used in valuing illiquid assets include discount rates, credit spreads, projected inflation (which applies only to index-linked assets) and, notably, the credit quality of these assets, particularly for residential ground rents. See note 16(d) for further information.	The Committee is satisfied that the Black-Scholes variant applied by the Group continues to be the most appropriate valuation model for determining the value of the NNEG. The Committee noted that management have performed independent price verification of illiquid assets comparing prices provided by asset managers and third-party vendors to those determined internally using its own methodologies, models, and key assumptions. Any differences outside the risk-based tolerance were investigated to identify the reasons, and the results shared with the Asset Valuation Committee which is a subcommittee of the Asset Liability Committee, prior to sharing with the Committee which supported it reach its conclusion that the fair values of the investments included in the financial statements are appropriate.
Property assumptions used to value LTMs	The expected shortfall on redemption of LTMs in respect of the NNEG is determined using assumptions regarding future house price growth and volatility.	The Committee reviewed management's assessment of recent property price trends and agreed with management's conclusion that there has been no clear indications of changes to longer-term expectations and as such it is appropriate that the assumptions for property price volatility and future house price growth should remain unchanged from the 2023 year end.
Matching Adjustment in the valuation of insurance contracts within the Solvency II balance sheet	The Matching Adjustment allows the Group to recognise a prudent view of expected future return on assets backing liabilities in the Solvency II balance sheet. The Group is required to comply with the requirements of the Prudent Person Principle ("PPP") and other requirements as laid out in PS10/24, which is to include appropriate adjustments for credit risk via Fundamental Spread.	In accordance with the Matching Adjustment Attestation Policy, the Committee reviewed the Matching Adjustment and considered the requirements under PS10/24 including fundamental spreads and any adjustments necessary to reflect compensation for the risks retained by the Group.

FRC REVIEW

REVIEWS PERFORMED[1]

The FRC have carried out a review of the 2023 Annual Report in accordance with Part 2 of the FRC Corporate Reporting Review Operating Procedures. In addition, the Group was also included in the sample for the FRC thematic review "IFRS 17 'Insurance Contracts' Disclosures in the First Year of Application".

OUTCOME OF REVIEWS

The thematic review of IFRS 17 disclosures, published in September 2024, identified three of the Group's disclosures as examples of good practice. Whilst no queries were identified from the Corporate Reporting Review, the FRC identified areas of improvement regarding disclosure of Alternative Performance Measures ("APMs") and Task Force on Climate-Related Financial Disclosures ("TCFD"), which have been addressed in this report.

1 SCOPE AND LIMITATIONS OF FRC REVIEWS

The FRC review was based solely on the information contained in the Group Annual Report and does not benefit from detailed knowledge of the Group's business or an understanding of the underlying transactions entered into. It is, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework. The correspondence received by the Group from the FRC provides no assurance that the Annual Report is correct in all material respects; the FRC's role is not to verify the information provided to it but to consider compliance with reporting requirements. Correspondence provided to the Group from the FRC was written on the basis that the FRC (which includes its officers, employees and agents) accepts no liability for reliance on it by the Group or any third party, including but not limited to investors and shareholders.

GOING CONCERN

As part of the assessment of going concern and longer-term viability for December 2024, the Committee considered the Group business plan approved by the Board in November 2024 and the forecast regulatory solvency position calculated on a Solvency II basis, which includes stretch and adverse scenarios in addition to the primary central plan. In addition, the Committee considered factors including further credit rating downgrades, reductions in interest rates, and other uncertainties which may impact the Group.

The Committee also considered various risks under stressed scenarios for the going concern assessment including the risks associated with capital requirements necessary to write anticipated levels of new business which form part of the Group's business plan; the projected liquidity position of the Group and liquidity stresses; the findings of the Group Own Risk and Solvency Assessment ("ORSA"); and the risk of regulatory intervention.

REGULATORY REPORTING OVERSIGHT

The Committee receives regular updates on the Group's regulatory reporting matters, including the oversight and preparation of the Group's annual SFCR. The Committee also receives regular updates relating to the ongoing publication of supervisory statements by the PRA that set out its expectations for certain aspects of prudential regulation. Further information on supervisory statements is included in the Risk Management section on page 102.

As part of the Solvency requirements, the Committee has responsibility for overseeing the recalculation of the Transitional Measures on Technical Provisions ("TMTP"). During the year, it reviewed and approved changes to the TMTP methodology for inclusion in the SFCR as at 31 December 2024 to reflect refinements in the methodology. There was regular engagement with the PRA on the changes proposed to the TMTP and other matters affecting reporting.

The Committee reviewed the changes arising from the PS10/24 reform, legislation for which came into force as of 31 December 2024, and concluded that the Fundamental Spread add-ons within the Matching Adjustment portfolio appropriately reflect compensation for the risks retained by the Group.

FINANCE TRANSFORMATION

During the year, the Committee received reports on progress against key milestones in the Group's Finance Transformation Programme. The Committee provided oversight on various workstreams, including implementation of Cloud-computing technology, monitoring of the Financial Reporting Controls Framework, activities aimed at accelerating the reporting Working Day timetable and Treasury transformation, which together have been designed to enhance controls and create a scalable Finance function that delivers increased value for the business.

EXTERNAL AUDIT

APPOINTMENT

The Company's external auditor is PwC, formally appointed by shareholders in 2020. During the year, Philip Watson was appointed as the lead audit engagement partner, following rotation of the previous engagement partner, Lee Clarke.

The Committee is responsible for recommending to the Board the appointment, reappointment and removal of the external auditor, considering factors such as independence, effectiveness, and lead partner rotation, and overseeing the tender process for new appointments. After receiving a recommendation from the Committee, the Board plans to propose the reappointment of PwC as the Company's auditor at the 2025 Annual General Meeting on 8 May 2025, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company. The Committee believes the independence, objectivity of the external auditor, professional scepticism and the effectiveness of the audit process, is safeguarded and remain strong.

The Committee confirms it has complied with The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Process and Audit Committee Responsibilities) Order 2014, published by the Competition and Markets Authority on 26 September 2014. There are no contractual obligations restricting the Group's choice of external auditor.

OVERSIGHT

The Committee is responsible for approving the terms of engagement for the external auditor. Throughout the year, the Committee has reviewed regular reports from PwC and held private meetings with the lead audit engagement partner without management present, allowing for confidential discussions and open dialogue. Additionally, private meetings were regularly held between the lead audit engagement partner and the Chair of the Committee.

In 2024 and to date in 2025, the Committee:

- reviewed the 2024 audit plan including the scope of the audit and the materiality levels adopted by the external auditor for the year end audit and interim review;
- reviewed the effectiveness of the external audit process;
- agreed the terms of engagement and fees to be paid to the external auditor for the audit of the 2024 Annual Report;
- reviewed the external auditor's explanation of how the significant risks related to financial reporting were addressed;
- reviewed reports from the external auditor regarding findings from their audit work, in particular conclusions regarding significant judgements and key assumptions in the valuation of amounts reported within the financial statements;

GROUP AUDIT COMMITTEE REPORT continued

- reviewed the recommendations made by the external auditor in their internal control report and considered the adequacy of management's response; and
- reviewed the Group's policy on using the external auditor for non-audit services and assessed proposed non-audit service engagements against compliance with the policy.

The Committee considered the quality and effectiveness of the external audit process. Its effectiveness relies on accurately identifying and assessing key audit risks at the beginning of the audit cycle, as set out in the audit plan. For the 2024 reporting period, the significant risks identified were consistent with those in 2023 with the exception of the removal of the significant risk relating to implementation of IFRS 17 which is no longer required following the full implementation of IFRS 17 in 2023.

Significant risks identified were in relation to:

- valuation of insurance contract liabilities including assumptions regarding mortality, expenses, calibration of the risk adjustment and credit default assumptions relevant to the discount rate applied;
- valuation of certain hard-to-value investments;
- fraud risks regarding risk of management override of controls and fraud in revenue recognition; and
- judgements in applying the Matching Adjustment in the Solvency II balance sheet.

The significant judgements considered by the Committee in relation to these risks are detailed on page 100. The Committee challenged the work conducted by the external auditor to test management's assumptions and estimates around these areas. The Committee evaluated the effectiveness of the audit process based on PwC's interim and year end reports and feedback received from management. For the 2024 reporting period, management were satisfied with the focus on audit risks and deemed the quality of the audit process to be good. The Committee agreed with this assessment.

SAFEGUARDING INDEPENDENCE AND NON-AUDIT SERVICES

The independence of the external auditor is key to providing an objective opinion on the accuracy and fairness of financial statements. Auditor independence and objectivity are safeguarded through various control measures, such as limiting the type and amount of non-audit services performed by the external auditor and rotating partners at least every five years.

The Group has an established policy regarding the provision of non-audit services by our external auditor. All non-audit services rendered by the external auditor are subject to review and approval by the Committee. This policy ensures that the Group leverages the accumulated knowledge and experience of its external auditor while maintaining objectivity and independence.

In concluding the appropriateness of the use of the external auditor for non-audit services the Committee assessed:

a) The independence and objectivity of the external auditor, based on their safeguarding procedures;

b) The level, nature and extent of non-audit services provided by the external auditor;

c) The suitability of the external audit firm for the non-audit services; and

d) the fees charged for non-audit services, both individually and in aggregate;

During the year, the value of audit services to the Group was £2.6m (2023: £3.2m). The value of non-audit services for the year amounted to £0.9m (2023: £0.8m), which related to the annual audit of the SFCR, and, in the current year, assurance services regarding the issuance of the £400m sustainability Tier 2 bond.

The ratio of non-audit services to audit services fees was 1:2.9. These services are closely related to the work performed by the external auditor of the Group and the Committee determined that these services do not impact the independence of the external auditor.

As part of assessing the objectivity and independence of the external auditor, the Committee reviewed written confirmation that PwC has verified their compliance with all UK regulatory and professional requirements. Additionally, PwC has confirmed that their independence is not compromised by the non-audit engagements undertaken during the year, the level of non-audit fees charged, or any other factors.

The non-audit services provided reflects the external auditor's comprehensive knowledge and understanding of the Group. The Group has also appointed other accountancy firms to provide specific non-audit services related to internal audit, controls, governance, tax and regulatory advice.

An analysis of auditor remuneration is detailed in note 3 to the consolidated financial statements. The Committee has approved PwC's remuneration and terms of engagement for 2024 and remains satisfied with the audit quality, affirming that PwC continues to be independent and objective.

RISK MANAGEMENT AND INTERNAL CONTROL

The Committee is responsible for reviewing the system of internal financial controls and internal control and risk management systems that identify, assess, manage and monitor risks. In executing this responsibility, the Group employs a three lines of defence model.

The first line of defence consists of line management, who design and operate the controls over the business operations. The second line includes functions such as Risk Management and Group Compliance. These functions, together with Actuarial Assurance oversee the first line, ensuring that the systems of internal controls are sufficient and appropriately implemented. They also measure and report on risk to the GRCC, taking into account adequacy of these controls. The third line comprises Group Internal Audit, which provides independent assurance to the Board and its Committees that both the first and second lines are operating effectively.

The Group's internal control and risk management systems comprise the following key features:

- clear and detailed matters reserved for the Board and terms of reference for 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;
- defined procedures for the approval of major transactions and capital allocation;
- a Group Internal Audit function that provides independent and objective assurance on the effectiveness of the Group's risk management, governance and internal control processes; and
- clear accountability and reporting.

The Group has specific internal mechanisms that govern the financial reporting process and the disclosure controls and procedures around the approval of the Group's financial statements. The results of the financial disclosure process are reported to the Committee to provide assurance that the Annual Report is fair, balanced, and understandable, including the opportunity to challenge members of management and the external auditor on the robustness of those processes.

It is the view of the Committee that the Group's system of risk management and internal controls is appropriate to the Group's needs.

INTERNAL AUDIT

Group Internal Audit is an internal function that provides independent and objective assurance to the Committee that the Group's risk management, governance and internal control processes are operating effectively. The purpose, scope and authority of Internal Audit is defined in its Charter, which is reviewed and approved each year by the Committee and published on the Group's website.

INTERNAL AUDIT PLAN

The Committee annually reviews and approves the Internal Audit Plan, which employs a risk-based approach aligned with the Group's risk profile, control environment, and assurance arrangements. The Plan incorporates input from senior management and takes into account previous external and internal audit findings. The Internal Audit Plan is kept under review and any proposed changes are discussed with and, if thought appropriate, approved by the Committee. The Committee was satisfied with the progress made of the Internal Audit Plan in 2024/2025.

Quarterly reports from the Director of Group Internal Audit include updates on audit activities, progress of the Internal Audit Plan, the results of all audits, with a particular focus on those requiring significant improvement, and plans to address the recommended remediations. The Committee regularly monitors and reviews the scope, extent and effectiveness of the activity of Group Internal Audit.

The Committee regularly receives reports from Group Internal Audit concerning the resource requirements of its function and monitors steps and contingency plans to ensure it is adequately resourced and equipped with the necessary skills and experience to perform its role effectively. External providers may be engaged to support delivery of the Internal Audit Plan where specific skills and expertise are required. During the year, the Committee approved the appointment of the Director of Group Internal Audit, who joined the Group in September 2024, and oversaw the transition of responsibilities from the interim Head of Internal Audit.

During the year, the Committee held private discussions with the interim Head of Internal Audit and latterly the new Director of Group Internal Audit. Additionally, the Committee Chair frequently meets with the Director of Group Internal Audit outside the formal Committee meetings. The Chair is responsible for setting and appraising their objectives and performance, with input from the Group Chief Executive Officer.

ACTIVITIES CARRIED OUT DURING THE YEAR

In 2024, the Committee:

- approved the appointment of the Director of Group Internal Audit;
- continued to oversee the Group Internal Audit function with the Director of Group Internal Audit reporting directly to the Committee Chair;
- approved and reviewed progress against the annual Internal Audit Plan ensuring alignment to the key risks of the business;
- oversaw progress against the implementation of the new Internal Audit Report rating approach;
- reviewed results from audits performed, including any audit findings that required significant improvement and related action plans;
- monitored progress against open audit management actions;
- reviewed the conclusions from the Group Internal Audit's Internal Control Framework effectiveness review;
- reviewed and approved the Just Group Internal Audit Independence and Objectivity Policy;
- reviewed and approved the Internal Audit Charter; and
- conducted an assessment of the Group Internal Audit function.

INTERNAL AUDIT EFFECTIVENESS

The Committee determined that the Group Internal Audit function continues to be effective, delivering an appropriate level of assurance through its programme of work.

The Group Internal Audit function continues to comply with the International Professional Practices Framework ("IPPF") that provides authoritative guidance promulgated by the Institute of Internal Auditors ("IIA"). The standards require that an External Quality Assessment ("EQA") of the Group Internal Audit function is carried out every three to five years. The Committee oversaw the appointment of an independent firm who performed an EQA in May 2023 which assessed the function against the IIA standards with an overall rating of Partially Conforms. The Committee oversaw progress made by the Group Internal Audit on addressing observations raised, leading to completion of all major items during the year.

WHISTLEBLOWING

The Group has a whistleblowing framework that is designed to enable colleagues to raise concerns confidentially about conduct they consider contrary to the Group's values such as unsafe or unethical practices. Any concerns can be reported directly to the Group Company Secretary or by contacting an external confidential dedicated telephone hotline or via a secure web portal. The concern can be given anonymously. The Committee receives regular updates on any concerns identified and, where appropriate, what action has been taken to address the issues raised.

The Chair of the Committee is the Group's whistleblowing champion and is responsible for ensuring and overseeing the integrity, independence, autonomy and effectiveness of the Group's policies and procedures on whistleblowing including the Just Whistleblowing Policy which is reviewed and approved annually.

On behalf of the Group Audit Committee

MARY PHIBBS
Chair, Group Audit Committee
6 March 2025

GROUP RISK AND COMPLIANCE COMMITTEE REPORT

"The Group Risk and Compliance Committee continued to focus on the key risks impacting financial and operational resilience during 2024 to ensure the business is well placed to achieve its growth ambitions."

JOHN HASTINGS-BASS
Interim Chair, Group Risk and Compliance Committee

ROLE

The Group Risk and Compliance Committee (the "Committee") is responsible for assisting the Board in discharging its responsibility to maintain effective systems of risk management, compliance and internal control throughout the Group. The Committee plays an important role in providing effective oversight and 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 also oversees regulatory compliance matters.

The Committee is responsible for considering the above matters from the perspectives of the Company and each of the Group's life companies, Just Retirement Limited ("JRL") and Partnership Life Assurance Company Limited ("PLACL"), as well as from the perspective of any other Group entity as appropriate. The Committee works closely with other committees, in particular the Group, JRL and PLACL Audit Committees, and the JRL and PLACL Investment Committees. The cross membership between Board Committees promotes a good understanding of issues and efficient communication.

The full responsibilities of the Committee are set out in the terms of reference, which are reviewed annually and can be found at www.justgroupplc.co.uk/about-us/governance.

COMMITTEE MEMBERSHIP

The Committee currently comprises three Non-Executive Directors. Kalpana Shah was Chair of the Committee throughout 2024 and until 1 March 2025 when she resigned as a Director of the Company. I am fulfilling the role of Committee Chair on an interim basis while the Nomination and Governance Committee leads the search for a new independent Non-Executive Director with relevant skills and capabilities to serve as Chair of this Committee. An update on this appointment will be published on our website once the vacancy has been filled.

The Chair of the JRL and PLACL Boards, who is not a member of the Committee, was invited to attend the meetings and contributed, at the invitation of the Chair, to the challenge and debate. There were standing invitations for the Group Chief Executive Officer, Group Chief Financial Officer, Group Chief Risk Officer and Director of Group Internal Audit to attend the meetings during the year. Other Group executives and senior managers were invited to present on their areas of responsibility as required.

REVIEW OF THE YEAR

Eight scheduled meetings were convened during 2024. Four of the meetings focused on regular risk and compliance reports and two meetings were to allow time to review a range of risk and compliance matters and certain key risk documents. Two meetings were held on a nested basis with the JRL and PLACL Investment Committees ("Nested Meetings"). The purpose of convening Nested Meetings in 2024 was to review investment activities to ensure they were within risk appetite, and to consider and challenge any proposed changes to the investment risk frameworks.

The Committee Chair regularly engages with the Group Chief Risk Officer to ensure that all significant areas of risk are considered, and that risk management is embedded within the business.

The Committee follows an annual rolling forward agenda with various standing items considered throughout the year as well as matters requiring the Committee's attention. A report from the Group Chief Risk Officer is considered at each scheduled standalone meeting, which provides his high level view of Just's risk position and calls out the most pertinent risk developments for the Committee's awareness. Risk reports, compliance oversight reports, and conduct and customer risk dashboards are received on a quarterly basis or more frequently if required. Various annual reports are considered by the Committee including the internal model validation report, annual money laundering reporting officer's report and an annual report from the Group Data Protection Officer. The Committee also approves the compliance monitoring plan annually and any proposed changes during the course of the year.

The Committee considers the quality of papers and effectiveness of its discussions as a standing item at the end of each meeting, and assesses its compliance with its terms of reference annually.

The effectiveness of the Committee was reviewed as part of the annual Board performance review and a separate review was carried out, at the request of the former Committee Chair, to consider opportunities to enhance the operation of the Committee in future. Recommendations for enhancements were agreed by the Committee and the Board following a discussion by the Nomination and Governance Committee. After considering the findings from the reviews, the Board concluded that the Committee continues to be effective.

COMPOSITION

MEMBERS	
John Hastings-Bass	Interim Chair
Jim Brown	Independent Non-Executive Director
Mary Phibbs	Senior Independent Director

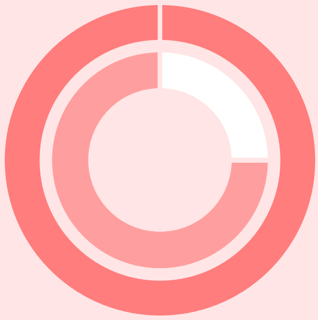
Kalpana Shah resigned as a Director and Chair of the Committee on 1 March 2025.

Committee meeting attendance can be found on **P83**. Biographies of Committee members can be found on **P72–74**.

GENDER DIVERSITY

05 March 2025	
Male	2
Female	1
31 December 2024	
Male	2
Female	2

ETHNIC DIVERSITY



05 March 2025	
Asian	0
Black	0
Mixed	0
White	3
Other	0
31 December 2024	
Asian	1
Black	0
Mixed	0
White	3
Other	0

GROUP RISK AND COMPLIANCE COMMITTEE REPORT continued

AREAS OF FOCUS

Areas of focus during the year included the following matters.

Matters considered	How the Committee addressed the matter
RISK MANAGEMENT, CONTROLS AND CULTURE	
RISK MANAGEMENT AND CONTROLS FRAMEWORK	The Committee reviewed and approved the risk management plan for the year and ensured that the risk framework continued to be developed in line with the business needs. It also received an update on the implementation of a revised Enterprise Risk Management Framework and enhancements to the Company Risk Policy Framework during the year. The Committee noted findings from a review carried out by Group Internal Audit on the effectiveness of financial and non-financial reporting controls, which had been considered by the Group Audit Committee. There was a discussion on the advisory and oversight engagement by the Risk function and the Committee was supportive of the actions that the Risk team have undertaken to ensure ongoing effective oversight of financial and non-financial reporting controls. During the year, the Committee and the Group Audit Committee held a joint educational session on the requirements introduced in the 2024 iteration of the UK Corporate Governance Code on the effectiveness of risk management and internal controls, which apply from 1 January 2026. The Directors considered the strong foundations in place and the areas that need to evolve to ensure compliance with the new requirements. This will continue to be a focus area for the Committee in the year ahead.
RISK CULTURE	During the year, the Committee received updates on risk culture including management information on the key risk indicators and observations from the Risk function, which facilitated a constructive discussion on positive developments and areas requiring more focus by the business. Metrics and key performance indicators have been further developed to monitor the delivery of good customer outcomes under the Consumer Duty regulation. The Committee received updates on risk events and breaches, and considered the controls assurance processes in place to investigate risk events during the year. The Committee was satisfied that, overall, there is a healthy risk culture of reporting risk events and breaches, and that processes are in place to address any weaknesses identified as part of ongoing monitoring and oversight.
OWN RISK AND SOLVENCY ASSESSMENT	The Own Risk and Solvency Assessment (“ORSA") is the on-going process of identifying, measuring, managing, monitoring and reporting the risks to which the Group is exposed and to assess the capital adequacy of the Group and its life companies. The Committee considered, and recommended to the Group Board for approval, the annual ORSA report during the year, which provided a risk review of the Group together with a forward-looking assessment of the main risks it faces. The Committee considered the Group’s readiness to operate effectively in an uncertain environment, the sustainability of the Group’s business model and Just’s ability to recover from various stress events. It considered and agreed recommendations from the Risk function to enhance the ability of the Group to address and withstand the forward-looking risks identified. These are being monitored by the Committee to ensure effective action implementation. The Committee also received regular updates on the Group’s evolving risk profile for review and discussion throughout the year. This included a review of model risk management. Additionally, various risk appetite tolerances and key risk indicators were revisited to ensure that the measurement and oversight of risk was appropriate and reflected the growth ambitions of Just. Further details of the Group’s principal risks can be found on pages 66 to 69.
FINANCIAL RESILIENCE	As part of the oversight of Just’s financial risk management framework, the Committee engaged on stress testing scenarios and the outcomes of tests undertaken during the year. The Committee provided input into the suitability and severity of a multi-metric scenario narrative and the choice of risk drivers and management actions. The outcome of the multi-metric test was subsequently considered by the Committee. There was also a review of the Group’s Recovery Plan and potential risks. During this review, the Committee considered whether the Group had credible and realistic options to effect recovery in the event of a range of possible shocks, both short term and medium term, and the impact on capital and liquidity needs of the business. After consideration, the Committee recommended, and the Board subsequently approved, the Recovery Plan. The effectiveness of Just’s stress and scenario testing framework and how its scenario analysis feeds into the overarching financial risk appetite will continue to be a key focus for the Committee in 2025.
RISK APPETITES	The Committee considered the continued appropriateness of the Solvency II capital, IFRS earnings, liquidity, operational and conduct risk appetites and limits as part of the business plan and strategy risk review. The Committee concluded that no material changes were required. The Committee also reviewed the reinsurance risk appetite and thresholds set for funded reinsurance. After taking into consideration Just’s reinsurance strategy and financial position, as well as regulatory expectations, the Committee recommended changes which were approved by the Board. During the year, the Committee considered changes to Just’s risk exposure as a result of its new business profile and investment strategy. The Committee recommended that the Board adjust its risk taxonomy and associated risk appetites to continue to manage the risks effectively. The proposal was subsequently approved by the Board.
INVESTMENT RISK OVERSIGHT	The Nested Meetings considered proposed changes to the investment risk framework and investment limits during the year. One focus area was the development of enhanced credit risk metrics to support portfolio management and facilitate effective oversight of the Group’s credit risk exposure. Enhanced credit risk metrics are now included in the Quarterly Risk Reports for review by the Committee. These metrics will continue to be developed with input from the Committee to ensure credit risk remains effectively managed. There were discussions on the resources, skills and capability requirements of the Investment, Risk and supporting functions to support Just’s growth ambitions. This led to further engagement at Board meetings on the strategic workforce plans to ensure the needs of the business are met as it grows. There was also a discussion on regulatory changes to the matching adjustment requirements during the year. During a Nested Meeting, the Committee considered and recommended the adoption of a new Matching Adjustment Attestation Policy, which was subsequently approved by the JRL and PLACL Boards.

Matters considered	How the Committee addressed the matter
OPERATIONAL RESILIENCE	
OPERATIONAL RESILIENCE FRAMEWORK	The Committee considered a self-assessment, which described Just's operational resilience at a specific date and included an overview of lessons learnt from testing that had been conducted, and future remediation and test plans scheduled to ensure ongoing operational resilience. Following the review, the Committee concluded that the impact tolerances remained reasonable for the Group to operate safely and soundly to protect our customers in the event of a material disruption to business operations. Throughout the year, the Committee considered and challenged the Group's operational resilience during discussions on the operational risk profile of the business, and received updates on technology modernisation programmes to support the business as it grows. This will remain an area of focus in 2025 and beyond.
IT RISK AND CYBER SECURITY STRATEGY	During the year, the Committee considered and approved the updated cyber security strategy, which set out objectives to further enhance the Group's approach to managing cyber security risks. The Committee kept abreast of the steps being taken to attain an industry recognised accreditation for information security and audit, and received updates on other cyber security initiatives. Following the appointment of our new Group Chief Digital Information Officer in 2024, the Committee received an insight on his initial observations on technology and data capabilities at Just, the strategic risks that impact the Group and the actions that are being taken to mitigate the risks. The Committee also engaged on data risks, with particular focus on the risks associated with the use of third party administrators. Following consideration of the options available to enhance the assurance process, the Committee approved changes to the risk assessment process to independently verify suppliers' security and technology measures to mitigate risks.
THIRD PARTY RISK MANAGEMENT	Following a request from the Committee, a detailed overview of third party risk management at Just was provided in 2024. The Committee received an update on the steps being taken to evolve processes and controls, and plans to enhance policies and practices to meet the needs of the business as it grows. The Committee engaged on the management of risks related to chain outsourcing, and there was a discussion on next steps to enhance performance monitoring and the management of cyber risk. A focus area for 2025 will be to oversee enhancements to third party risk management processes.
SUSTAINABILITY	
CLIMATE CHANGE	During 2024, the Nested Meetings of the Committee received updates on the Responsible Investment Framework and the transition management plan to meet the climate-related commitments set by the Board, including a specific target for scope 3 emissions to reduce by 50% by 2030 and to achieve net zero by 2050. The Committee noted the progress on climate risk actions that had been made during the year and discussed future actions and concerns in relation to their delivery. This will remain an important focus area for the Committee in 2025 and beyond.
SUSTAINABILITY RISK	The Committee receives regular updates on the management of sustainability risk within Just. During the year, the Committee noted progress to embed sustainability across Just's Enterprise Risk Management Framework, which included the creation of a new Group sustainability risk dashboard to monitor progress against sustainability metrics and assess the operation of key controls. The Committee considered the new challenges and risks relevant to the business, and will continue to monitor activities to manage risks as the sustainability environment continues to evolve.
COMPLIANCE, CONDUCT AND REGULATORY RISK	
COMPLIANCE OVERSIGHT	In 2024, the Committee received regular updates on the Group's oversight of prudential and conduct risks, financial crime issues, and regulatory developments. It approved the annual compliance monitoring programme, including various changes requested throughout the year, and provided oversight of the findings from the reviews completed during the year. The Committee considered findings from various regulatory thematic reviews and noted the actions being taken to ensure the Group continues to meet regulatory expectations. During 2024, there continued to be a high level of regulatory activity as covered in more detail in principal risks and uncertainties on page 67.
CONDUCT AND CUSTOMER RISK	The Committee regularly reviews and challenges management's view of conduct and customer risks across the Group. During the year, the Committee engaged on customer service levels, and received regular updates on actions being taken to enhance the Group's customer complaints handling process. Just's Consumer Duty Champion, Michelle Cracknell, presented an overview of the steps being taken to embed Consumer Duty and she provided her view on the areas requiring further work to ensure the ongoing effective delivery of good customer outcomes. The Committee noted plans to evolve customer metrics and further enhance reporting in 2025 as Just continues its journey to embed Consumer Duty across the business.

On behalf of the Group Risk and Compliance Committee

JOHN HASTINGS-BASS
Interim Chair, Group Risk and Compliance Committee
6 March 2025

DIRECTORS' REMUNERATION REPORT

"I am pleased to present the Remuneration Committee Report for the year ended 31 December 2024."

MICHELLE CRACKNELL
Chair, Remuneration Committee

ROLE

The Remuneration Committee (the "Committee") determines the remuneration policy for the Chair, Executive Directors, Senior Management and Solvency II identified staff, alongside the Company's overall remuneration policy. The terms of reference of the Committee are available at www.justgroupplc.co.uk/investors/shareholder-information/board-and-committee-governance.

The key activities of the Committee during the year included:

- review and approval of the Directors' Remuneration report;
- approval of the grant of the 2024 awards and performance conditions, and approval of the vesting of the 2021 award under the Long Term Incentive Plan ("LTIP");
- approval of the grant of share options under the all-employee Sharesave scheme ("SAYE");
- assessment of the performance of the Executive Directors against the corporate financial, non-financial and personal performance outturns, in relation to their annual bonus, in the context of wider Company performance and approving the payments;
- approval of the list of colleagues with responsibilities categorised under Solvency II and the treatment of their variable pay;
- review and approval of bonus plans across the Group, where they are not aligned to the Group Short Term Incentive Plan ("STIP") or the LTIP;
- review and approval of the all-employee remuneration policy for 2024;
- review of the Company's gender and ethnicity pay gap data;
- monitoring the developments in the corporate governance environment and investor expectations; and
- considering the application of the policy for 2025.

STATEMENT FROM THE CHAIR OF THE REMUNERATION COMMITTEE

DEAR SHAREHOLDER

I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2024.

The Company's directors' Remuneration Policy was renewed at the 2023 AGM with a vote of over 95% in favour, and the Directors' Remuneration Report was well supported at the 2024 AGM with a vote of over 97% in favour. The Committee has reflected on the ongoing operation of the Policy and believes it continues to serve Just Group well and remains aligned to our strategy and culture, whilst acting appropriately in the context of the requirements of paragraph 40 of the UK Corporate Governance Code in terms of clarity, simplicity, risk, predictability, proportionality and alignment to culture. The Policy will be reviewed again over the next year and a new Policy put to a shareholder vote at the 2026 AGM, in line with the normal three-year cycle.

As set out earlier in the Annual Report, in 2024 the Group has delivered sustainable growth, helped more of our customers, and significantly increased value for our shareholders. 2024 has been a year of record growth, continued efficient delivery and strong strategic execution for the Group, which has resulted in a strong balance sheet and the Group exceeding the profit growth pledge made by more than doubling underlying operating profit two years earlier than planned. We have delivered underlying operating profit growth of 34%, with Defined Benefit Sales up 57% and Retail Business Sales up 16%.

During 2024 we completed 129 DB transactions, which was a record year for any company in the history of the DB market, including the completion of a £1.8bn deal which was a new record for the Group; whilst our retail business continues to deliver strong growth through the attractiveness of the guaranteed income proposition to our customers. Our business success has remained underpinned by our purpose of helping people achieve a better later life. We have also continued to deliver on our commitments to our planet and our people, with a reduction of 8% in emissions from our investment portfolio and an increase to our colleague engagement scores of 8.3.

This strong performance has been reflected with the returns to shareholders, with a total shareholder return over 2024 being 87.6% and a total shareholder return over the last three years being 79.3%, significantly above the FTSE 250 index total shareholder return over the same periods.

Alongside the good progress being made on the financial business priorities, the Group has continued to build strong engagement levels as reported in the colleagues and culture section page 57, and positive progress on building a diverse and inclusive workforce. In addition, we have received well-deserved external recognition for products and service to customers (see page 3 for details).

2024 REMUNERATION OUTCOMES

SHORT TERM INCENTIVE PLAN

The Board approved a challenging business plan for 2024, against which David Richardson and his team have delivered a strong set of results. Following very strong performance against the STIP measures of IFRS New Business Profit, Underlying Operating Profit and New Business Strain, and good progress on a number of customer and people initiatives such as successfully embedding Consumer Duty, improving gender diversity at senior grades, and employee satisfaction scores which were above expectations set at the start of the year, the overall Group bonus outturn is 100% of maximum. This creates the overall pool from which payments are made with individual allocations based on personal performance.

For performance in 2024 the Committee approved awards for David Richardson at 90% and Mark Godson at 90% of maximum. These payments reflect their strong personal performance, the delivery of robust financial results, and the significant shareholder returns over the period. The Committee considered the outturn in the context of wider Group performance detailed above, the shareholder experience and the wider stakeholder experience and determined that no discretion would be applied.

In line with the policy, 60% of the Executive Directors' STIP will be paid in cash and 40% will be deferred into Just Group shares for three years under the Deferred Share Bonus Plan ("DSBP").

COMPOSITION

MEMBERS	
Michelle Cracknell	Chair
Jim Brown	Independent Non-Executive Director
John Hastings-Bass	Chair of the Board
Mary Phibbs	Senior Independent Director

There has been no change in membership during the year.

Committee meeting attendance can be found on **P83**. Biographies of Committee members can be found on **P72-74**.

GENDER DIVERSITY

05 March 2025

Male	2
Female	2

31 December 2024

Male	2
Female	2

ETHNIC DIVERSITY

05 March 2025

Asian	0
Black	0
Mixed	0
White	4
Other	0

31 December 2024

Asian	0
Black	0
Mixed	0
White	4
Other	0

DIRECTORS' REMUNERATION REPORT continued

LONG TERM INCENTIVE PLAN

The LTIP awards made in 2022 are due to vest in March 2025 based on performance to 31 December 2024. The 2022 LTIP award had a 25% weighting on Underlying Organic Capital Generation ('UOCG'); 30% on Relative TSR; 35% Return on Equity ('ROE') and 10% on ESG fund value relating to ESG classified investments.

As disclosed in the 2023 Directors' Remuneration Report, UOCG targets for the 2022 LTIP have been increased to reflect the adoption of IFRS17 and strategic costs. In addition, given the success in delivering capital self-sufficiency ahead of schedule the Group has been able to write new business at a higher level than envisaged when first approving the targets. This has negatively impacted the UOCG outturn. As disclosed last year, the Committee has therefore exercised discretion to remove the impact of writing this additional business on this measure to ensure that management are appropriately incentivised to drive, and are rewarded, for the delivery of performance which is positive for overall Group performance and the creation of shareholder value. A consistent approach will also be taken for the 2023-25 LTIP outturn.

Following this, the Underlying Organic Capital Generation performance condition was achieved at 100% of maximum; the TSR performance condition was achieved at maximum, with our TSR being c.80% over the three year performance period versus an upper quartile TSR of c.21% in the comparator group; and the ROE and ESG Fund Value conditions were achieved at maximum. Therefore 100% of the 2022 LTIP award will vest in March 2025.

The Committee felt that outturns under the 2022 LTIP awards were appropriate and did not exercise any further discretion. Further detail on the LTIP outcome is provided later on in this report.

IMPLEMENTATION OF THE REMUNERATION POLICY FOR 2025

SALARY, PENSION, BENEFITS AND INCENTIVE AWARD LEVELS

The Committee agreed that David Richardson would receive a salary increase with effect from 1 April 2025 of 3%. The CEO's increase is in line with the increases awarded to most colleagues, with the salary increase budget available for the general employee population eligible to be considered for an increase sitting at 4%. The Committee reviewed David's LTIP award level taking into account of the business context outlined above and earlier in this Annual Report, alongside the performance of the Company and David since his appointment in 2019. David has demonstrated exceptional leadership in helping transform the Company into a customer-focussed leader in the retirement space, growing sustainably and profitably to create significant value for shareholders. Since David's appointment, there has been a total shareholder return of over 210%, representing significant returns for shareholders. In order to recognise this performance and to reflect the increased size and complexity of the Company, the Committee has determined to increase David's 2025 LTIP award level to 250% of salary, using the existing headroom in the Remuneration Policy approved by shareholders at the 2023 AGM. As well as to recognise performance, the Committee considers this necessary to motivate and retain David in what is a hot talent market in this sector. An increase to the LTIP ensures that remuneration is only delivered if stretching, long-term performance targets are met, and creates further shareholder alignment as awards are delivered in shares. There is no change to David's STIP opportunity.

Mark Godson joined the Group as CFO in November 2023 and was appointed on a salary of £400,000 and received a maximum bonus and LTIP opportunity of 150% of salary. This package was set below his predecessor's, who was paid a salary of £442,000 and received a maximum bonus opportunity of 150% of salary alongside a LTIP opportunity of 175% of salary. As set out in the 2023 Directors' Remuneration Report, the Committee highlighted that it would increase his salary and LTIP opportunity as he develops and becomes more experienced in the role.

Since appointment, whilst continuing to develop in the role, Mark has performed strongly from an individual perspective and the Group has also performed strongly over the same period. In light of this, the Committee has decided to award a salary increase of 10%. His LTIP opportunity has been increased to align with that of his predecessor at 175%, ensuring pay outcomes remain linked to stretching and ambitious performance targets and the delivery of long-term shareholder value. Following these changes the total package remains conservatively positioned against the market and is below where Mark's predecessor would have been if he was still in post. The Committee will consider a similar level of increase to salary next year to bridge this gap, taking into account of Mark's continued development and performance in the role. There will be no change to Mark's STIP opportunity for 2025.

There is no change to benefits or pension.

STIP MEASURES

The STIP will continue to be subject to stretching corporate financial and strategic measures, alongside personal objectives. The core bonus opportunity is determined through a balance of financial and strategic performance measures and is then distributed to Executive Directors against achievement of their personal objectives. There will be no change to the Group Pool structure and choice of financial measures for 2025. The Pool will continue to be weighted 40% on IFRS New Business Profit, 30% on Underlying Operating Profit and 30% on New Business Strain. The Pool will also continue to be subject to a +/- 15% strategic modifier based on Customer and People performance and for 2025 the modifier will also include an operating efficiency and risk measure.

LTIP MEASURES

For the LTIP awards to be made in 2025, the measures are broadly unchanged and have been selected to align to Just's long term strategy. These are Cash Generation (15%); Relative TSR (25%); Return on Equity ('ROE') (45%) and ESG (15%). For 2025, the ESG measure will be based on investments into sustainable assets which is a key action that we can take as a business for the environment.

CHAIR'S CONCLUDING COMMENTS

I hope you will agree that we have struck an appropriate balance between retaining and motivating both the Executive Directors and, indeed, the wider workforce and aligning their interests with those of our shareholders and other stakeholders.

I continue to make myself available to discuss these arrangements with key stakeholders and welcome feedback.

I hope that you will support the resolution at the AGM on the Directors' Remuneration Report.

MICHELLE CRACKNELL
Chair, Remuneration Committee
6 March 2025

ANNUAL REPORT ON REMUNERATION

VARIABLE REMUNERATION OUTCOMES IN 2024

ANNUAL BONUS

Total bonus payout (% of maximum)

David Richardson: 90% Mark Godson: 90%

Financial Measures

Measure	Weighting %	Outcome (% of max)
IFRS New Business Profit	40	100%
Underlying Operating Profit	30	100%
New Business Strain	30	80%
Group Pool Outcome (% of maximum)		94%
Strategic modifier: 10%		
Final Pool Outcome (% of maximum)*		100%

* Final Outcome is capped at 100% of maximum

2022 – 2024 LTIP

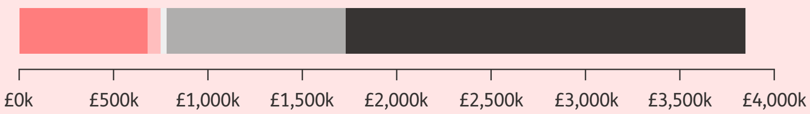
Total LTIP achievement (% of maximum)

David Richardson 100%

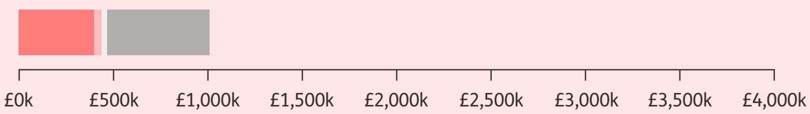
Performance Measure	Weighting %	Outcome (% of max)
Average Return on Equity (RoE)	35	100%
Underlying OCG	25	100%
Relative TSR	30	100%
ESG assets	10	100%
Total		100%

SINGLE FIGURES

David Richardson



Mark Godson



Element of Pay	David Richardson	Mark Godson
Base Salary	£684k	£400k
Pension	£68k	£40k
Taxable Benefits	£29k	£25k
Annual bonus	£945k	£540k
LTIP	£2,116k	£0k
Total	£3,842k	£1,005k

IMPLEMENTATION OF REMUNERATION POLICY IN 2025

BASE SALARY

David Richardson: £721,000 (increase of 3%)

Mark Godson: £440,000 (increase of 10%)

PENSION AND BENEFITS

- Pension aligned to wider workforce rate at 10% of salary
- No change to taxable benefits

2025 ANNUAL BONUS

Performance Measure	Weighting %
New Business Profit	40%
Underlying Operating Profit	30%
New Business Strain	30%
Strategic Modifier	+-15%

KEY STRUCTURAL FEATURES

- 40% of any bonus earned will be deferred into shares for three years
- Committee retains discretion to adjust bonus outcomes to reflect underlying performance of business
- Malus and clawback provisions apply

2025 – 2027 LTIP

Total LTIP opportunity (% of salary)

David Richardson 250% Mark Godson: 175%

Performance Measure	Weighting %
Cash Generation	15%
Relative TSR v FTSE 250 (excluding investment trusts)	25%
Return on Equity	45%
ESG – Investments	15%

KEY STRUCTURAL FEATURES

- Shares vesting under the LTIP will be subject to a two year holding period
- Committee retains discretion to adjust LTIP outcomes to reflect underlying performance of business
- Malus and clawback provisions apply

DIRECTORS' REMUNERATION REPORT continued

This report describes the remuneration for our Executive Directors and Non-Executive Directors and sets out how the remuneration policy has been used and, accordingly, the amounts paid relating to the year ended 31 December 2024. In addition, this report states how the policy will be implemented in 2025.

The report has been prepared in accordance with the provisions of the Companies Act 2006, the FCA's Listing Rules and The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended. The report has also been prepared in line with the recommendations of the UK Corporate Governance Code.

Various disclosures of the detailed information about the Directors' remuneration set out below have been audited by the Group's independent auditor, PricewaterhouseCoopers LLP.

TOTAL SINGLE FIGURE OF REMUNERATION (AUDITED)

	Salary/fees		Taxable Benefit		STIP		LTIP[2,3]		Pension		Total		Total fixed remuneration		Total variable remuneration	
£000	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
David Richardson	684	630	29	28	945	859	2,116	1,026	68	63	3,842	2,606	781	721	3,061	1,885
Mark Godson[1]	400	63	25	4	540	–	–	–	40	6	1,005	73	465	73	540	–
Jim Brown[1]	64	10	4	–	–	–	–	–	–	–	68	10	68	10	–	–
Michelle Cracknell	84	74	1	1	–	–	–	–	–	–	85	75	85	75	–	–
John Hastings-Bass	223	200	–	–	–	–	–	–	–	–	223	200	223	200	–	–
Mary Kerrigan	79	75	1	1	–	–	–	–	–	–	80	76	80	76	–	–
Mary Phibbs[1]	94	75	–	1	–	–	–	–	–	–	94	76	94	76	–	–
Kalpana Shah	84	80	–	–	–	–	–	–	–	–	84	80	84	80	–	–

1 Amounts reported in the single figure table reflect the period during which Directors provided services to the Company as a Director. Mark Godson's 2023 remuneration is from when he joined the Group as CFO Designate on 6 November 2023. Mary Phibbs and Jim Brown's 2023 remuneration reflect their appointment dates of 5 January 2023 and 1 November 2023 respectively. Director's who left during 2023 and had no remuneration during 2024 are not reflected in this table.

2 Remuneration in respect of LTIP is reported on vesting. The 2024 amounts in the table represent the outcome of the 2022-2024 LTIP scheme. This scheme interest was earned but did not vest during 2024. Scheme vesting is set out on page 114. For the purposes of valuation, the amounts have been estimated based on a share price of £1.4576 (the average share price from 1 October to 31 December 2024) plus any dividend equivalents on that scheme. This estimate will be updated to reflect the actual valuation in next year's report. The share price used for this estimate represents an increase of £0.5824 (67)% when measured against the share price at the time of grant of £0.8752.

3 The 2023 amounts in the table represent the 2021-2023 LTIP scheme and the value has been updated since the estimate reported in the 2023 ARA to reflect the actual share price of £1.058 at the time of vesting of that scheme, representing a difference of £0.2659 from the price used to estimate in the 2023 DRR of £0.7921.

2024 FIXED PAY

BASE SALARIES (UNAUDITED)

David Richardson received a salary increase in April 2024 of 10% to £700,000, detail of which was provided in the 2023 Directors' Remuneration Report. Mark Godson's salary for 2024 was set on his appointment at £400,000.

BENEFITS AND PENSION (AUDITED)

Benefits include an executive allowance from which the executives can purchase their own benefits, for example private medical cover. The Company also provides permanent health insurance, life assurance and biennial health screening benefits.

The Executive Directors each received a cash payment in lieu of the Company pension of 10% of salary, in line with the contribution rate offered to the majority of the wider workforce.

NON-EXECUTIVE DIRECTORS' FEES

The fees for the Non-Executive Directors in 2024 are as detailed in the table below.

£000	As at 31 December 2024	As at 31 December 2023
Board Chair[1]	230	200
Basic fee	65	60
Additional fee for Senior Independent Director	10	10
Additional fee for Committee Chair, Risk and Audit Committees	20	20
Additional fee for Committee Chair, all other Committees	15	15

1 The Board Chair receives a single, all-inclusive fee for the role.

No increase to base fees are planned for 2025.

2024 EXECUTIVE DIRECTORS' SHORT TERM INCENTIVE PLAN (AUDITED)

The 2024 STIP outturn was calculated on corporate financial performance measures, split across three measures, and moderated by non-financial performance measures. The bonus is distributed on personal performance based on objectives agreed with the Remuneration Committee each year. The personal performance of David and Mark against strategic objectives is outlined on page 114. Based on the personal performance achievements the Committee distributed a bonus of 90% of maximum to both David and Mark.

In line with our policy, 40% of the 2024 STIP award will be deferred into nil cost options (DSBP), subject to continued employment/good leaver status and clawback/malus provisions.

	STIP (balanced scorecard)	Cash STIP (£000)	Deferred STIP (£000)	Estimated number of shares deferred under DSBP[1]
David Richardson	90% of maximum[2]	567	378	259,330
Mark Godson	90% of maximum[2]	324	216	148,189

1 The estimated number of shares deferred under the DSBP were determined using the average closing share price between 1 October 2024 and 31 December 2024, being £1.4576. The actual number of shares will be confirmed in the RNS at the time of grant and updated in next year's Directors' Remuneration report.

2 Maximum opportunity is 150% of salary.

The performance outcome against the targets set for the 2024 STIP was as follows:

STIP (BALANCED SCORECARD)

	Weighting	Threshold (25%)	On-target (50%)	Maximum (100%)	Actual	% achieved
New business profit	40%	£355m	£387m	£455m	£460m	40%
Underlying operating profit	30%	£377m	£429m	£498m	£504m	30%
New business strain	30%	2.5%	1.75%	1.0%	1.3%	24%
Total						94%

The financial component of the pool is subject to adjustment of up to +/- 15% of potential based on various pre-set non-financial performance measures.

Under the strategic modifier the bonus outturn based on financial performance can be increased or decreased by up to 15%. For 2024, the strategic modifier was equally weighted between customer and people metrics. The customer portion of the modifier focused on the progress the Group has made in successfully embedding Consumer Duty. The Committee was satisfied with the progress on this portion of the modifier and determined that it was between target and maximum.

The people portion of the modifier consisted of a scorecard encompassing the percentage of females in the Group's senior leadership team; belonging index scores measured through Peakon and scores on proud to work at Just metrics. For 2024, we made strong progress on our diversity metric, with 40% of the senior leadership team identifying as female being above the stretch target; and saw positive scores on our belonging index at 8.3 (against a stretch target of 8.3), alongside a score of 86% on our Proud to work at Just metric in line with the stretch target we set ourselves.

Taking all of the above into account, this has resulted in a 10% increase in the bonus pool (out of a maximum of 15%), resulting in a final corporate bonus outcome of 100% of maximum. The Committee is comfortable this outcome is reflective of exceptional progress in the year and the continued delivery of value for our shareholders.

David and Mark were assessed to have outperformed against their personal objectives, having each successfully performed against an extensive range of stretching objectives set at the beginning of the year, further detail of which is provided below. As set out earlier, their final bonus outturns are 90% of maximum.

RISK CONSIDERATION

The Committee reviewed a comprehensive report from the Group Chief Risk Officer to ascertain that the Executive Directors' objectives had been fulfilled within the risk appetite of the Group. Remuneration policy is designed to encourage a positive approach to risk management. In addition, the Committee received feedback from the Group Chief Risk Officer that there were no material issues to consider around regulatory breaches, customer outcomes or litigation that would prevent payment of any STIP award or trigger any malus provisions. Taking into account the risk assessment and the wider context in the year, including the experience of customers, employees and shareholders, the Committee was satisfied that the STIP awards should be paid.

DIRECTORS' REMUNERATION REPORT continued

PERSONAL PERFORMANCE

Strategic personal objective outturn 90%	Key achievements
DAVID RICHARDSON	
Business Performance and Business Model development	Developed investment, reinsurance and operational capabilities supporting the Group in writing £6.4bn of new business sales at low capital strain in 2024.
Operational Performance and Modernisation	Drove, with the Chief Digital Information Officer, the development of a three-year roadmap for modernising the Group's technology estate to improve operational resilience.
Talent, Engagement and Belonging	Fostered a culture of a high performing leadership team, evidenced by the improving and strong colleague engagement scores, enabling Just to retain and attract talent at all levels.
Regulatory Developments	Embedded consumer duty in the organisation and continued to ensure the risk, compliance and controls capabilities and culture meet the developing needs of the business. Good progress has been made on the key regulatory priorities.

Strategic personal objective outturn 90%	Key achievements
MARK GODSON	
Deliver the Business Plan	Delivered 30% growth in new business profit at low capital strain levels of 1.3%. Issued a £400m tier 2 sustainability bond. Reduction risk profile, supported by continued investment in held to maturity gilts.
People Leadership	Established a culture of high performing teams across finance. Provided opportunities for team members to progress and broaden their experience, supported by the creation of talent boards.
Develop the Market to Improve Shareholder Value	Achieved substantial growth in share price over 2024, outperforming against the FTSE 250. Engaged with existing and potential investors both in the UK and USA.
Regulatory Engagement	Oversaw the implementation of UK Solvency and the internal model for PLACL ensuring working closely with the regulators.
Finance Transformation	Continued focus on finance transformation activities, including processes, systems and controls supporting financial reporting. Developed a technology roadmap for the next two years.

VESTING OF LTIP AWARDS WITH A PERFORMANCE PERIOD ENDING IN 2024 (AUDITED)

2022 AWARDS

The 2022 LTIP award performance period ended on 31 December 2024. The award is forecast to vest at 100% on 24 March 2025 based on underlying organic capital generation, relative TSR performance, return on equity and amounts invested in ESG sustainable assets. Performance is measured against targets over the three-year period ending 31 December 2024.

	Date of grant	Type of award	Number of shares awarded	% vesting	Dividend equivalent due	No of shares due to vest[1]	Value of shares due to vest[1]
David Richardson	24 March 2022	Nil-cost options	1,391,681	100%	£87,815	1,391,681	£2,028,514

1 The value shown is based on the three-month average share price to the year end, being £1.4576. This value will be trued up to reflect the actual share price at vesting in next year's single total figure table.

SUMMARY OF PERFORMANCE

Condition	Weighting	Target		Actual performance	Vesting outcome (% of maximum)
		Threshold (25%)	Maximum (100%)		
Underlying organic capital generation ("UOCG")	25%	£110m	£150m	£155m	100%
Relative TSR vs. FTSE 250 (excluding investment trusts)	30%	Median	Above Upper Quartile	79.3%	100%
Return on Equity	35%	8% p.a. average	12% p.a. average	13% p.a. average	100%
ESG – investment into sustainable assets	10%	£300m	£750m	£919m	100%
Total Vesting Outcome					100%

As set out in the Remuneration Committee Chair's letter, the UOCG targets have been increased to reflect IFRS17 and strategic costs, and the outcome has removed the impact of writing higher levels of additional business than envisaged when first approving the targets. Further detail is set out earlier in the report.

2024 LTIP AWARDS GRANTED (AUDITED)

The following awards were made to the Executive Directors in 2024:

	Date of grant	Type of award	Face value at time of grant[1]	Number of shares	End of performance period
David Richardson	28 March 2024	Nil-cost options	£1,400,000 (200% of salary)	1,327,014	31 December 2026
Mark Godson	28 March 2024	Nil-cost options	£600,000 (150% of salary)	568,720	31 December 2026

1 The actual share price calculated as the average price over the five days preceding the grant was £1.055.

PERFORMANCE CONDITIONS AND TARGETS APPLYING TO THE 2024 LTIP AWARDS

		Target	
Condition	Weighting	Threshold	Maximum
Cash generation (alignment with strategic objectives)	15%	£291m	£341m
Relative TSR vs. FTSE 250 (excluding investment trusts)	25%	Median	Upper Quartile
Return on Equity	45%	10% p.a. average	15% p.a. average
ESG – investment emissions	15%	Reduction by 2026 of 38%	Reduction by 2026 of 50%

Each performance condition will have nil vesting for performance below threshold; and will vest between 25% and 100% on a straight-line basis for performance between threshold and maximum.

As disclosed in the 2023 Directors' Remuneration Report, 7.5% of the 2023 LTIP award is subject to an ESG measure of being net zero by 2025 with offset including Scope 1, 2 and business travel. As a growing business, we are seeing a naturally associated increase in requirements for business travel. We have to balance the growth requirements of the business with the fact that our business travel emissions are small in comparison to our broader Scope 3 emissions. As such we have decided to remove business travel from our Group 2025 net zero target and the Committee has therefore determined to remove business travel from the 2023 LTIP ESG measure. This also aligns with the change to this measure in the Sustainability: TCFD report on page 41. There is no change to the targets themselves which remain appropriately stretching.

DIRECTORS' BENEFICIAL SHAREHOLDINGS (AUDITED)

To align the interests of the Executive Directors with shareholders, each Executive Director must build up and maintain a shareholding in the Group equivalent to 200% of base salary, in line with the Policy. Until the guideline is met, Executive Directors are required to retain 50% of any LTIP and DSBP share awards that vest (and are exercised), net of tax and national insurance contributions ("NICs").

Details of the Directors' interests in shares of the Company are shown in the table below. Beneficially owned shares include shares owned outright by the Directors and their connected persons. For the purpose of calculating whether the shareholding guideline has been met, awards vested but not exercised and awards unvested under the DSBP (detailed in the Directors' outstanding incentive scheme interests section following), net of tax and NIC, are included.

Director	Beneficially owned shares at 31 December 2024	Interest in share awards – subject to performance conditions	Interest in share awards – not subject to performance conditions	Interest in share awards – vested but unexercised	Shareholding guideline (% of salary)	Shareholding guideline met[1] (% of salary)
David Richardson[2]	3,175,633	4,261,725	975,062	–	200%	769%
Mark Godson	35,733	568,720	37,176[4]	–	200%	13%
Jim Brown	200,000	–	–	–	n/a	n/a
Michelle Cracknell	59,000	–	–	–	n/a	n/a
John Hastings-Bass	210,200	–	–	–	n/a	n/a
Mary Kerrigan	61,715	–	–	–	n/a	n/a
Mary Phibbs	–	–	–	–	n/a	n/a
Kalpana Shah[3]	–	–	–	–	n/a	n/a

1 Based on the average closing price of £1.4576 between 1 October 2024 and 31 December 2024.

2 Included in David Richardson's 3,175,633 beneficially owned shares at 31 December 2024 are 334,172 shares, which were financed by way of a company loan, of which £455k was outstanding as at 31 December 2024. This loan accrues interest at 4% p.a. and will be repaid out of any sale proceeds on such shares. To the extent a shortfall remains, the Company will write off the balance and settle any taxes due on a grossed-up basis.

3 Kalpana Shah resigned from the Board on 1 March 2025 and her holdings reported in the table above are as at that date.

4 Mark Godson has not yet met the shareholding guideline of 200% with a current holding of 13%. In line with the Remuneration Policy, until this is met, he must retain 50% of any LTIP or DBSP awards, net of tax, and NICs.

There have been no changes in the Directors' interests in shares in the Company between the end of the 2024 financial year and the date of this Annual Report.

DIRECTORS' REMUNERATION REPORT continued

DIRECTORS' OUTSTANDING INCENTIVE SCHEME INTERESTS (AUDITED)

The below tables summarise the outstanding awards made to David Richardson and Mark Godson. All awards under the LTIP schemes are granted under options with performance conditions. Awards granted under the DSBP schemes are granted under options with no performance conditions.

The table below summarises the outstanding awards made to David Richardson:

Date of grant	Exercise price	Interest as at 31/12/2023	Granted in the year	Dividend shares accumulating at vesting	Vesting in the year	Lapsed in the year	Exercised in the year[1]	Interest as at 31/12/2024	Vesting date	Expiry date
LTIP										
28 Mar 2024	Nil	–	1,327,014	–	–	–	–	1,327,014	28 Mar 2027	28 Mar 2034
23 Mar 2023	Nil	1,543,030	–	–	–	–	–	1,543,030	23 Mar 2026	23 Mar 2033
24 Mar 2022	Nil	1,391,681	–	–	–	–	–	1,391,681	24 Mar 2025	24 Mar 2032
24 Mar 2021	Nil	959,704	–	–	940,509	19,195	940,509	–	24 Mar 2024	24 Mar 2031
DSBP										
28 Mar 2024[2]	Nil	–	325,791	–	–	–	–	325,791	28 Mar 2027	28 Mar 2034
23 Mar 2023	Nil	325,475	–	–	–	–	–	325,475	23 Mar 2026	23 Mar 2033
24 Mar 2022	Nil	323,796	–	–	–	–	–	323,796	24 Mar 2025	24 Mar 2032
24 Mar 2021	Nil	331,305	–	–	331,305	–	331,305	–	24 Mar 2024	24 Mar 2031

1 2021 LTIP and DSBP were exercised on 11 April 2024 at a price of £1.023.

2 The actual share price calculated as the average price over the five days preceding the grant was £1.055.

The table below summarises the outstanding awards made to Mark Godson:

Date of grant	Exercise price	Interest as at 31/12/2023	Granted in the year	Dividend shares accumulating at vesting	Vesting in the year	Lapsed in the year	Exercised/ released in the year[1]	Interest as at 31/12/2024	Vesting date	Expiry date
LTIP										
28 Mar 2024	Nil	–	568,720	–	–	–	–	568,720	28 Mar 2027	28 Mar 2034

SAVE AS YOU EARN (SAYE) (AUDITED)

The table below summarises the Directors' outstanding options from the SAYE scheme:

Name	As at 1 Jan 2024	Options Granted	Options Exercised	Options Lapsed	As at 31 Dec 2024	Options Price	Exercisable from	Date of expiry
David Richardson	–	–	–	–	–	–	–	–
Mark Godson	–	37,176	–	–	37,176	£0.85	01 Jun 2029	01 Dec 2029

SAYE options are granted at a 20% discounted option price, calculated using the three-day average share price immediately before the invitation date. The face value of the award on grant was £39,500.

DILUTION

The Company's employee share plans operate within the dilution limits in the Investment Association principles of remuneration, of 10% under all share plans and 5% under the executive share plans in any rolling ten-year period. Awards granted under the LTIP, DSBP and SAYE are satisfied by either using newly issued shares or market purchased shares held in the employee benefit trust, however it is the intention of the Company to use only market purchased shares to satisfy future awards under LTIP and DSBP.

Should the decision be made to issue new shares to satisfy LTIP or DSBP in the future, the current dilution is 3.79% (10% in 10 years under the all shares plans) and 2.97% (5% in 10 years under the executive share plans).

PAYMENTS FOR LOSS OF OFFICE (AUDITED)

No payments were made for loss of office to Directors during 2024.

PAYMENTS TO PAST DIRECTORS (AUDITED)

ANDY PARSONS

Andy stepped down from the Board in 2023 and the treatment of his awards granted under the LTIP and DSBP was disclosed in the 2023 Annual Report. During 2024 Andy exercised his 2021 LTIP and 2021 DSBP entitlements of 816,062 nil-cost options in total and sold 383,862 shares at a market price of £1.063. Further details about the vesting of the LTIP awards is set out on page 114. During the year Andy was issued 201,099 DBSP shares in respect of the 2023 deferred bonus.

RODNEY COOK

Rodney stepped down from the Board in 2019 and the treatment of his awards under the LTIP and DSBP was disclosed in the 2019 Annual Report. All of his awards vested prior to 2024. He exercised his 2018 LTIP and 2018 DSBP nil-cost options of 336,863 shares in total on 5 April 2024 at a market price of £1.062.

SIMON THOMAS

Simon stepped down from the Board in 2018 and the treatment of his awards under the LTIP and DSBP was disclosed in the 2018 Annual Report. All of his awards vested prior to 2024. He exercised:

- on 11 March 2024 150,892 2015 LTIP nil-cost options and sold the shares at £0.9875 each; and
- on 4 October 2024 50,000 2017 LTIP nil-cost options and sold the shares at £1.404 each.

SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Executive Directors are on rolling service contracts with no fixed expiry date. The contract dates and notice periods for each Executive Director are as follows:

	Date of contract	Notice period by Company	Notice period by Director
David Richardson	27 November 2019	6 months	6 months
Mark Godson	6 November 2023	6 months	6 months

The appointment of each Non-Executive Director may be terminated at any time with immediate effect if he/she is removed as a Director by resolution at a general meeting, by giving one months' notice, or pursuant to the Articles. The Non-Executive Directors (other than the Chair) are not entitled to receive any compensation on termination of their appointment.

CONTRACT/LETTER OF APPOINTMENT EFFECTIVE DATES

Jim Brown	1 November 2023
Michelle Cracknell	1 March 2020
John Hastings-Bass	13 August 2020
Mary Kerrigan	1 February 2022
Mary Phibbs	5 January 2023
Kalpana Shah[1]	1 March 2021

1 Kalpana stepped down from the Board on 1 March 2025.

Executive Directors' service contracts are available for inspection at the Group's registered office during normal business hours and will be available for inspection at the AGM.

STATEMENT OF VOTING AT THE ANNUAL GENERAL MEETING (UNAUDITED)

At the Company's 2024 AGM held on 7 May, shareholders were asked to vote on the Directors' Remuneration report for the year ended 31 December 2023. The Directors' Remuneration policy was most recently considered and approved at the 9 May 2023 AGM. The votes received were:

Resolution	Votes for	% of votes	Votes against	% of votes	Votes withheld
To approve the Directors' Remuneration report (2024 AGM)	841,209,063	97%	22,281,164	3%	49,209
To approve the Directors' Remuneration policy (2023 AGM)	810,331,240	95%	39,534,784	5%	5,501

The full Directors Remuneration policy can be found in the 2022 ARA on our website: www.justgroupplc.co.uk/investors/results-reports-and-presentations

EXTERNAL ASSISTANCE PROVIDED TO THE COMMITTEE

Following a robust and competitive tender process, Deloitte LLP ("Deloitte") were appointed as the independent adviser to the Remuneration Committee in October 2024. From 2020 to October 2024, FIT Remuneration Consultants LLP ("FIT") had been retained as the independent adviser to the Committee. Deloitte LLP also provided tax advisory, treasury and internal audit services during 2024. The Committee regularly reviews and satisfies itself that all advice received is objective and independent (through assessing the advice against their own experience and market knowledge), and fully addresses the issues under consideration. Deloitte and Fit are members of the Remuneration Consultants Group and subscribe to its Code of Conduct. Fees paid to Deloitte for services to the Committee in 2024 were £28,250 and were charged on a time spent basis in accordance with the terms of engagement. Fees paid to Fit for services to the Committee in 2024 were £41,666 and were charged on a time spent basis in accordance with the terms of engagement.

DIRECTORS' REMUNERATION REPORT continued

REMUNERATION FOR EMPLOYEES BELOW THE BOARD (UNAUDITED)

GENERAL REMUNERATION POLICY

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. For example, the Committee takes into account the general salary increases for the broader employee population when conducting the salary review for the Executive Directors. The wider workforce participates in either the group bonus plan which led to an outturn of 100% for 2024, or within distinct bonus arrangements for business unit areas. Individual bonuses are then determined based on delivery against personal objectives. The Executive Directors are subject to the same process as other colleagues.

However, 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. Deferral is greater for Executive Directors than for other regulated employees. This ensures the remuneration of the Executive Directors is aligned with the performance of the Group and therefore the interests of shareholders.

The remuneration policy for the wider Group is designed to attract, retain and motivate new and existing employees. It is in line with the sector in which we operate and our overall total remuneration approach is to pay a market competitive level of remuneration that is structured to appropriately reward employees, align them with the interests of our shareholders and customers, be compliant with Solvency II remunerations regulation and be relevant to the markets/geographies in which we operate. We define total remuneration as base salary, annual incentive (STIP) and any benefits, for example pensions. For those eligible to participate in the LTIP, this will also be included.

SUMMARY OF THE REMUNERATION STRUCTURE FOR EMPLOYEES BELOW EXECUTIVE DIRECTOR

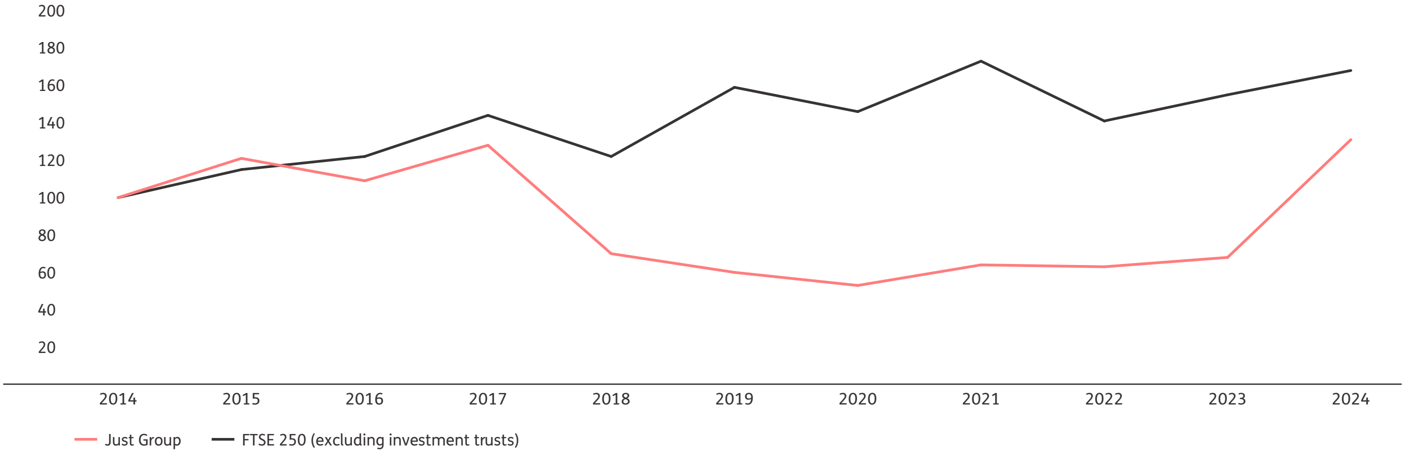
Element	Policy approach
BASE SALARY	To attract and retain key employees we pay salaries which deliver market competitive total remuneration. We take into account the following when determining the base salary: the size of the role and its scope, the required skills, knowledge and experience, relevant pay in terms of the wider organisation and market comparative data. For 2024, the average salary increase (excluding promotions and joiners shortly prior to year end) for all employees awarded in April 2024 was 4.5%. This is an average figure, with individual increases varying within a range depending on the factors above.
BENEFITS	All employees participate in the permanent health insurance and life assurance schemes. They can choose to participate in the private medical cover scheme and the health cash plan.
PENSION	All employees are provided with the opportunity to participate in the Group defined contribution pension plan, with a Company contribution of up to 15% of salary for the executive team (excluding Executive Directors) and 10% of salary for Executive Directors and all other employees. New members of the executive team are provided with a Company contribution of 10% of salary, in line with the wider workforce. Employees who have reached HMRC annual or lifetime allowance limits can be paid a cash allowance in lieu of pension contributions.
SHORT TERM INCENTIVE PLAN ("STIP")	All of our employees participate in a discretionary bonus plan (STIP) unless an alternative plan is in operation. The STIP is based on corporate performance and distributed based on personal performance incorporating individual objectives and behaviours in line with our culture and conduct in the role. The Group also operates bonus plans for certain types of roles, for example sales, based on objectives, behaviours in line with our culture and conduct in the role. For regulated roles in control functions, for example in risk, audit or compliance roles, the STIP is primarily based on the performance of their function. The Remuneration Committee has the ultimate discretion on all incentive plans and these are reviewed on an annual basis. Bonuses for all of the executive team who are not Board members and employees under Solvency II have an element of variable remuneration deferred into shares for three years.
LONG TERM INCENTIVE PLAN ("LTIP")	Participation in the LTIP is a small number of executives, and some key roles each year. Participation recognises the strategic and critical roles they hold in supporting the strategic direction of the business and delivering Company performance. In 2024 60 individuals were granted awards under the LTIP.
DEFERRED SHARE BONUS PLAN ("DSBP")	The Company operates a DSBP which provides the vehicle for the deferral of the STIP awards.
SHARESAVE ("SAYE")	The Company operates a SAYE which is a tax-advantaged share scheme and is open to all UK-based employees as well as the Executive Directors. Participants are allowed to save a maximum of £500 per month and acquire the Company's shares at a discount of up to 20% of the market value at the date of grant, within a six-month period following the maturity of their savings contracts in either three or five years.
SHARE INCENTIVE PLAN ("SIP")	The SIP is a tax-advantaged share scheme in which all of the UK-based employees are eligible to participate as well as the Executive Directors. Free shares were awarded to the UK-based employees in 2016. This scheme is not currently in operation but the Company may choose to do so in the future.

TOTAL SHAREHOLDER RETURN (UNAUDITED)

GROUP'S SHARE PERFORMANCE COMPARED TO THE FTSE 250 INDEX

The following graph shows a comparison of the Group's total shareholder return (share price growth plus dividends paid) with that of the FTSE 250 Index (excluding investment trusts).

The Group has selected this index as it comprises companies of a comparable size and complexity across the period and provides a good indication of the Group's relative performance.



TOTAL REMUNERATION OF THE CEO DURING THE SAME PERIOD (UNAUDITED)

The total remuneration of the CEO over the last ten years is shown in the table below.

	2015[1]	2016[1]	2017	2018	2019[2]	2019[2]	2020	2021	2022	2023	2024
Chief Executive	RC	RC	RC	RC	RC	DR	DR	DR	DR	DR	DR
Total remuneration (£000)	1,357	2,630	2,369	2,507	438	1,440	1,541	1,577	2,470	2,606	3,842
STIP (% of maximum)	89%	97.5%	95%	91.2%	0%	83.1%	85%	80%	75%	90%	90%
LTIP (% of maximum)	n/a	39.5%	50%	50%	50%	50%	19.75%	31.8%	93%	98%	100%

1 The 2015 figures represent the year to 30 June 2015. The year ended 31 December 2016 covered 18 months following the change of year end from 30 June. The total single figure of remuneration for the 12-month period ended 31 December 2016 was £1,870,000.

2 Rodney Cook ("RC") stood down as CEO from 30 April 2019 and David Richardson ("DR") assumed the role of CEO from this date (initially on an interim basis). The total single figure remuneration for Rodney Cook in 2019 represents four months to 30 April 2019 and the full vesting value of the 2017 LTIP and for David Richardson represents 8/12ths of his pay in 2019.

CEO PAY RATIO (UNAUDITED)

This is the sixth year in which Just Group has been required to publish its CEO pay ratio.

Year	Method[1]	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2024	Option A	96 : 1	60: 1	34 : 1
2023	Option A	62 : 1	38 : 1	21 : 1
2022	Option A	73 : 1	44 : 1	25 : 1
2021	Option A	47 : 1	29 : 1	17 : 1
2020	Option A	42 : 1	26 : 1	16 : 1
2019[2]	Option A	44 : 1	28 : 1	17 : 1

1 Option A was selected as it provided a full picture of pay across the Group. The Company determined the single figure remuneration for all UK employees on a FTE basis as at 31 December of the relevant year and used this to identify the three employees who represent the 25th percentile, 50th percentile and 75th percentile by total pay. FTE remuneration was determined by reference to pay across 260 working days per year over a 35 hour week. Cases where employees were on maternity leave have been excluded as their remuneration in the year was not felt to be an accurate reflection of their ordinary pay levels. This did not have a material impact on the ratios and so the Committee is satisfied that the three individuals are reflective of the three percentiles.

2 The total pay and benefits for the role of CEO in 2019 was calculated using Rodney Cook's base salary, benefits and pension contributions for the four months to 30 April 2019 and David Richardson's base salary, benefits and pension contributions for the remainder of the year, full year 2019 annual bonus and 2017 LTIP award which vests based on performance to 31 December 2019.

The CEO pay ratio is heavily impacted by the performance of the Group and the share price. The CEO pay ratio has increased between 2023 and 2024 due to the strong performance of the Group and the material increase in the share price. This is as the CEO's remuneration package is heavily weighted to performance-related pay with a significant proportion being delivered in shares.

DIRECTORS' REMUNERATION REPORT continued

The table below shows the total pay and benefits and the salary component of this for the employees who sit at each of the three quartiles in 2024.

£000	Total pay and benefits	Salary component of total pay
25th percentile	40	32
50th percentile	64	49
75th percentile	112	85
Group Chief Executive	3,842	684

The Group Chief Executive Officer was paid 60 times the median employee in 2024. The Remuneration Committee is confident that this is consistent with the pay, reward and progression policies for the Company's UK employees. The base salary and total remuneration for the CEO and the median representative employee are competitively positioned within the relevant markets and reflect our remuneration structures which are effective in appropriately incentivising and rewarding employees for both what they achieve, as well as how they do so, while having due regard to our risk appetite. Just provides competitive reward and benefit packages to all employees ensuring pay is at or above the real living wage, while allowing for full participation in the pension arrangements.

We have a career progression framework for our operations teams providing incremental salary increases as they develop in role and gain new skills. Annual benchmarking is conducted for all roles and corrective action taken where an individual is remunerated below the target level. Our competitive pension scheme provides for employer contributions of up to 10%. We have a comprehensive benefits package allowing employees to select benefits of value to them and employees are invited to participate in the annual SAYE offering. The Committee will continue to monitor the CEO pay ratio and gender pay gap statistics as part of its overview of all employee pay.

PERCENTAGE ANNUAL CHANGE IN REMUNERATION OF DIRECTORS AND EMPLOYEES OF JUST GROUP PLC (UNAUDITED)

The table below shows the percentage change in salary, taxable benefits and STIP in respect of each Director earned between 2020 and 2024, compared to that for the average employee of the Group (on a per capita (FTE) basis).

	Percentage change between 2023 and 2024			Percentage change between 2022 and 2023			Percentage change between 2021 and 2022			Percentage change between 2020 and 2021			Percentage change between 2019 and 2020		
	Base salary	Benefits	Annual bonus	Base salary	Benefits	Annual bonus	Base salary	Benefits	Annual bonus	Base salary	Benefits	Annual bonus	Base salary	Benefits	Annual bonus
Average employee[1]	8.4%	9.3%	10.8%	9.5%	5.9%	24.3%	5.9%	1.1%	-2.8%	2.5%	2.2%	-7.4%	4.6%	4.8%	0.5%
Executive Directors															
David Richardson	8.7%	7.1%	11.2%	3.9%	3.0%	24.1%	1.5%	1.2%	-4.4%	1.0%	-2.0%	-6.0%	8.9%	2.7%	11.9%
Mark Godson/Andy Parsons[2]	(8.5)%	(5.7)%	(8.5)%	3.9%	2.7%	24.1%	1.5%	1.0%	-4.4%	0.0%	-51.0%	0.0%	n/a	n/a	n/a
Non-Executive Directors															
Jim Brown	6.7%	100%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Michelle Cracknell[3]	13.5%	n/a	n/a	25.0%	n/a	n/a	0.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
John Hastings-Bass[3]	11.5%	n/a	n/a	0.0%	n/a	n/a	0.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mary Kerrigan	5.3%	n/a	n/a	0.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mary Phibbs	25.3%	-100%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Kalpana Shah[3]	5.0%	n/a	n/a	0.0%	n/a	n/a	0.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

1 All permanent employees (excluding the Executive Directors) of the Group in the UK who were in employment during 2020 and 2023 were selected as the most relevant comparator. This was chosen as the listed Company has no employees.

2 The figures are calculated using remuneration for Mark Godson from 2024 and Andy Parsons for 2020-2023.

3 The figures in the table have been adjusted to include a full year's remuneration for Directors that are appointed part way through a year.

RELATIVE IMPORTANCE OF SPEND ON PAY (UNAUDITED)

The table below illustrates the relative importance of spend on pay compared to shareholder dividends paid.

	Year ended 31 December 2024	Year ended 31 December 2023	% difference
Total personnel costs (£m)	149	127	17%
Dividends paid (£m)	23	19	21%

CONSIDERING THE POLICY (UNAUDITED)

The Committee continues to consider the policy against a number of different factors, including maintaining a link with the broader remuneration framework to ensure consistency and common practice across the Group. In determining the overall levels of remuneration of the Executive Directors, the Committee also pays due regard to pay and conditions elsewhere in the organisation. In particular, the Committee takes an active role in approving the remuneration of senior executives, which covers eight roles in addition to the Executive Directors across the Group, as well as overseeing the remuneration of Solvency II staff.

As set out in the UK Corporate Governance Code, the Policy has been viewed in the context of six factors:

- Clarity – the policy has a clear objective: to recruit, retain and motivate high-calibre individuals to deliver long-term sustainable performance which benefits all stakeholders in a manner which remains well understood by participants.
- Simplicity – the policy aligns with standard UK market practice, consisting of an annual bonus plan alongside a single LTIP, keeping remuneration structures simple and easy to communicate.
- Risk – relevant individual and plan limits prevent excessive outcomes under the annual bonus or LTIP. Regular interaction with the Group Chief Risk Officer ensures relevant risk implications are understood when setting or assessing performance targets. Comprehensive clawback and malus provisions are in place across all incentive plans and the Committee retains the ability to exercise discretion to override formulaic outcomes which are considered inappropriate amidst wider Company performance and the broader stakeholder experience.
- Predictability – the possible reward outcomes are quantified and reviewed at the outset of the performance period, with potential outcomes under different performance scenarios laid out in the 'Illustrations of 2024 Remuneration Policy' on page 103 of the 2023 annual report.
- Proportionality – incentives only pay out if strong performance has been delivered by the Executive Directors against performance measures which have a direct link to the KPIs of the business
- Alignment to culture – incentive structures incentivise and reward for strong performance in accordance with the Company's expected behaviours and values.

Shareholder views

The Committee engaged with its largest shareholder and the main proxy advisory firms as part of the policy renewal process and were comfortable with the policy changes proposed in 2023.

Employee

As explained on page 84, Michelle Cracknell hosted a "take on board" session on remuneration matters with the wider workforce, which created an opportunity for colleagues to ask questions and provide feedback.

The full Directors' Remuneration Policy is set out in the 2022 Annual Report which can be found on our website.

IMPLEMENTATION OF THE REMUNERATION POLICY IN 2025 FOR DIRECTORS (UNAUDITED)

Element	Policy approach	
BASE SALARY	David Richardson, CEO: £721,000	
	Mark Godson CFO £440,000	
	David Richardson's and Mark Godson's salary will increase by 3% and 10% respectively from 1 April 2025, compared to 3% awarded to most colleagues (with the salary increase budget available for the wider workforce eligible to be considered sitting at 4%).	
NON-EXECUTIVE DIRECTORS FEES	Board Chair	£230,000
	Basic fee	£65,000
	Additional fee for Senior Independent Director	£10,000
	Additional fee for Committee Chair, Risk and Audit Committees	£20,000
	Additional fee for Committee Chair, all other Committees	£15,000
BENEFITS AND PENSIONS	The Executive Directors will receive a benefits allowance of £20,000 for 2025 and a Company pension contribution or cash in lieu of 10% of salary. All employees are enrolled into the Company Group Life Assurance and Group Income Protection schemes.	

DIRECTORS' REMUNERATION REPORT continued

SHORT TERM INCENTIVE PLAN ("STIP")

Maximum STIP opportunity remains unchanged at 150% of salary for Executive Directors. 50% of maximum will pay out for on-target performance.

The core bonus for 2025 is determined by a balanced scorecard of performance against financial and strategic measures. The financial measures are:

- 40% based on new business profit measure
- 30% based on underlying operating profit
- 30% based on new business strain
- +-15% Strategic modifier

The strategic measures, which can 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)
- "Risk" (successfully embedding risk and controls)

The Committee has chosen not to disclose in advance details of the STIP performance targets for the forthcoming year as these include items which the Committee considers commercially sensitive. An explanation of bonus pay outs and performance achieved will be provided in next year's Annual Report on remuneration.

40% of any bonus earned will be deferred for three years into awards over shares under the Deferred Share Bonus Plan.

LONG TERM INCENTIVE PLAN ("LTIP")

Awards will be made over shares with a face value of 250% and 175% of salary in 2025 to the CEO and CFO respectively. The awards made in 2025 will be subject to the conditions below, calculated over the three financial years to 31 December 2027, and will be subject to a further two-year post-vesting holding period.

PERFORMANCE CONDITIONS AND TARGETS APPLYING TO THE 2025 LTIP AWARDS

Condition	Weighting
Cash Generation	15%
Relative TSR vs. FTSE 250 (excluding investment trusts)	25%
Return on Equity	45%
Investments into sustainable assets	15%

Each performance condition will have nil vesting for performance below threshold; and will vest between 25% and 100% on a straight-line basis for performance between threshold and maximum.

At the date of this report the Committee is still finalising the targets and these will be disclosed in the RNS announcement when the awards are granted in March.

APPROVAL

This report was approved by the Board of Directors on 6 March 2025 and signed on its behalf by:

MICHELLE CRACKNELL
Chair, Remuneration Committee
6 March 2025

DIRECTORS' REPORT

The Directors present their report for the financial year ended 31 December 2024.

The Strategic report, the Corporate Governance report and the Directors' Remuneration report include information that would otherwise be included in the Directors' report.

The Annual Report contains forward-looking statements, which are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risk, uncertainties and other factors that may cause actual results to differ from any future results or developments expressed in, or implied by, the forward-looking statements. Each forward-looking statement speaks only as of the date of that particular statement.

STRATEGY AND FUTURE DEVELOPMENTS

PRINCIPAL ACTIVITIES AND PERFORMANCE

Just is a specialist UK financial services group focusing on attractive segments of the UK retirement income market. Just Group plc (the "Company") is a public company limited by shares and was incorporated in England and Wales with the registered number 08568957. The Company is a holding company. Details of the Company's subsidiaries are set out in note 31.

Commentary on the Group's strategy and performance in the financial year ended 31 December 2024 and likely future developments is included in the Strategic report. Our approach to stakeholder engagement, including our Section 172 statement, can be found in the Strategic report and Corporate Governance report.

GOVERNANCE

CORPORATE GOVERNANCE STATEMENT

The FCA's Disclosure Guidance and Transparency Rules require a corporate governance statement in the Directors' report to include certain information. You can find information that fulfils this requirement in this Directors' report, the Corporate Governance report, Board Committee reports, and the Directors' Remuneration report, all of which is incorporated in the Directors' report by reference.

REQUIREMENTS UNDER LISTING RULE 6.6.1

In accordance with Listing Rule 6.6.1, the table below sets out the location of the information required to be disclosed, where applicable.

Information	Page number
Interest capitalised by the Group	Not applicable
Publication of unaudited financial information	Page 214
Long-term incentive schemes involving one director only	Not applicable
Waiver of emoluments by a director	Not applicable
Waiver of any future emoluments by a director	Not applicable
Non pre-emptive issues of equity for cash	Not applicable
Non pre-emptive issues of equity for cash in relation to major subsidiary undertakings	Not applicable
Parent participation in a placing by a listed subsidiary	Not applicable
Contracts of significance involving a director	Not applicable
Contracts of significance involving a controlling shareholder	Not applicable
Shareholder waiver of dividends	Share plans page 125
Shareholder waiver of future dividends	Share plans page 125
Agreements with controlling shareholders	Not applicable

ARTICLES OF ASSOCIATION

The Company may make amendments to the Articles of Association by way of special resolution of the shareholders in accordance with the Companies Act. The Company's Articles of Association can be found at www.justgroupplc.co.uk/about-us/governance.

GOING CONCERN AND VIABILITY STATEMENT

The Directors are required to assess and report on the appropriateness of adoption of the going concern basis of accounting over the 12 months from the date of this report in accordance with Provision 30 of the UK Corporate Governance Code 2018 (the "Code"). In addition, in accordance with Provision 31 of the Code, the Directors are required to assess the prospects of the Group and report on conclusions reached regarding its longer-term viability.

The going concern and longer-term viability assessments include consideration of the Group's business plan approved by the Board; the projected liquidity position of the Company and the Group; ongoing impacts of economic stresses; current financing arrangements and contingent liabilities; and a range of forecast scenarios with differing levels of new business and associated additional capital requirements to write anticipated levels of new business.

The Group and its regulated insurance subsidiaries are required to comply with the requirements established by the Solvency II Framework, and to measure and monitor its capital resources on this basis.

It is fundamental to the Group that the Directors manage and monitor the key risks the Group is exposed to, including longevity risk, property risk, credit risk, and interest rate risk, so that it can protect policyholders and meet their payments when due.

The resilience of the solvency capital position has been tested under a range of adverse scenarios, before and after management actions within the Group's control, which considers the possible impact on the Group's business, including stresses to the credit quality of assets, mortality and risk-free rates. Eligible own funds exceeded the minimum capital requirement in all stressed scenarios described above.

Furthermore, the Directors note that in a scenario where the Group ceases to write new business, the going concern basis would continue to be applicable while the Group continued to service in-force policies.

Having due regard to these matters and after making appropriate enquiries, the Directors confirm that they consider it appropriate to prepare the financial statements on the going concern basis.

The longer-term viability statement, as required by the Code, has been undertaken for a period of five years in line with the Group's business planning horizon. It is in the Strategic report on page 65.

THE BOARD

DIRECTORS

The Directors who served during the year and up to the date of this report are set out below.

- John Hastings-Bass, Chair
- James Brown (known as Jim Brown)
- Michelle Cracknell
- Mark Godson
- Mary Kerrigan
- Mary Phibbs
- David Richardson
- Kalpana Shah (resigned on 1 March 2025)

The biographies of the Directors in office as at the date of this report can be found on pages 72 to 74. The rules governing the appointment and retirement of Directors are set out in the Company's Articles of Association and all appointments are made in accordance with the Code. All current Directors will retire and stand for election or re-election at the 2025 Annual General Meeting ("AGM").

DIRECTORS' REPORT continued

SECRETARY

Simon Watson is the Group Company Secretary of Just Group plc and can be contacted at the Company's Registered Office, details of which are on page 218.

DIRECTORS' POWERS

The Board is responsible for the management of the business of the Company and may exercise all powers of the Company subject to the provisions of the Company's Articles of Association and relevant legislation.

DIRECTORS' INSURANCE AND INDEMNITIES

The Directors and Officers of the Company benefit from an indemnity provision in the Company's Articles of Association against any liability they may incur in relation to the Company's affairs, subject to the provisions of the Companies Act 2006 as amended. Each Director of the Company benefits from a deed of indemnity in respect of the costs of defending claims against them and third party liabilities, the terms of which are in accordance with the Companies Act 2006 as amended. Such qualifying third party indemnity provision remains in force at the date of this report. Directors' and Officers' liability insurance cover was maintained throughout the year at the Company's expense and remains in force at the date of this report.

DIRECTORS' INTERESTS

The interests of Directors and their connected persons in the ordinary shares of the Company as disclosed in accordance with the Listing Rules of the Financial Conduct Authority (the "Listing Rules") are as set out in the Directors' Remuneration report and details of the Directors' long-term incentive awards are also set out on pages 114 to 115.

CONFLICTS OF INTEREST

The Board has established procedures for the management of potential or actual conflicts of interest of the Directors in accordance with the Companies Act 2006 and the Company's Articles of Association. All Directors are responsible for notifying the Group Company Secretary and declaring at each Board meeting any new actual or potential conflicts of interest. The Directors are also responsible for declaring any existing conflicts of interest which are relevant to transactions to be discussed at each Board meeting. If a conflict is deemed to exist, the relevant Director will excuse themselves for discussions relating to that conflict. None of the Directors had a material interest in any significant contract with the Company or with any Group undertaking during the year.

SHAREHOLDERS

ANNUAL GENERAL MEETING

The Company's AGM in respect of the financial year ended 31 December 2024 will be held at 10.00am on Thursday 8 May 2025 at 1 Angel Lane, London EC4R 3AB. More information about the 2025 AGM can be found in the Notice of Meeting which will be made available to shareholders separately.

RESULTS AND DIVIDENDS

The financial statements set out the results of the Group and the Company for the year ended 31 December 2024 and are shown on pages 139 to 215.

The Board is recommending a final dividend for the year ended 31 December 2024 of 1.8 pence per ordinary share (2023: 1.5 pence). Subject to approval by shareholders at the Company's 2025 AGM, the Company will pay the final dividend on 14 May 2025 to shareholders on the register of members at the close of business on 11 April 2025.

The final dividend resolution provides that the Board may cancel the dividend and, therefore, payment of the dividend at any time before payment, if it considers it necessary to do so for regulatory capital purposes. You can find detailed explanations about this in the Notice of Meeting for the 2025 AGM.

SHARE CAPITAL

ORDINARY SHARE CAPITAL

As at 31 December 2024, the Company had an issued share capital of 1,038,702,932 ordinary shares of 10 pence each, all fully paid up and listed on the equity shares of commercial companies segment of the London Stock Exchange. No shares are held in treasury.

The holders of the ordinary shares are entitled to receive notice of, attend and speak at general meetings including the AGM, to appoint proxies and to exercise voting rights. The shares are not redeemable.

The share price on 31 December 2024 was 162.40 pence.

Further information relating to the Company's issued share capital can be found in note 19.

RESTRICTED TIER 1 NOTES

The Company has £325m of Restricted Tier 1 notes ("Notes") in issue. The Notes are convertible into equity in certain circumstances. The circumstances in which the Notes may convert into ordinary shares would be limited to a "trigger event". A trigger event may only occur if the Board determines in consultation with the Prudential Regulation Authority that it has ceased to comply with its capital requirements under Solvency II in a significant way. This may occur if the amount of capital held by the Group fails to comply with its capital requirements for a continuous period of three months, or if the Group fails to comply with other minimum capital requirements applicable to it. Only if a trigger event occurs would any Notes convert into ordinary shares. The holders of the Notes do not have the right or option to require conversion of the Notes. On a change of control, the Notes may also be convertible into equity in an entity other than the Company where the acquiror is an approved entity (being an entity which has in issue ordinary share capital which is listed or admitted to trading on a regulated market) and the new conversion condition (as set out therein) is satisfied. Otherwise the Notes may be written down to zero.

Further information relating to the Company's Notes can be found in note 21.

SHARE CAPITAL AUTHORITIES

The Company's Articles of Association specify that, subject to the authorisation of an appropriate resolution passed at a general meeting of the Company, Directors can allot relevant securities under Section 551 of the Companies Act 2006 up to the aggregate nominal amount specified by the relevant resolution. In addition, the Articles of Association state that the Directors can seek authority from shareholders at a general meeting of the Company to allot equity securities for cash, without first being required to offer such shares to existing ordinary shareholders in proportion to their existing holdings under Section 561 of the Companies Act 2006, in connection with a rights issue and in other circumstances up to the aggregate nominal amount specified by the relevant resolution.

The Directors were granted the following authorities at the 2024 AGM held on 7 May 2024:

- to allot ordinary shares in the Company up to a maximum aggregate nominal amount of £69,246,862;
- to allot equity securities for cash on a non pre-emptive basis up to an aggregate nominal amount of £10,387,029 and further granted an additional power to disapply pre-emption rights representing a further 10% only to be used in specified circumstances;
- to make market purchases of up to an aggregate of 103,870,293 ordinary shares, representing approximately 10% of the Company's issued ordinary shares as of 11 March 2024; and
- to allot ordinary shares in the Company and to grant rights to subscribe for or to convert any security into ordinary shares in the Company, on a non pre-emptive basis, up to an aggregated nominal amount of £50,000,000 in relation to any issue(s) by the Company or any subsidiary undertaking of the Company (together the "Group") of contingent convertible securities.

No shares were issued by the Company during 2024 (2023: nil). No shares were purchased by the Company during the year (2023: nil).

The Directors propose to renew the above-mentioned authorities at the 2025 AGM for a further year.

OTHER SECURITIES CARRYING SPECIAL RIGHTS

No person holds securities in the Company carrying special rights with regard to control of the Company.

RESTRICTIONS ON TRANSFER OF SHARES AND VOTING

The Company's Articles of Association do not contain any specific restrictions on the size of a holding or on the transfer of shares, except that certain restrictions may from time to time be imposed by laws and regulations (for example, the Market Abuse Regulation ("MAR") and insider trading law) or pursuant to the Listing Rules whereby the Directors and certain employees of the Company require clearance from the Company to deal in the Company's ordinary shares. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities of voting rights.

No person has any special rights with regard to the control of the Company's share capital and all issued shares are fully paid. This is a summary only and the relevant provisions of the Articles of Association can be consulted if further information is required.

SHARE PLANS

The Group operates a number of share-based incentive plans that provide the Company's ordinary shares to participants at exercise of share options upon vesting or maturity. The plans in operation include the Just Group plc Long Term Incentive Plan ("LTIP"), the Just Group plc Deferred Share Bonus Plan ("DSBP"), Just Group plc Sharesave Scheme ("SAYE"), and the Just Retirement Group plc Share Incentive Plan ("SIP"). Details of these plans are set out in the Directors' Remuneration report and in note 9.

The rules for the Company's LTIP, DSBP and SAYE were adopted by shareholders at the 2023 AGM. They each have a ten-year life expiring in May 2033. The Directors propose to renew the SIP at the 2025 AGM.

Awards under the LTIP, DSBP and SAYE are satisfied by using either newly issued shares or shares purchased in the market, which are held in the employee benefit trust ("EBT"). The trustee does not register votes in respect of these shares and has waived the right to receive any dividends.

During the 12 months to 31 December 2024, no ordinary shares were issued to employees in satisfaction of the exercise of share options under the SAYE (2023: nil). No shares were issued to the EBT or to employees in respect of other plans during the year (2023: nil).

SUBSTANTIAL SHAREHOLDINGS

The table below shows the holdings of the major shareholders in the Company's issued ordinary share capital, as at 31 December 2024 and as at 6 March 2025, as notified in accordance with the provisions of Chapter 5 of the FCA's Disclosure Guidance and Transparency Rules. It should be noted that these holdings may have changed since the Company was notified. However, notification of any change is not required until the next notable threshold is crossed.

Shareholder	Ordinary shareholdings at 31 Dec 2024	% of capital	Ordinary shareholdings at 6 Mar 2025[1]	% of capital
Fidelity International	57,253,643	5.51	57,253,643	5.51
Blackrock, Inc.	–	–	55,621,695	5.34
JPMorgan Asset Management Holdings Inc.	–	–	53,096,902	5.11
Schroders plc	52,147,535	5.02	52,147,535	5.02
Janus Henderson Group plc	51,931,621	4.99	51,931,621	4.99
Baillie Gifford	51,895,600	4.99	51,895,600	4.99
Aegon N.V.	51,584,569	4.97	51,584,569	4.97
Lombard Odier Asset Management (Europe) Ltd	51,361,808	4.94	51,361,808	4.94
Ameriprise	50,857,090	4.90	50,857,090	4.90
AXA Investment	49,615,299	4.78	49,615,299	4.78
Credit Suisse Group AG	40,054,845	3.86	40,054,845	3.86

[1] The last practicable date prior to publication of the Annual Report.

BUSINESS RELATIONSHIPS

The Board is committed to foster the Company's business relationships with suppliers, customers and other stakeholders. Details on how the Board engages with our principal suppliers and customers, as well as other stakeholders can be found in the Relationships with stakeholders report.

MODERN SLAVERY

The Directors are committed to combatting modern slavery and human trafficking in all its forms. Just takes a zero tolerance approach to modern slavery within our workforce and the same is expected from suppliers. In compliance with Section 54(1) of the Modern Slavery Act 2015, the Company's modern slavery statement, approved by the Board, is available to view on our website at www.justgroupplc.co.uk.

DIRECTORS' REPORT continued

EMPLOYEES

EQUAL OPPORTUNITIES EMPLOYMENT

Just is an equal opportunities employer and has policies in place to ensure decisions on recruitment, development, promotions and other employment-related issues are made solely on the grounds of individual ability, achievement, expertise and conduct. These principles are operated on a non-discriminatory basis, without regard to race, nationality, culture, ethnic origin, religion, belief, gender, sexual orientation, age, disability or any other reason not related to job performance or prohibited by applicable law.

We are a Disability Confident Committed employer and our recruitment process ensures we give full and fair consideration to applications made by those who are neurodivergent or have a disability, and any reasonable adjustments are made as required during the recruitment process to ensure all applicants have the same opportunity to demonstrate their skills. If an employee were to become disabled during their employment with the Group, support for continued employment would be provided and workplace adjustments made as appropriate in respect of their duties and working environment.

EMPLOYEE ENGAGEMENT AND COMMUNICATION

Employee engagement and creating a sense of belonging remained key priorities in 2024. Our people continue to be galvanised around our strong purpose of helping people achieve a better later life, and we are harnessing their appetite to be more ambitious in what they do and how they do it. During the year we evolved our Just behaviours, co-creating with colleagues across the organisation, as part of enabling our growth strategy.

We have continued with our well-defined communication and engagement programme so that all colleagues understand our organisation's strategy and goals and the role they play in achieving them. This includes quarterly Group CEO town hall business updates, regular emails to all colleagues, videos and news items on our intranet. We seek feedback on our activities to ensure that they are as valuable as possible.

We regularly monitor the engagement of our colleagues and their views on matters that are important to them. During the year, colleagues were asked to complete two employee engagement surveys and we put in place specific and tangible actions as a result of the feedback.

Performance-based pay rewards colleagues for the achievement of strategic business objectives and upholding our cultural, conduct and behavioural expectations. In addition, alignment with shareholder interest is provided through offering employee share plans to all employees.

Further information regarding colleague engagement and how the Directors have engaged with colleagues, including the impact on decision making, is included in the Strategic report and Governance in Operation report.

EMPLOYEE DIVERSITY

The Company is committed to building a diverse workforce and inclusive culture, and we collect data to monitor our progress in achieving our diversity targets. As at 31 December 2024, Just employed 724 males (53%), 651 females (47%) and <1% under other categories. We have increased gender diversity at senior levels (grade 14+, 13% of colleagues) by six percentage points to 39% females. As a signatory to the Women in Finance Charter, we have updated our target to state that 40% of our most senior population (Executive Committee and their direct reports) will be female by the end of 2026. As at 31 December 2024, 47% of this population were female. As a signatory to the Race at Work Charter, we are committed to ensuring our workforce is representative of the ethnic composition of the broader UK population. We have set an ethnicity target that more than 16% of our most senior population (recently updated to align with the new approach to gender reporting i.e. Executive Committee and their direct reports) will be ethnically diverse by the end of 2026. As at 31 December 2024, 16% of this population were ethnically diverse and we remain committed to maintaining progress against this target.

Further information on colleagues, culture and diversity can be found in the Colleagues and culture report.

BOARD AND EXECUTIVE MANAGEMENT DIVERSITY

The Governance in Operation report includes the Group's data on the gender identity or sex and ethnic diversity of the Board and executive management as at 31 December 2024, the reference date, in accordance with the Listing Rules requirements. Details of the Board's diversity, equity, inclusion and belonging policy and targets can be found in the Nomination and Governance Committee report.

AUDITOR

DISCLOSURE OF INFORMATION TO THE AUDITOR

Each Director of the Company at the date of this Directors' report has confirmed that, so far as they are aware, there is no relevant audit information of which the Company's external auditor is unaware. Each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's external auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

AUDITOR APPOINTMENT

PwC has expressed its willingness to continue in office as the external auditor of the Group. A resolution to reappoint PwC will be proposed at the 2025 AGM. An assessment of the effectiveness and recommendation for reappointing PwC can be found in the Group Audit Committee report.

RESEARCH AND DEVELOPMENT

The Group is involved in a range of innovative projects and programmes, which are designed to support the fulfilment of our strategic objectives. A number of these projects and programmes are referred to in the Strategic report.

ENVIRONMENT AND EMISSIONS

In accordance with Listing Rule 6.6.6R(8), climate-related financial disclosures consistent with the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations and recommended disclosures are contained in the Sustainability TCFD section on pages 40 to 53 and in the Risk Management section on pages 65 to 67. Information on the Group's greenhouse gas emissions, energy consumption and efficiency during 2024 are also included in the Sustainability TCFD section on pages 40 to 42. In preparing the TCFD disclosures, the Group has considered the guidance for all sectors and supplemental guidance for insurance companies within the TCFD Annex "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures".

OTHER DISCLOSURES

CHANGE OF CONTROL PROVISIONS

There are various agreements that take effect, alter or terminate upon a change of control of the Company, such as commercial contracts, bank loan agreements and property lease arrangements. None of these agreements are considered significant in terms of their impact on the Group's business as a whole. All the Company's employee share incentive plans contain provisions relating to a change of control. Outstanding awards would typically vest and become exercisable. This is subject to satisfying any performance conditions, and normally with an additional time-based pro-rata reduction where performance conditions apply, and with approval from the Remuneration Committee.

FINANCIAL INSTRUMENTS

The Group does not currently apply hedge accounting although it applies asset and liability matching and hedging strategies to limit its exposure to interest rate risk and market risk arising from the Group's financial instruments and insurance contracts. The Group holds a portfolio of UK Government bonds ("Gilts") that act as an economic hedge to liabilities that do not expose the IFRS balance sheet to interest rate movements. Details of the Group's exposure to risk management is included in the Strategic report and note 28 to the financial statements. Details of the derivatives held for risk management purposes are included in note 26 to the financial statements.

OVERSEAS BRANCHES

The Company does not have any overseas branches within the meaning of the Companies Act 2006.

POLITICAL DONATIONS AND EXPENDITURE

No political donations were made, or political expenditure incurred, by the Company and its subsidiaries during the year (2023: nil).

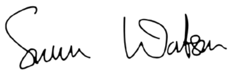
RELATED PARTY TRANSACTIONS

Related party transactions are set out in note 32 to the financial statements.

POST BALANCE SHEET EVENTS

Details of post balance sheet events are set out in note 34 to the financial statements.

The Directors' report has been approved by the Board and is signed on its behalf by:



SIMON WATSON

Group Company Secretary

6 March 2025

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable UK law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they have elected to prepare both the Group and Parent Company financial statements in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company, and of their profit or loss for that period.

In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether they have been prepared in accordance with applicable UK-adopted International Accounting Standards;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's and Group's transactions, and disclose with reasonable accuracy at any time the financial position of the Parent Company and the Group, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report, Directors' Remuneration report and Corporate Governance statement that comply with that law and those regulations.

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 financial statements may differ from legislation in other jurisdictions.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Annual Report, including the Strategic report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and the financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

The Strategic report contains certain forward-looking statements providing additional information to shareholders to assess the potential for the Company's strategies to succeed. Such statements are made by the Directors in good faith, based on the statements available to them up to the date of their approval of this report, and should be treated with caution due to the inherent uncertainties underlying forward-looking information.

Neither the Company nor the Directors accept any liability to any person in relation to the Annual Report and financial statements except to the extent that such liability could arise under English law.

By order of the Board

DAVID RICHARDSON
Group Chief Executive Officer

MARK GODSON
Group Chief Financial Officer
6 March 2025

INDEPENDENT AUDITORS' REPORT

to the members of Just Group plc

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Just Group plc's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's profit and the Group's and Company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts 2024 (the "Annual Report"), which comprise: the Consolidated and Company statements of financial position as at 31 December 2024; the Consolidated statement of comprehensive income for the year then ended; the Consolidated and Company statements of changes in equity for the year then ended and the Consolidated and Company statements of cash flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Group Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 3(b), we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Context

The Group is predominantly based in the United Kingdom and writes business across four main product lines, being Defined Benefit De-risking Solutions, Guaranteed Income for Life Solutions, Lifetime Mortgages and Care Plans. The Group has two regulated insurance companies, Just Retirement Limited and Partnership Life Assurance Company Limited, in addition to other financial services companies. In planning our audit, we met with the Group Audit Committee and members of management across the Group to discuss and understand business developments during the year, and to understand their perspectives on associated business risks. We used this insight and our knowledge of the Group and our industry experience when forming our own views regarding the audit risks and as part of developing our planned audit approach to address those risks. Given the activities of the Group, we have built a team with the relevant industry experience and technical expertise.

Overview

Audit scope

- Our audit scope has been determined to provide coverage of all material financial statement line items.
- Three reporting components were subject to full scope audits and we performed an audit of specific account balances for a further five components.

Key audit matters

- Valuation of insurance contract liabilities (Group).
- Valuation of insurance contract liabilities – Annuitant mortality assumptions (Group).
- Valuation of insurance contract liabilities – Credit default assumptions for illiquid assets (Group).
- Valuation of insurance contract liabilities – Expense assumption (Group).
- Valuation of certain hard to value investments (Group).
- Valuation of the Company's investments in Group undertakings (Company).

Materiality

- Overall Group materiality: £29,920,000 (2023: £26,860,000) based on 1% of Total Equity plus net of tax contractual service margin (CSM).
- Overall Company materiality: £12,610,000 (2023: £12,755,000) based on 1% of Total Equity.
- Performance materiality: £22,440,000 (2023: £20,145,000) (Group) and £9,457,500 (2023: £9,566,000) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

INDEPENDENT AUDITORS' REPORT continued

to the members of Just Group plc

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Valuation of insurance contract liabilities and reinsurance assets and liabilities – Implementation of IFRS 17: Judgements, new models and data flows, which was a key audit matter last year, is no longer included because IFRS 17 has been fully implemented as of 31 December 2023. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities (Group) *Refer to Group Audit Committee Report, Accounting policy 1.7 Insurance contracts and note 22 Insurance contracts and related reinsurance.* The inherent uncertainty involved in setting the assumptions used to determine the insurance liabilities represents a significant area of management judgement for which small changes in assumptions can result in material impacts to the valuation of these liabilities. As part of our consideration of the entire set of assumptions, we focused particularly on annuitant mortality assumptions, credit default risk assumptions and expense assumptions as these are considered the most significant and judgemental.	We performed the following audit procedures to test the valuation of insurance contract liabilities (including best estimate liabilities, risk adjustment and contractual service margin): • Tested the design and operating effectiveness of the controls in place over the determination of the insurance contract liabilities, including those relating to model inputs, model operation and extraction and consolidation of results from the actuarial model; • Tested the design and operating effectiveness of controls related to policyholder data used in the valuation of insurance contract liabilities; • For a sample, agreed policyholder data used in the actuarial models to source documentation; • Using our actuarial specialist team members, we applied our industry knowledge and experience to assess the appropriateness of the methodology, models and assumptions used against recognised actuarial practices. This included consideration of the reasonableness of assumptions against actual historical experience, and the appropriateness of any judgements applied, including if there was any indication of management bias; • Performed testing over the calculations in the liability cash flow model. This included testing of changes made during the year, risk-based audit procedures to independently test certain cashflows at regular intervals and testing of analysis of change in modelled results, to assess whether the model continues to operate as expected; • Tested the derivation of the current, new business and annual locked in discount rates used to discount the insurance contract liabilities; • Used the results of an independent PwC annual benchmarking survey of assumptions to further challenge the assumption setting process by comparing certain assumptions used relative to the Group's industry peers (where available and applicable); and • Tested the disclosures made by management in the financial statements. Further details on the specific procedures performed over each of the identified key assumptions are included in the below sections of our Key Audit Matters. Based on the work performed and the evidence obtained, we consider the assumptions used for valuation of insurance contract liabilities to be appropriate.

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities – Annuitant mortality assumptions (Group) *Refer to Group Audit Committee Report, Accounting policy 1.7 Insurance contracts and note 22 Insurance contracts and related reinsurance.* Annuitant mortality assumptions are an area of significant management judgement due to the inherent uncertainty involved. Annuity liabilities are sensitive to the choice of best estimate annuitant mortality assumptions due to the large volume of annuity business. The best estimate annuitant mortality assumption has two main components: **1) Base mortality assumptions** This part of the assumption is mainly driven by internal experience analyses, but judgement is also required. For example, in determining the most appropriate granularity at which to carry out the analysis; the time window used for historic experience, or whether data should be excluded from the analysis; and in selecting an appropriate industry mortality table to which management overlays the results of the experience analysis. **2) Rate of future mortality improvements** This part of the assumption is more subjective given the lack of data and the uncertainty over how life expectancy will change in the future. The allowance for future mortality improvements is inherently subjective, as improvements develop over long timescales and cannot be captured by analysis of internal experience data. The extent to which mortality rates may remain elevated in future, as a result of COVID-19 and other trends in the UK, is subject to considerable uncertainty. Judgement is required in estimating the allowance for expected high future mortality rates in the long term. The Continuous Mortality Investigation Bureau provides mortality projection models which are widely used throughout the industry and contain a standard core set of assumptions calculated by the CMIB based on the most recent available population data. **Risk adjustment for longevity risk** In addition, under IFRS 17, an allowance for risk in excess of the best estimate and representing the view of compensation for non-financial risk that management require is held (known as the risk adjustment). The primary component of the risk adjustment is annuity mortality risk and the selection of the distribution and associated stresses is a matter of judgement.	We performed the following audit procedures to test the annuitant mortality assumptions (including base mortality assumptions, rate of future mortality improvements and the risk adjustment): • Tested the design and operating effectiveness of controls in place over the performance of annuitant mortality experience analysis studies, approval of the proposed assumptions and implementation within the actuarial model; • Tested the reasonableness of the methodology used to perform the annual experience studies. This involves the assessment of key judgements with reference to relevant rules, actuarial guidance and by applying industry knowledge and experience; • Tested completeness and accuracy of experience analysis data. For a sample, agreed experience analysis data used to source documentation; • Assessed the appropriateness of expert judgments used in the development of the mortality improvement assumptions, including the selection and parameterisation of the CMI model (e.g. the choice of the smoothing parameter, initial rate, long term rate and tapering at older ages); • Assessed management's considerations in relation to the long term impacts of COVID-19 and other trends in the UK on results of experience analysis and in the allowance made for potential changes in current and future expected rates of annuitant mortality; • Assessed management's risk adjustment methodology relative to the compensation required by management for non-financial risk, including the selected confidence level and calibration, and the impact of Partnership Life Assurance Company Limited (PLACL) being on the PRA-approved Solvency II internal model, as well as testing management's controls over the processes; and • Compared the annuitant mortality assumptions selected by management against those adopted by peers using our annual benchmarking survey of the market (to the extent available). Based on the work performed and the evidence obtained, we consider the assumptions used for annuitant mortality to be appropriate.

INDEPENDENT AUDITORS' REPORT continued

to the members of Just Group plc

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities – Credit default assumptions for illiquid assets (Group) *Refer to Group Audit Committee Report, Accounting policy 1.7 Insurance contracts and note 22 Insurance contracts and related reinsurance.* The Group, as permitted by IFRS 17 derives the discount rate for calculating the insurance contract liabilities (future cash flows and risk adjustment) is determined using a 'top-down' approach. In this approach the discount rate is set using the yield on a reference portfolio of assets (based on the actual assets held) with explicit deductions for both expected and unexpected credit default risk. The credit default assumptions are also used to determine the locked-in discount rate based on the target asset mix for new business written in the period (applicable to the contractual service margin). This is a key audit matter because the Group's asset portfolio includes a material amount of illiquid assets for which the determination of credit default assumptions, including consideration of expected and unexpected default risk, requires a significant level of expert judgement.	We performed the following audit procedures to test the credit default assumptions: • Tested the design and operating effectiveness of controls over management's analysis of change in discount rate (including credit default assumptions); • Tested change controls around the implementation of the credit default assumptions within the various tools used for current and locked-in discount rates for new business written in the period; • Tested accuracy of asset data used to determine credit default assumptions. For a sample, agreed asset data used to source documentation and/or market information; • Tested the methodologies used to derive the assumptions (including expected and unexpected risk) with reference to relevant rules and actuarial guidance and by applying our industry knowledge and experience. This also included analysis of any impact of the Solvency II Matching Adjustment Attestation on the credit default assumptions under IFRS 17; • Tested significant assumptions used by management against market observable data (to the extent available and relevant) and our experience of market practices. We have also considered the impact of current economic conditions on levels of expected and unexpected credit default risk; • Performed procedures to obtain comfort over the appropriateness of asset credit ratings. This included engaging our valuation experts to assess the appropriateness of the methodology and assumptions used for a sample of assets, and testing management's oversight, review and challenge of ratings provided by external asset managers; and • Compared the assumptions selected against those adopted by peers using our independent annual benchmarking survey of the market assumptions (to the extent available). Based on the work performed and the evidence obtained, we consider the assumptions used for credit default risk to be appropriate.
Valuation of insurance contract liabilities – Expense assumption (Group) *Refer to Group Audit Committee Report, Accounting policy 1.7 Insuance contracts and note 22 Insurance contracts and related reinsurance.* Future maintenance expenses and expense inflation assumptions are used in the measurement of the insurance contract liabilities. The assumptions reflect the expected future expenses that will be required to maintain the in-force policies at the balance sheet date, including an allowance for project costs and future inflation. In addition, acquisition expenses are also relevant in determining the contractual service margin component of the insurance contract liabilities at point of sale. The assumptions used require judgement, particularly with respect to the allocation of expenses between acquisition, maintenance and other.	We performed the following audit procedures to test the expense assumptions: • Tested the design and operating effectiveness of controls related to the expense assumption process; • Assessed the methodology used by management to derive the assumptions with reference to relevant rules and actuarial guidance and by applying our industry knowledge and experience; • Tested the completeness and accuracy of the total cost base and allocation of expenses to the appropriate cost centre; • Assessed the appropriateness of significant judgements in application of the methodology, including excluded costs (for example, due to costs either not relating to the insurance business or being non-recurring in nature), expected future improvements in efficiency, and the allocation of expenses between acquisition and maintenance and to products. This assessment also considered the appropriateness of the treatment of non-discretionary project spend where we expect these costs to be included in the ongoing cost base; • Assessed the appropriateness of the rate at which expenses are assumed to inflate in the future, taking into account current and future market expectations of both price and earnings inflation; and • Tested the policy counts used in the derivation of per policy expense assumptions and considered whether any adjustments are required to reflect changes in future expected policy volumes, for example, to allow for diseconomies of scale. Based on the work performed and the evidence obtained, we consider the expense assumptions to be appropriate.

Key audit matter	How our audit addressed the key audit matter
Valuation of certain hard to value investments (Group) *Refer to Group Audit Committee Report, Accounting policy 1.13 Financial investments and note 16 Fair value of financial assets and liabilities.* The valuation of the investment portfolio involves judgement and continues to be an area of inherent risk. The valuation risk is not uniform for all investment types and is greatest for certain hard to value assets categorised as level 3 under the fair value methodology. This is due to the level of complexity involved and the significant judgement required in the selecting and applying of key assumptions and unobservable inputs, and the resulting sensitivities on the reported amounts. The asset classes that we consider for this risk are: 1. Lifetime mortgages (LTM); 2. Loans secured by commercial mortgages; 3. Long income real estate (which includes residential ground rents); and 4. Other illiquid debt instruments. The setting of voluntary redemptions (persistency), as well as key economic assumptions, applied in the valuation of LTMs (including current property values, house price inflation and volatility) are impacted by the uncertainty in the current economic environment.	We performed the following audit procedures in respect of Lifetime Mortgages: • Tested the design and operating effectiveness of controls related to the accuracy and completeness of data used in the modelling of LTMs; • For a sample of mortgages, agreed data used in the modelling of LTMs to policyholder documentation; • Tested the design and operating effectiveness of controls in place over the determination of the valuation of LTMs, including those relating to model inputs, model operation and extraction and consolidation of results from the valuation models; • Engaged our actuarial specialists, applied our industry knowledge and experience to assess the appropriateness of the methodology, models and assumptions used to assess the allowance for the no negative Equity Guarantee (nnEG) against recognised actuarial practices, including any changes made during the year, taking into account the impact of current economic conditions; • Performed testing over the actuarial model calculations relating to the nnEG and tested the analysis of change in modelled results, to assess whether the model continues to operate as expected. • Evaluated the appropriateness of significant economic assumptions, including the property price inflation assumption and property price volatility assumptions used within the valuation process, with reference to market data and industry benchmarks where available, and taking into account the impact of current economic conditions; • Assessed the appropriateness of current property prices derived using Automated Valuation Model (AVM); • Tested the key judgements involved in the preparation of the manually calculated components of the asset balance, and the accuracy of • the calculations; • Evaluated the Group's historic data used to prepare the Group's mortality, morbidity and voluntary redemptions experience analysis, taking into account the impact of current economic conditions for voluntary redemptions together with industry data on expectations of future mortality improvements and assess whether this supports the assumptions adopted; and • Considered the adequacy of the Group's disclosures in relation to the valuation of those assets designated Level 3, in particular the sensitivity of the valuations adopted to alternative outcomes. We performed the following audit procedures to test the valuation of other hard to value investments classified as Level 3 (excluding Lifetime mortgages): • Tested the design and operating effectiveness of controls related to the valuation of investments; • Obtained independent confirmations from third party asset managers (where relevant); • Engaged our valuation experts to perform independent valuations for a sample of commercial mortgages, long income real estate, and other illiquid debt instruments which included assessing the reasonableness and appropriateness of the valuation methodology applied; and investigated any variances outside of our tolerable threshold; • Tested inputs into the valuation to external sources, where possible; and • Tested the disclosures made by management in the financial statements. Based on the work performed and the evidence obtained, we consider the valuation of hard to value investments to be appropriate.

INDEPENDENT AUDITORS' REPORT continued

to the members of Just Group plc

Key audit matter	How our audit addressed the key audit matter
Valuation of the Company's investments in Group undertakings (Company) *Refer to Company accounting policy 1.4 Investments in Group undertakings and note 2 to the Company's financial statements – Investments in Group undertakings.* In the Company's statement of financial position, investments in subsidiaries are reported at cost less impairment. The investments in subsidiaries are the largest assets on the Company's statement of financial position. There is a risk that the carrying value of the investments in subsidiaries exceeds the recoverable amount and therefore an impairment loss should be recognised.	In respect of the carrying value of investments in Group undertakings we have: • Obtained management's assessment of impairment indicators in investments in Group undertakings and tested relevant key inputs; • Evaluated whether there is an impact on the carrying value of the investment based on our understanding of the business and accounting treatment; and • Tested the disclosures made by management in the financial statements. Based on the work performed and the evidence obtained, we consider the carrying amount of the Company's investments in Group undertakings to be appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

Decisions regarding scoping require a significant degree of professional judgement based on quantitative and qualitative considerations, including the size and nature of business activities in each operating entity.

The Group is predominantly based in the United Kingdom and writes business across four main product lines, being Defined Benefit De-risking Solutions, Guaranteed Income for Life Solutions, Lifetime Mortgages and Care Plans. The Group consists of the parent Company, Just Group plc, and a number of subsidiary companies, of which the most significant are Just Retirement Limited and Partnership Life Assurance Company Limited, which conduct substantially all the insurance business on behalf of the Group.

We have determined three components which were subject to full scope audits, Just Group plc, Just Retirement Limited and Partnership Life Assurance Company Limited. In addition, we performed a limited scope audit covering specific financial statement line items for a further five components. For the residual components, we performed analysis at an aggregated Group level to re-examine our assessment that there were no significant risks of material misstatements. Our scoping resulted in 94% coverage of consolidated total assets, 96% coverage of consolidated total liabilities and 95% coverage of consolidated profit before tax.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the governance and process adopted to assess the extent of the potential impact of climate risk on the Group's financial statements and support the disclosures made within the Annual Report.

In addition to enquiries with management, we also read the Group's climate risk assessment documentation, reviewed board minutes and considered disclosures in the Annual Report in relation to climate change (including the Task Force on Climate-related Financial Disclosures ("TCFD")) in order to assess the completeness of management's climate risk assessment.

Management has made commitments to aim for the operations of the Group to be carbon net zero by 2025 and for emissions from the investment portfolio, properties on which lifetime mortgages are secured and supply chain to be net zero by 2050, with a 50% reduction in emissions from the portfolio by 2030.

The key areas of the financial statements where management evaluated that climate risk has a potential impact are Lifetime Mortgage and investment portfolios, where the value of investments may be affected over time based on market expectations.

We have assessed the risks of material misstatement to the Annual Report as a result of climate change and concluded that for the year ended 31 December 2024, the main audit risks are related to disclosures included within the 'Sustainability TCFD' sections.

We also considered the consistency of the disclosures in relation to climate change (including the disclosures in the Task Force on Climate-related Financial Disclosures section) within the Annual Report with the financial statements and our knowledge obtained from our audit.

Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or our key audit matters for the year ended 31 December 2024.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
Overall materiality	£29,920,000 (2023: £26,860,000).	£12,610,000 (2023: £12,755,000).
How we determined it	1% of Total Equity plus net of tax contractual service margin (CSM)	1% of Total Equity
Rationale for benchmark applied	In determining our materiality, we considered financial metrics alongside additional non-financial factors such as nature of the Group, its industry and the economic environment. The engagement team has considered the primary focus of the users of the financial statements, including shareholders, policyholders and regulators and has determined that an equity based benchmark would be the most appropriate given the primary focus of the users of the financial statements continues to be the capital position of the Group. In addition, the income statement is driven largely by balance sheet movements in insurance contract liabilities for long-term products. Total equity plus net of tax CSM is considered an indication of the valuation of the current in-force business as it reflects the in-force profits to be released over the duration of the existing contracts.	In determining our materiality, we considered financial metrics which we believed to be relevant and concluded that total equity was the most appropriate benchmark. The primary use of the financial statements is to determine the entity's ability to pay dividends and the users will therefore be focused on distributable reserves, a balance captured using a total equity benchmark.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was £23,460,000 and £3,520,000. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £22,440,000 (2023: £20,145,000) for the Group financial statements and £9,457,500 (2023: £9,566,000) for the Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Group Audit Committee that we would report to them misstatements identified during our audit above £1,496,000 (Group audit) (2023: £1,336,000) and £630,500 (Company audit) (2023: £700,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and 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 Group's 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 severe, but plausible, downside scenarios which removed certain actions which are not necessarily within management's control;
- Assessed the impact of the factors outlined in Note 28 Financial and Insurance risk management, which could erode the Group's capital resources;
- Assessed the liquidity of the Company, including the Company's ability to pay policyholder obligations, suppliers and creditors as amounts fall due;
- Assessed the ability of the Group and the Company to comply with covenants; and
- Reviewed the disclosures included in the financial statements, including the Basis of Preparation.

INDEPENDENT AUDITORS' REPORT continued

to the members of Just Group plc

Conclusions relating to going concern continued

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 Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group and Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Group Audit Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Directors' Responsibility Statement, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 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 economic decisions of users taken on the basis of these financial statements.

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 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 financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas as described in our key audit matters. Audit procedures performed by the engagement team included:

- Discussions with the Board, management, Internal Audit, and senior management involved in the Risk and Compliance functions, including consideration of known or suspected instances of non-compliance with laws and regulation 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 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, Group 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;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Procedures relating to the valuation of life insurance contract liabilities, in particular annuitant mortality, credit default and expense assumptions, and the valuation of certain hard to value investments, described in the related key audit matters;
- Validating the appropriateness of journal entries identified based on our fraud risk criteria; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

INDEPENDENT AUDITORS' REPORT continued

to the members of Just Group plc

Auditors' responsibilities for the audit of the financial statements continued

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 financial statements. 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Group Audit Committee, we were appointed by the members on 14 May 2020 to audit the financial statements for the year ended 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement is five years, covering the years ended 31 December 2020 to 31 December 2024.

OTHER MATTER

As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

PHILIP WATSON (SENIOR STATUTORY AUDITOR)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

6 March 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2024

	Note	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Insurance revenue		1,809	1,555
Insurance service expenses		(1,621)	(1,396)
Net expenses from reinsurance contracts		(39)	(41)
Insurance service result	3	**149**	**118**
Interest income on financial assets measured at amortised cost		135	54
Other investment return		(263)	2,119
Investment return		**(128)**	**2,173**
Net finance income/(expenses) from insurance contracts		480	(2,006)
Net finance (expenses)/income from reinsurance contracts		(52)	108
Movement in investment contract liabilities		(2)	(2)
Net investment result	4	**298**	**273**
Other income		18	21
Other operating expenses	3	(85)	(104)
Other finance costs	5	(241)	(122)
Share of results of associates accounted for using the equity method	31	(26)	(14)
Profit before tax	2	**113**	**172**
Income tax expense	6	(33)	(43)
Profit for the year		**80**	**129**
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of land and buildings		(2)	–
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(4)	–
Other comprehensive income for the year, net of income tax		**(6)**	**–**
Total comprehensive income for the year		**74**	**129**
Profit attributable to:			
Equity holders of Just Group plc		80	129
Profit for the year		**80**	**129**
Total comprehensive income attributable to:			
Equity holders of Just Group plc		74	129
Total comprehensive income for the year		**74**	**129**
Basic earnings per share (pence)	10	6.5	11.3
Diluted earnings per share (pence)	10	6.5	11.2

The notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

Year ended 31 December 2024	Note	Share capital £m	Share premium £m	Other reserves £m	Retained earnings[1] £m	Tier 1 notes £m	Total equity excluding NCI £m	Non-controlling interest £m	Total £m
At 1 January 2024		**104**	**95**	**943**	**(259)**	**322**	**1,205**	**(2)**	**1,203**
Profit for the year		**–**	**–**	**–**	**80**	**–**	**80**	**–**	**80**
Other comprehensive income for the period, net of income tax		–	–	(2)	(4)	–	(6)	–	(6)
Total comprehensive income for the year		**–**	**–**	**(2)**	**76**	**–**	**74**	**–**	**74**
Contributions and distributions									
Dividends	11	–	–	–	(23)	–	(23)	–	(23)
Interest paid on Tier 1 notes (net of tax)	21	–	–	–	(12)	–	(12)	–	(12)
Share-based payments reserve credit (net of tax)		–	–	–	9	–	9	–	9
Transactions in shares held by trusts		–	–	3	(7)	–	(4)	–	(4)
Total contributions and distributions		**–**	**–**	**3**	**(33)**	**–**	**(30)**	**–**	**(30)**
Acquisition of non-controlling interest		–	–	–	(3)	–	(3)	2	(1)
Total changes in ownership interests		**–**	**–**	**–**	**(3)**	**–**	**(3)**	**2**	**(1)**
At 31 December 2024		**104**	**95**	**944**	**(219)**	**322**	**1,246**	**–**	**1,246**

Year ended 31 December 2023	Note	Share capital £m	Share premium £m	Other reserves £m	Retained earnings[1] £m	Tier 1 notes £m	Total equity excluding NCI £m	Non-controlling interest £m	Total £m
At 1 January 2023		**104**	**95**	**938**	**(354)**	**322**	**1,105**	**(2)**	**1,103**
Profit for the year		**–**	**–**	**–**	**129**	**–**	**129**	**–**	**129**
Total comprehensive income for the year		**–**	**–**	**–**	**129**	**–**	**129**	**–**	**129**
Contributions and distributions									
Dividends	11	–	–	–	(19)	–	(19)	–	(19)
Interest paid on Tier 1 notes (net of tax)	21	–	–	–	(12)	–	(12)	–	(12)
Share-based payments reserve credit (net of tax)		–	–	–	7	–	7	–	7
Transactions in shares held by trusts		–	–	5	(10)	–	(5)	–	(5)
Total contributions and distributions		**–**	**–**	**5**	**(34)**	**–**	**(29)**	**–**	**(29)**
At 31 December 2023		**104**	**95**	**943**	**(259)**	**322**	**1,205**	**(2)**	**1,203**

1 Includes currency translation reserve of £5m (31 December 2023: £1m).

The notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

	Note	31 December 2024 £m	31 December 2023 £m
Assets			
Intangible assets	12	40	41
Property and equipment	13	20	22
Investment property	14	27	32
Financial investments	15	34,390	29,423
Investments accounted for using the equity method	31	119	149
Reinsurance contract assets	22	2,067	1,143
Deferred tax assets	17	387	406
Current tax assets		1	4
Prepayments and accrued income		14	12
Other receivables		49	60
Cash available on demand	18	808	546
Total assets		**37,922**	**31,838**
Equity			
Share capital	19	104	104
Share premium	19	95	95
Other reserves	20	944	943
Retained earnings		(219)	(259)
Total equity attributable to shareholders of Just Group plc		**924**	**883**
Tier 1 notes	21	322	322
Total equity attributable to owners of Just Group plc		**1,246**	**1,205**
Non-controlling interest	31	–	(2)
Total equity		**1,246**	**1,203**
Liabilities			
Insurance contract liabilities	22	27,753	24,131
Reinsurance contract liabilities	22	94	125
Investment contract liabilities	23	42	35
Loans and borrowings	24	839	686
Payables and other financial liabilities[1]	25	7,889	5,608
Accruals and provisions[2]		59	50
Total liabilities		**36,676**	**30,635**
Total equity and liabilities		**37,922**	**31,838**

1 Other payables has been aggregated with other financial liabilities in all periods presented.
2 Other provisions has been aggregated with accruals and deferred income in all periods presented.

The notes are an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 6 March 2025 and were signed on its behalf by:

M. Godson

MARK GODSON

Director

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	Note	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Cash flows from operating activities			
Profit before tax		113	172
Adjustments for:			
Depreciation of property and equipment	13	3	2
Share of results from associates		26	14
Amortisation of intangible assets	12	1	3
Impairment of intangible assets	12	–	3
Share-based payments		1	1
Interest income	4	(1,217)	(1,104)
Interest expense	5	241	122
Change in operating assets and liabilities:			
Net increase in financial investments		(4,247)	(6,068)
Increase in net reinsurance contracts balance		(955)	(363)
Increase in prepayments and accrued income		(2)	(1)
Decrease in other receivables		10	3
Increase in insurance contract liabilities		3,622	4,484
Increase in investment contract liabilities		7	2
Increase in accruals and provisions		9	16
Increase in net derivative liabilities, financial liabilities and other payables[1]		2,101	1,774
Interest received		1,151	1,075
Taxation (paid)/received		(1)	6
Net cash inflow from operating activities		**863**	**141**
Cash flows from investing activities			
Acquisition of property and equipment	13	(4)	(3)
Disposal of property	13	–	1
Dividends from associates		4	–
Net cash outflow from investing activities		**–**	**(2)**
Cash flows from financing activities			
Proceeds on issue of borrowings (net of costs)	24	398	–
Payment on redemption of borrowings	24	(256)	(26)
Acquisition of non-controlling interests		(1)	–
Dividends paid	11	(23)	(19)
Coupon paid on Tier 1 notes	11	(16)	(16)
Interest paid on borrowings		(48)	(48)
Payment of lease liabilities – principal		(2)	(1)
Net cash inflow/(outflow) from financing activities		**52**	**(110)**
Net increase in cash and cash equivalents		**915**	**29**
Foreign exchange differences on cash balances		(2)	2
Cash and cash equivalents at 1 January		1,687	1,656
Cash and cash equivalents at 31 December		**2,600**	**1,687**
Cash available on demand		808	546
Units in liquidity funds		1,792	1,141
Cash and cash equivalents at 31 December	18	**2,600**	**1,687**

1 Other payables has been aggregated with other financial liabilities in all periods presented.

The notes are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. MATERIAL ACCOUNTING POLICIES

General information

Just Group plc (the "Company") is a public company limited by shares, incorporated and domiciled in England and Wales. The Company's registered office is Enterprise House, Bancroft Road, Reigate, Surrey, RH2 7RP.

1.1. Basis of preparation

The consolidated financial statements have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and the disclosure guidance and transparency rules sourcebook of the United Kingdom's Financial Conduct Authority.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, certain financial assets and financial liabilities (including derivative instruments and investment contract liabilities) and investment properties at fair value and the accounting for the remeasurement of insurance and reinsurance contracts as required by IFRS 17. Unless otherwise stated, values are expressed to the nearest £1m.

Going concern

A detailed going concern assessment has been undertaken and having completed this assessment, the Directors are satisfied that the Group has adequate resources to continue to operate as a going concern for a period of not less than 12 months from the date of signing of this report and that there is no material uncertainty in relation to going concern. Accordingly, the going concern basis continues to be applied in preparing these financial statements and it remains appropriate to value assets and liabilities on the assumption that there are adequate resources to continue in business and meet obligations as they fall due. The Directors considered the findings of the work performed to support the long-term viability statement of the Group in the Risk management section of the Annual Report and Accounts, which is undertaken together with the going concern assessment.

This assessment includes the consideration of the Group's business plan approved by the Board; the projected solvency and liquidity positions of the Company and the Group, impacts of economic stresses, the current financing arrangements and contingent liabilities, and a range of forecast scenarios with differing levels of new business and associated additional capital requirements to write anticipated levels of new business. Over the time periods assessed, the Group does not consider there to be any material uncertainty arising from climate-related risk. Further information regarding the Group's exposure to physical and transition risks of climate change is included in the Strategic report disclosures on the TCFD disclosure framework.

The Group has a robust liquidity framework designed to withstand a range of "worst case" 1-in-200 year historic liquidity events. The Group liquid resources includes the Parent Company's undrawn revolving credit facility of up to £400m for general corporate and working capital purposes. The borrowing facility is subject to financial covenants that are measured biannually as at the end of June and December, being the ratio of consolidated net debt to the sum of net assets and consolidated net debt not being greater than 45%. The ratio on 31 December 2024 was 19% (31 December 2023: 24%). The Group's business plan indicates that liquidity headroom will be maintained above the Group's borrowing facilities and financial covenants will be met throughout the going concern period.

As explained in note 30, the Group complies with the requirements of Solvency II, which includes the requirement to maintain eligible capital in excess of the value of the Solvency Capital Requirement ("SCR") which is determined based on capital required to absorb 1-in-200 year stress tests for longevity risk, property risk, credit risk and interest rate risk over the next years' time horizon.

The resilience of the solvency capital position has been tested under a range of adverse scenarios, before and after management actions within the Group's control, which consider the possible impacts on the Group's business, including stresses to UK residential property prices, house price inflation, the credit quality of assets including residential ground rent portfolios, mortality, and risk-free interest rates. Eligible own funds exceeded the minimum capital requirement in all stressed scenarios described above.

Furthermore, the Directors note that in a scenario where the Group ceases to write new business, the going concern basis would continue to be applicable while the Group continued to service in-force policies.

1.2. New accounting standards and new material accounting policies

Adoption of new and amended accounting standards

The following amendments to existing standards have been adopted by the Group and do not have a significant impact on the financial statements:

- IAS 1 "Presentation of financial statements" – Amendments in respect of the classification of liabilities as current or non-current.
- IAS 1 "Presentation of financial statements" – Amendments in respect of non-current liabilities with covenants.

The following new accounting standards are in issue but not endorsed yet. These have not yet been adopted by the Group and are not expected to have a significant impact on the results within the financial statements:

- IFRS 18 "Presentation and Disclosure in Financial Statements" (effective 1 January 2027 with restatement for comparatives). IFRS 18 introduces new requirements on presentation and disclosures in the financial statements, with a focus on the income statement and reporting of financial performance. Items in the statement of profit or loss will be classified into different categories such as operating, investing and financing. As a presentation and disclosure standard, the implementation of IFRS 18 will not affect the Group's results. The Group is considering the impact on the presentation of the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

1. MATERIAL ACCOUNTING POLICIES continued

1.3. Material accounting policies and the use of judgements, estimates and assumptions

The preparation of financial statements requires the Group to select accounting policies and make estimates and judgements that affect items reported in the Consolidated statement of comprehensive income, Consolidated statement of financial position, other primary statements and Notes to the financial statements.

All estimates are based on management's knowledge of current facts and circumstances, assumptions based on that knowledge and predictions of future events and actions. Actual results may differ significantly from those estimates. Sensitivities of investments and insurance contracts to reasonably possible changes in significant estimates and assumptions are included in notes 16(d) and 22(h) respectively.

The major areas of judgement applied as part of accounting policy application are summarised below.

Note	Item involving judgement	Critical accounting judgement
1.7	Selection of the top-down approach and identification of the reference portfolio used to determine the discount rate for insurance and reinsurance contracts	The Group has elected to apply the top-down approach for the determination of discount rate for insurance and reinsurance contracts. Discount rates are determined based on a reference portfolio of assets and allow for deductions for credit risk (both expected and unexpected). Management have exercised judgement in identifying the reference portfolio which is based upon the actual asset portfolio backing the net of reinsurance best estimate liabilities and risk adjustment and is adjusted in respect of new contracts incepting in the period to allow for a period of transition from the actual asset holdings to the target portfolio where necessary. No adjustment for liquidity differences between the reference portfolio and the liabilities is made. For calculation of the Contractual Service Margin ("CSM") at the inception of contracts, discount rates are based on the yields from a reference portfolio assumed to be represented by the current target portfolio mix based on the latest investment strategy. Consistent discount rates are used for calculation of the reinsurance CSM as used for the underlying business. A weighted average discount rate curve is used for accreting interest on the CSM and for calculating movements in the CSM due to changes in fulfilment cash flows relating to future service. This separate "locked-in" discount rate curve is determined for each annual cohort at the end of the cohort's first year and then does not change throughout the remainder of life of the group of contracts.
1.7, 22	Calibration of risk adjustment for insurance contract liabilities and reinsurance assets and liabilities	Future cash flows are adjusted by the risk adjustment for non-financial risk representing the level of compensation that the Group requires for bearing the uncertainty regarding the amount and timing of the cash flows that arise from non-financial risk. The Group has applied judgement in calibrating the risk adjustment using an appropriate confidence interval. The risk adjustment is calibrated to provide a 70% level of confidence that longevity, expense and insurance contract specific operational risks will be covered by the liabilities when viewed over the lifetime of the contracts and is used as a core parameter within the Group's pricing framework when assessing the profitability of new business. The reinsurance risk adjustment represents the extent to which non-financial risks are transferred to reinsurers and is measured using the same calibrations as applied to the underlying contracts.
1.7, 22	Determination of the weighting of coverage units for phasing the recognition of CSM in profit or loss	Coverage units for phasing the recognition of CSM in profit or loss are determined by the type of service provided. Coverage units for the Group's products are defined as follows: – In the deferred phase of Defined Benefit policies, investment return service coverage units are represented by the return on the funds backing the future cash flow liability in this accumulation phase. Insurance service in this phase is considered insignificant. – In the guaranteed phase of Defined Benefit and Guaranteed Income for Life policies, when payments outwards are being made regardless of any insurance event, investment return service is represented by the payments to annuitants. – In the life contingent phase of all policies, insurance service is represented by payments to annuitants, as confirmed by the IASB Interpretation Committee ("IFRIC") during 2022. The Group applies judgement in weighting these disparate coverage units. The Group has determined that the appropriate weighting to apply is the probability of the policy being in force. This reflects the judgement made by the Group that the value of services provided to policyholders is broadly equivalent across the different phases in the life of contracts.
1.13	Assessment whether a market is active and the selection of an appropriate measurement model to determine the fair value of financial assets where the market is not active	Management exercises judgement in determining whether there is an active market for a particular security. Where the market is not active, management applies judgement in selecting the appropriate valuation technique. The Group has determined that the appropriate valuation model to fair value the No-Negative Equity Guarantee ("NNEG") associated with the Group's Lifetime Mortgages ("LTMs") is a variant of the Black-Scholes option pricing formula with real world assumptions. The Group has selected to use real world assumptions instead of risk neutral assumptions due to the lack of relevant observable market inputs to support a risk neutral valuation approach.

The table below sets out the significant estimates and assumptions and other estimates applied by the Group in measuring assets and liabilities.

Note	Significant estimate	Description
1.7, 22	Measurement of insurance contract liabilities using assumptions for mortality, expenses, discount rates	The measurement of insurance liabilities is determined by the present value of estimates of the projected future annuity payments and the cost of administering payments to policyholders. The key assumptions used in the determination of future cash flows are the mortality and annuity escalation assumptions and the level and inflation of costs of administration. Mortality assumptions are derived from the appropriate standard mortality tables, adjusted to reflect the future expected mortality experience of the policyholders. The Group considers any maintenance expenses to be directly attributable if they are required to be incurred to enable the insurance entities to continue to operate as insurance companies maintaining the contracts in force. Maintenance expenses are determined from expense analyses and are assumed to inflate at market-implied rates. The present value of future cash flows are discounted based on discount rates as at the valuation date. Discount rates are based on estimates of the yield of a reference portfolio including deductions for allowances for expected and unexpected credit default losses. Factors that may affect future levels of defaults, including historic trends and current spread levels, are closely monitored when determining deductions for credit risk.
1.7, 22	Measurement of reinsurance contracts using assumptions for mortality, discount rates and credit default risk	The measurement of the value of reinsurance assets and liabilities is determined by the present value of estimates of the projected future cash flows arising from the reinsurers' share of the Group's insurance liabilities including the risk adjustment. The key assumptions used in the valuation include mortality experience, discount rates and assumptions around the reinsurers' ability to meet their claims obligations. Mortality assumptions are derived consistently with the approach described above for gross insurance contracts. Discount rates are derived consistently with the approach described above for gross insurance contracts with the following adjustments: – In instances where reinsurance cover is in place when underlying contracts are written, the reinsurance CSM is calculated using discount rates as at the start of the relevant treaty notice period. – In instances where reinsurance is transacted subsequently to the underlying business being written, the reinsurance CSM is calculated using discount rates as at the start date of the reinsurance treaty. Allowance is made for reinsurer credit default risk based on the net balance held with the reinsurer after allowing for collateral arrangements.
1.13, 16(a) 16(d)	Measurement of fair value of lifetime mortgages, including measurement of the no-negative equity guarantee	The measurement of lifetime mortgages includes estimates of the projected future receipts of interest and loan repayments and the future costs of administering the loan portfolio. The key assumptions used as part of the valuation calculation include future property prices and their volatility, mortality, the rate of voluntary redemptions and the liquidity premium added to the swap curve and used to discount the mortgage cash flows. In addition, the costs of administering the loan portfolio are estimated using assumptions for future policy expense levels.
16(a)	Measurement of fair value of other illiquid financial investments	The fair value of other illiquids is estimated using discounted cash flow valuation approaches and pricing from asset managers and other third party pricing sources. Discounted cash flow models include assumptions regarding unobservable inputs where the market is not active. The assumptions for unobservable inputs include management's expectations regarding credit spreads and also credit ratings for privately-rated assets used in determining the discount rate for such investments.
16	Measurement of the value of residential ground rents as a result of the ongoing government consultation	The Group notes the significant uncertainty regarding the outcome of the previous Government consultation and the 2024 King's Speech regarding restriction of residential ground rents. In determining the valuation of the Group's residential ground rents portfolio the Group considers the impact that this uncertainty has on the fair value that a market participant would be willing to exchange such assets. The value of these assets includes an adjustment to reflect an expected increase in credit spread and consequential increase in the credit risk deduction for defaults.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

1. MATERIAL ACCOUNTING POLICIES continued

1.4. Consolidation principles

The consolidated financial statements incorporate the assets, liabilities, results and cash flows of the Company and its subsidiaries, joint ventures and associates.

Subsidiaries are those investments over which the Group has control. The Group has control over an investee if all of the following are met:

- it has power over the investee;
- it is exposed, or has rights, to variable returns from its involvement with the investee; and
- it has the ability to use its power over the investee to affect its own returns.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are excluded from consolidation from the date on which control ceases. All inter-company transactions, balances and unrealised surpluses and deficits on transactions between Group companies are eliminated on consolidation. Accounting policies of subsidiaries are aligned on acquisition to ensure consistency with Group policies.

The Group uses the acquisition method of accounting for business combinations. Under this method, the cost of acquisition is measured as the aggregate of the fair value of the consideration at the date of acquisition and the amount of any non-controlling interest in the acquiree. The excess of the consideration transferred over the identifiable net assets acquired is recognised as goodwill.

The Group uses the equity method of accounting to consolidate its investments in joint ventures and associates. Under the equity method the investment is initially recognised at fair value and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the joint ventures and associates.

1.5. Segments

The Group's segmental results are presented on a basis consistent with internal reporting used by the Chief Operating Decision Maker ("CODM") to assess the performance of operating segments and the allocation of resources. The CODM has been identified as the Group Executive Committee.

An operating segment is a component of the Group that engages in business activities from which it derives income and incurs expenses.

The results of operating segments that do not meet the Reportable segment criteria within IFRS 8 "Operating segments" are not disclosed on a standalone basis. Operating segments, where certain materiality thresholds in relation to total results from operating segments are not exceeded, are combined when determining reportable segments. For segmental reporting, the arranging of guaranteed income for life contracts, providing intermediary mortgage advice and arranging, plus the provision of licensed software are included in the Other segment along with Group activities, such as capital and liquidity management, and investment activities.

1.6. Foreign currencies

Transactions in foreign currencies are translated to sterling at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The assets and liabilities of foreign operations are translated to sterling at the rates of exchange at the reporting date. The revenues and expenses are translated to sterling at the average rates of exchange for the year. Foreign exchange differences arising on the translation of foreign operations to sterling are accounted for through other comprehensive income.

1.7. Insurance contracts

The Group uses the General Measurement Model to measure all insurance and reinsurance contracts and consequently does not apply the Variable Fee Approach or the Premium Allocation Approach to the measurement of any of its liabilities. IFRS 17 is only applied to insurance and reinsurance contracts and not to any other ancillary agreements which represent the provision of distinct non-insurance services including LTM servicing as part of reinsurance arrangements, see note 28(c)(iii).

1.7.1. Classification of insurance and investment contracts

The measurement and presentation of assets, liabilities, income and expenses arising from Retirement Income contracts issued and associated reinsurance contracts held is dependent upon the classification of those contracts as either insurance or investment contracts.

A contract is classified as insurance only if it transfers significant insurance risk. Insurance risk is significant if an insured event could cause an insurer to pay significant additional benefits to those payable if no insured event occurred. A contract that is classified as an insurance contract remains an insurance contract until all rights and obligations are extinguished or expire. The primary products written by the Group of Defined Benefit ("DB") and Guaranteed Income for Life ("GIfL") are classified as insurance contracts.

Any contracts not considered to be insurance contracts under IFRS are classified as investment contracts. Deposits collected are not accounted for through the income statement, but are accounted for directly through the statement of financial position as an adjustment to the investment contract liability. IFRS 17 includes an election to treat lifetime mortgages as either financial instruments or insurance contracts, Just has chosen to report lifetime mortgages as financial assets, measured at FVTPL in accordance with IFRS 9.

1.7.2. Recognition

The Group recognises a group of insurance contracts issued from the earliest of the following dates (point of sale):

- The date of the beginning of the insurance coverage period of the group of contracts.
- The date when the first payment from a policyholder in the group becomes due.
- The date when facts and circumstances indicate that the group to which an insurance contract will belong is onerous.

Premiums are considered to be due and the Group is "on risk" only after a contract with a policyholder has been completed. New contracts are added to the annual cohort group when they are issued, provided that all contracts in the Group are issued in the same financial year.

Reinsurance is recognised from the start of the period during which the Group receives coverage for claims arising from the reinsured portions of the underlying insurance contracts. From time to time the Group may transact reinsurance coverage in respect of underlying contracts already in force, in which case recognition is from the date of the reinsurance contract.

The Group recognises a group of contracts acquired as part of a business transfer as at the date of acquisition.

1.7.3. Level of aggregation

Insurance contracts may be negotiated as a suite of legal arrangements which are combined into a single insurance contract where these are designed to achieve an overall commercial effect. This applies to certain DB schemes. In addition the Group has established framework agreements with reinsurers in order to facilitate the execution of subsequent DB scheme reinsurance contracts. The Group does not combine such contracts into a single contract as they are individually negotiated and not designed to achieve an overall commercial effect.

The unit of account is a group of contracts and insurance contracts are aggregated into groups for measurement purposes. Within each legal entity, the Group identifies portfolios of insurance contracts which comprise contracts that are subject to similar risks, and are managed together. Risks included in this assessment comprise both risks transferred from the policyholder and other business risks.
For this purpose, DB, GIfL, and Care contracts have been determined to represent a single portfolio that is managed together and subject to primarily longevity and financial risk. Minor products including the small protection portfolio that is in run-off have been included in the same portfolio on the grounds of immateriality.

The single annual portfolio for reporting purposes is divided into three groups:

- contracts that are onerous on initial recognition, if any;
- contracts that have no significant likelihood of becoming onerous, if any; and
- any remaining contracts in the portfolio.

Contracts within the single portfolio that would otherwise fall into different groups are included in the same group where law or regulation specifically constrains the Group's practical ability to set a different price or level of benefits for policyholders with different characteristics. This applies to contracts issued in the UK that are required by regulation to be priced on a gender-neutral basis.

All GIfL and Care contracts are evaluated based on the margins that individual contracts contribute when measured on a gender-neutral basis. The Group has evaluated that these contracts all fall into the remaining contracts grouping in the current year. DB contracts are allocated either to the grouping of those contracts that have no significant likelihood of becoming onerous, or the remainder, based on whether contracts are capital generative at inception. Each group of insurance contracts is further divided by year of issue for calculation of the CSM. The resulting groups represent the level at which the recognition and measurement accounting policies are applied. The groups are established on initial recognition and their composition is not reassessed subsequently.

Reinsurance treaties are allocated to portfolios depending on whether they transfer longevity and financial (inflation and/or investment) risk or longevity risk alone. The Group has concluded that both Just Retirement Limited ("JRL") and Partnership Life Assurance Company Limited ("PLACL") hold portfolios of reinsurance contracts that transfer only longevity risk, and that JRL holds a portfolio that transfers longevity risk and financial risks. Reinsurance CSM is computed separately for each reinsurance treaty for each underwriting year.

1.7.4. Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the current reporting period under which the Group has a substantive obligation to provide services or be compelled to pay reinsurance premiums, or can compel reinsurers to pay claims.

1.7.5. Initial measurement

On initial recognition, the Group measures a group of profitable insurance contracts as the total of:

- the fulfilment cash flows; and
- the CSM, if a positive value.

Fulfilment cash flows include payments to policyholders and directly attributable expenses including investment management expenses. Investment management expenses are considered to be directly attributable if they are in respect of investment activities from which the expected investment returns are considered in setting the price at outset for the policyholder benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

1. MATERIAL ACCOUNTING POLICIES continued

Fulfilment cash flows, which comprise estimates of current and future cash flows, are adjusted to reflect the time value of money and associated financial risks, and a risk adjustment for non-financial risk. These calculations are maintained at contract level for GIfL and Care business, and at DB scheme member level. Insurance acquisition cash flows which are included in fulfilment cash flows at point of sale are costs incurred in the selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group of contracts belongs.

The risk adjustment for non-financial risk for a group of insurance contracts is the compensation required for bearing uncertainty regarding the amount and timing of the cash flows that arise from non-financial risk. The measurement of the fulfilment cash flows of a group of insurance contracts does not reflect non-performance (own credit) risk of the Group.

The detailed policies and methodologies used for the determination of the discount rate and the risk adjustment are included within note 22(b).

The CSM of a group of insurance contracts represents the unearned profit that the Group will recognise as it provides services under those contracts. The CSM is recognised at point of sale based on the value of the fulfilment cash flows, including directly attributable acquisition expenses.

A group of insurance contracts is not onerous on initial recognition if the total of the fulfilment cash flows, any derecognised assets for insurance acquisition cash flows, and any cash flows arising at that date is a net inflow. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total of the fulfilment cash flows is a net outflow, then the CSM grouping of contracts is considered to be onerous. The full value of the fulfilment cash flows is recognised as an insurance contract liability, and the net outflow is recognised as a loss component in profit or loss on initial recognition. Reversals of loss components following re-projection of future cash flows are recognised in profit or loss only to the extent that they reverse the loss previously recorded in profit or loss, with any further amounts recognised on the balance sheet by creation of a CSM. The value of the run-off of the loss component as policyholder benefits are paid is excluded from insurance revenue.

1.7.6. Subsequent measurement

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises:

- the fulfilment cash flows that relate to services that will be provided under the contracts in future periods; and
- any remaining CSM at that date.

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Outstanding balances due from or to policyholders and intermediaries are also included within this balance.

Payments of annuities made before due dates, for example on the final working day of the month, are shown as a reduction to insurance contract liabilities.

The CSM of each group of contracts is calculated on a cumulative year to date basis, rather than being locked in at each interim reporting period.

For insurance contracts, the carrying amount of the CSM at the end of each period is the carrying amount at the start of the period, adjusted for:

- the CSM of any new contracts that are added to the group in the period;
- interest accreted on the carrying amount of the CSM during the period, measured at the discount rates determined on initial recognition of the group of contracts;
- changes in fulfilment cash flows that relate to future services, except to the extent that:
  - any increases in the fulfilment cash flows exceed the carrying amount of the CSM, in which case the excess is recognised as a loss in the profit or loss account and creates a loss component; or
  - any decreases in the fulfilment cash flows are allocated to the loss component, reversing losses previously recognised in profit or loss account;
  - the changes are due to financial risk in policyholder cash flows compared with expectations, for example inflation; and
  - the amount recognised as insurance revenue is in respect of services provided in the period.

Changes in fulfilment cash flows that relate to future services and accordingly adjust the CSM comprise:

- premium adjustments, such as DB true-ups (which can be both positive and negative) to the extent that they relate to future coverage;
- changes in estimates of the present value of future cash flows in the liability for remaining coverage, except for those that relate to the effects of the time value of money, benefit inflation, financial risk and changes therein; and
- changes in the risk adjustment for non-financial risk that relate to future services.

Adjustments to CSM for changes in fulfilment cash flows are measured at the discount rates determined at initial recognition, i.e. are calculated using “locked-in” discount rates. The allowance for benefit inflation within the CSM calculation uses the locked-in inflation assumptions prospectively, with actual inflation experience recognised in the period up to the measurement date. The effect of changes to the related best estimate and risk adjustment balances caused by changes in discount rates and benefit inflation are recognised as insurance finance income or expenses within the profit or loss account.

IFRS 17 requires that the CSM is recognised in profit and loss over the period of the contracts issued. The recognition of amounts in profit and loss is based on coverage units which represent the services that are received by the customers.

The Group provides the following services to customers:

- investment return service when a customer is in the deferred or guarantee phase; and
- insurance coverage services when an annuitant is in payment period for annuitants.

By their nature, coverage units vary depending on the type of service provided. A weighting then needs to be applied to the different types of coverage unit in order to calculate an aggregate value of the proportion of the CSM balance that is to be released. The Group uses the probability of the policy being in force in each time period for weighting the disparate types of coverage units. This weighting reflects management's view that the value of services provided to policyholders is broadly equivalent across the different phases in the life of contracts.

The coverage units and the weightings used to combine coverage units are discounted using the locked-in discount rates and financial risk assumptions as at inception of the contracts. The weightings applied are updated each period for changes in life expectancies of annuitants.

1.7.7. Reinsurance contracts

Reinsurance contracts are measured using policies consistent with those described above for underlying contracts. Measurement of the estimates of the present value of future cash flows uses assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk represents the amount of the risk transferred by the Group to the reinsurer.

On initial recognition, the CSM of a group of reinsurance contracts represents the net cost or net gain on purchasing reinsurance. Reinsurance contracts cannot be onerous. The initial CSM is measured as the equal and opposite amount of the total of the reinsurance fulfilment cash flows recognised in the period including any cash flows arising at that date. However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase, the cost is recognised immediately in profit or loss as an expense.

The level of aggregation for CSM calculation purposes is at annual cohort level for each treaty. The existing treaties for which the deposit back arrangements were reported separately as financial liabilities prior to adoption of IFRS 17 are included within the value of the associated reinsurance contracts under IFRS 17. Reinsurance contracts are presented in the Statement of financial position based on whether the portfolios of reinsurance contracts are an asset or liability. The Group has identified separate portfolios of reinsurance contracts, based on whether or not the underlying contracts transfer financial risk in addition to longevity risk.

The carrying amount of the reinsurance CSM at the end of each period is the carrying amount at the start of the year, adjusted for:

- the CSM of reinsurance ceded in the period;
- interest accreted on the CSM during the period, measured at the discount rates determined on initial recognition;
- changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, except to the extent that a change results from a change in fulfilment cash flows allocated to a group of underlying insurance contracts that does not adjust the CSM of the group of underlying contracts, in which case the change is recognised in profit or loss;
- any reinsurance recovery, or reversal thereof, recognised in connection with a loss component on underlying contracts calculated based on the reinsurance quota share; and
- the amount representing either the cost or gain of services received from reinsurance in the period.

The allowance for benefit inflation within the CSM calculation uses the locked-in inflation assumptions prospectively, with actual inflation experience recognised in the period up to the measurement date.

The coverage units for the release of the reinsurance CSM in profit and loss are based on the cash flows associated with the risk transferred to the reinsurer, this includes "variable leg" reinsurance claim cash flow values.

1.7.8. Derecognition and contract modification

The Group derecognises a contract when it is extinguished – i.e. when the specified obligations in the contract expire or are discharged or cancelled. It also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Group treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

The Group transacts two main types of contract modification which are not normally expected to result in derecognition as they do not result in changes to profitability groupings or accounting treatment:

- transition of DB schemes from Buy-in to Buy-out is anticipated within the original contracts and is therefore not treated as modifications; and
- from time to time, fees and quota shares are amended within reinsurance treaties however these do not have a significant impact on the accounting for the treaties.

On the derecognition of a contract from within a group of contracts, the fulfilment cash flows, CSM and coverage units of the group are adjusted to reflect the removal of the contract that has been derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

1. MATERIAL ACCOUNTING POLICIES continued

1.7.9. Presentation

The Group only writes types of annuity insurance business which are similar in risk profile and are managed together. The small protection portfolio, which is in run-off, is considered immaterial and is aggregated with the annuity business and reported as a single portfolio.

The Group holds proportional reinsurance cover that is designed to be similar in longevity risk profile to the underlying contracts. The proportional reinsurance cover is reported in separate portfolios depending on whether or not treaties transfer financial risk. Aggregated reinsurance portfolio balances may be either assets or liabilities in the statement of financial position.

Income and expenses from insurance contracts are presented separately from income and expenses from reinsurance contracts. Income and expenses from reinsurance contracts, other than reinsurance finance income or expenses, are presented on a net basis as “net expenses from reinsurance contracts” in the insurance service result.

The Group has elected to disaggregate the change in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses.

1.7.9.1. Insurance revenue

The Group recognises insurance revenue as it satisfies its performance obligations – i.e. as it provides coverage or other services under groups of insurance contracts through the payment of annuities and expenses. Expected incurred claims and other insurance service expenses represents the expected claims and maintenance expense cash flows in the period based on the assumptions within the opening liability for future cash flows excluding the value of investment components and other non-insurance cash flows.

The proportion of the CSM account balance recognised as insurance revenue in each period is based on the proportion of insurance contract services provided in the period compared with the value of services expected to be provided in future periods. The proportion of CSM is based on “coverage units” which represent the quantity of insurance coverage provided by the contracts in the Group, determined by considering, for each contract, the quantity of benefits provided and its expected coverage duration. Further information on the calculation of CSM is given in note 1.7.6.

Acquisition costs are deducted from the CSM at point of sale, with the result that as the CSM release is recognised in the income statement, there will be an implicit allowance for acquisition costs made each year over the life of contracts. The Group allocates a portion of premiums that relate to recovery of insurance acquisition cash flows to each period in a systematic way based on CSM coverage units. Insurance revenue and insurance service expenses are grossed up by this annual value of acquisition expenses so that the full value of the premium is recognised as insurance revenue over the lifetime of contracts.

Policyholder cash flows that may occur regardless of an insurance event are deemed to be “investment components” or other non-insurance components (such as a premium refund) or a combination. This includes the guarantees that the Group offers to policyholders which provide for annuity payments to continue after death until the policy reaches a predetermined anniversary of its start date (the guarantee period), tax-free cash payments that DB scheme members may select at retirement, and payments on surrenders and transfers to other retirement schemes. All investment components are regarded as non-distinct as they only exist as a result of the underlying insurance contract, and are measured consistently with future insurance cash flows included in the estimate of present value of future cash flows.

The value of payments made within investment components and other non-insurance payments are excluded from both insurance revenue and expenses. Amounts recoverable from reinsurers in respect of such amounts are also reported as investment components on reinsurance contracts.

1.7.9.2. Insurance service expenses

The Group recognises insurance service expenses arising from groups of insurance contracts issued comprising incurred claims (excluding repayments of investment components); maintenance expenses; amortisation of insurance acquisition cash flows; and the impact of changes that relate to either past service (changes in fulfilment cash flows relating to the liability for incurred claims) or future service (loss component).

1.7.9.3. Loss component

The Group establishes a loss component of the liability for remaining coverage for onerous groups of insurance contracts, if any. The loss component represents the amount of fulfilment cash outflows that exceed the premium income, and hence are excluded from insurance revenue. Loss components are recognised in the statement of comprehensive income within insurance service expenses when they occur. The balance sheet disclosures in note 22 present the allocation between the loss component and the liability for remaining coverage excluding the loss component, if any. This run-off of the loss component element of the liability for remaining coverage is determined based on coverage units (as used for CSM amortisation) such that the loss component is nil at the end of the contracts.

Once a loss component is established, changes in estimates of cash flows relating to future services are allocated solely to the loss component. If the loss component is reduced to zero, then any excess over the amount allocated to the loss component creates a new CSM for the group of contracts.

1.8. Finance costs

Finance costs include interest on loans and borrowings and interest on repurchase agreements. Interest is recognised applying the effective interest method and recognised as an expense each year over the term of the liability. The effective interest rate calculation includes the impact of capitalised transaction costs and any premium/discount associated with the Group’s borrowings.

1.9. Employee benefits

Defined contribution plans

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in funds managed by a third party. Obligations for contributions to the defined contribution pension scheme are recognised as an expense in profit or loss when due.

Share-based payment transactions

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at grant date, determined using stochastic and scenario-based modelling techniques where appropriate. The fair value of each scheme, based on the Group's estimate of the equity instruments that will eventually vest, is expensed in the Consolidated statement of comprehensive income on a straight-line basis over the vesting period, with a corresponding credit to equity.

At each balance sheet date, the Group revises its estimate of the number of equity instruments that will eventually vest as a result of changes in non-market-based vesting conditions, and recognises the impact of the revision of original estimates in the Consolidated statement of comprehensive income over the remaining vesting period, with a corresponding adjustment to equity. Where a leaver is entitled to their scheme benefits, this is treated as an acceleration of the vesting in the period they leave. Where a scheme is modified before it vests, any increase in fair value as a result of the modification is recognised over the remaining vesting period. Where a scheme is cancelled, this is treated as an acceleration in the period of the vesting of all remaining options.

1.10. Intangible assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary and represents the future economic benefit arising from assets that are not capable of being individually identified and separately recognised. Goodwill is measured at initial value less any accumulated impairment losses. Goodwill is not amortised but assessed for impairment annually or when circumstances or events indicate there may be uncertainty over the carrying value.

For the purpose of impairment testing, goodwill has been allocated to cash-generating units and an impairment is recognised when the carrying value of the cash-generating unit exceeds its recoverable amount. Impairment losses are recognised directly in the Consolidated statement of comprehensive income and are not subsequently reversed.

Other intangible assets are recognised if it is probable that future economic benefits attributable to the asset will flow to the Group, and are measured at cost less accumulated amortisation and any impairment losses. For intangible assets with finite useful lives, impairment testing is performed where there is an indication that the carrying value of the assets may be subject to an impairment. An impairment loss is recognised where the carrying value of an intangible asset exceeds its recoverable amount.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group are capitalised and recognised as an intangible asset. Direct costs include the incremental software development team's employee costs. All other costs associated with researching or maintaining computer software programmes are recognised as an expense as incurred.

Intangible assets with finite useful lives are amortised on a straight-line basis over their useful lives, up to 15 years. The useful lives are determined by considering relevant factors, such as usage of the asset, potential obsolescence, competitive position and stability of the industry.

The useful economic life and the method used to determine the cost of intangible assets acquired in a business combination is as follows:

Intangible asset	Estimated useful economic life	Valuation method
Intellectual property	12–15 years	Estimated replacement cost

The useful economic lives of intangible assets recognised by the Group other than those acquired in a business combination are as follows:

Intangible asset	Estimated useful economic life
PrognoSys™,[1]	12 years
Software	3 years

1 PrognoSys™ is the Group's proprietary underwriting engine; see note 12.

1.11. Property and equipment

Land and buildings are measured at their revalued amounts less any subsequent depreciation, and impairment losses. Valuations are performed periodically but at least triennially to ensure that the fair value of the revalued asset does not differ materially from its carrying value. A revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve in equity. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve. Reversals of revaluation deficits follow the original classification of the deficit in the Consolidated statement of comprehensive income.

All other property and equipment is measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis to write down the cost to residual value over the estimated useful lives.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

1. MATERIAL ACCOUNTING POLICIES continued

The useful lives over which depreciation is charged for all categories of property and equipment are as follows:

Property and equipment	Estimated useful economic life
Land	Indefinite – Land is not depreciated
Buildings	25 years
Computer equipment	3–4 years
Furniture and fittings	2–10 years

1.12. Investment property

Investment property includes property that is held to earn rentals and/or for capital appreciation. Investment property is initially recognised at cost, including any directly attributable transaction costs and subsequently measured at fair value.

Fair value is the price that would be received to sell a property in an orderly transaction between market participants at the measurement date. The subsequent measurement of fair value reflects, among other things, rental income from current leases and other assumptions that market participants would use when pricing investment property under current market conditions. Gains and losses arising from the change in fair value are recognised as income or expense in the Consolidated statement of comprehensive income. Where investment property is leased out by the Group, rental income from these operating leases is recognised as income in the Consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

1.13. Financial investments

1.13.1. Classification of financial assets and financial liabilities

The Group classifies its financial assets into either the Amortised Cost or FVTPL measurement categories. The Group measures its financial assets according to the business model applied. This reflects how the Group manages financial assets either in order to solely collect the contractual cash flows from assets (measured at amortised cost), or collect both the contractual cash flows and cash flows arising from the sale of assets (measured at FVTPL).

Business model – measurement of financial investments at FVTPL

Financial investments which back the net insurance fulfilment cash flows are classified as part of the fair value business model and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed, and how managers are compensated. To ensure that the contractual cash flows from the financial assets are sufficient to settle those liabilities, the Group undertakes significant buying and selling activity on a regular basis to rebalance its portfolio of assets and to meet cash flow needs as they arise. Investments are measured at fair value with any gains and losses recognised in Investment return in the Consolidated statement of comprehensive income. Transaction costs are recognised in Other operating expenses when incurred.

The Groups' investments in Lifetime Mortgages, which contain No Negative Equity Guarantees, are included in financial investments mandatorily measured at FVTPL as the cash flows do not represent the solely payments of principal and interest ("SPPI").

Derivative instruments

All derivative instruments, both assets and liabilities are classified as FVTPL in accordance with IFRS 9 as they are held for trading.
All derivatives are carried as assets when the fair value is positive and liabilities when the fair values are negative. The Group does not use hedge accounting.

Amortised cost

The Group has classified bank balances and other receivables at amortised cost. These financial assets are eligible for this measurement as they contain payments of solely payments of principal and interest and are not held for trading purposes.

In addition, the Group has a distinct portfolio of UK Government bonds ("Gilts") held in a business model to collect cash flows that represent solely payments of principal and interest. This portfolio is managed separately from the assets that are held to back the insurance contracts, and the Group expects to hold these assets through to maturity. The Group has policies and procedures which define the framework for when disposals of these Gilts can occur, which is expected to be in extreme market conditions for risk management purposes.

Transaction costs incurred on financial assets measured at amortised cost are capitalised to the underlying instrument and are included in the determination of the effective rate of interest.

1.13.2. Recognition and derecognition

Regular-way purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the assets. For purchases of new illiquid investments the Group commits to purchase the assets where there is unconditional agreement made by both parties. Amounts payable or receivable on unsettled purchases or sales are recognised in other payables or other receivables respectively. Forward contracts to enter into investments at a contracted date some time in the future are not recognised until the settlement date; prior to that a derivative forward contract is recognised.

LTMs are recognised when cash is advanced to borrowers.

Financial investments are derecognised when our rights to the contractual cash flows expire or the IFRS 9 derecognition criteria for transferred financial assets are met. The criteria include assessment of rights and obligations to the cash flows, an assessment of the transfer of substantially all the risks and rewards of ownership and an assessment of whether the Group has retained control of the investment.

Collateral

The Group receives and pledges collateral in the form of cash or securities in respect of derivative, repurchase, reinsurance or other contracts such as securities lending. Cash collateral received that is not legally segregated from the Group is recognised as an asset with a corresponding liability for the repayment in other financial liabilities. Cash collateral pledged that is legally segregated from the Group is derecognised and a receivable for its return is recorded in the Consolidated statement of financial position.

Non-cash collateral received is not recognised as an asset unless it qualifies for derecognition by the transferor. Non-cash collateral pledged continues to be recognised in the Consolidated statement of financial position within the appropriate asset classification when the Group continues to control the collateral and receives the economic benefit. Where non-cash collateral pledged continues to be recognised by the Group but the counterparty is permitted to sell or re-pledge the collateral, the non-cash collateral assets are classified separately within the Financial instruments note.

The Group has various reinsurance collateral arrangements including funds withheld, funds transferred and premium deposit-back arrangements. The recognition/derecognition of the collateral assets is determined by the IFRS 9 recognition/derecognition criteria. An assessment is made of the contractual terms, including consideration of the Group's exposure to the economic benefits. See note 28(c)(iii) for further details. Where collateral is recognised in the Group's Consolidated statement of financial position, such as premium deposit-back arrangements, the liability for the repayment of the deposit is recognised as a cash flow within the boundary of the insurance contract.

1.13.3. Investment return

Investment return on financial assets consists of interest receivable for the year and realised and unrealised gains and losses on financial assets and liabilities at FVTPL.

Interest income is recognised as it accrues on the effective interest method and is reported separately for each classification of financial instruments.

Realised gains and losses on financial assets and liabilities occur on disposal or transfer and represent the difference between the proceeds received net of transaction costs, and the original cost.

Unrealised gains and losses arising on financial assets and liabilities measured at fair value through profit or loss represent the difference between the carrying value at the end of the year and the carrying value at the start of the year or purchase value during the year, less the reversal of previously recognised unrealised gains and losses in respect of disposals made during the year.

1.13.4. Use of fair value

The Group uses current bid prices to value its investments with quoted prices. Actively traded investments without quoted prices are valued using prices provided by third parties. If there is no active established market for an investment, the Group applies an appropriate valuation technique as described below.

Determining the fair value of financial investments when the markets are not active

The Group holds certain financial investments which are not quoted in active markets including LTMs, derivatives and other illiquid investments for which markets are not active. When the markets are not active, there is generally no or limited observable market data that can be used in the fair value measurement of the financial investments. The determination of whether an active market exists for a financial investment requires management's judgement.

Fixed-maturity securities, in line with market practice, are generally valued using an independent pricing service. These valuations are determined using independent external quotations from multiple sources and are subject to a number of monitoring controls, such as monthly price variances, stale price reviews and variance analysis. Pricing services, where available, are used to obtain the third-party broker quotes. When prices are not available from pricing services, prices are sourced from external asset managers or internal models using both market observable and unobservable inputs. Financial investments using these valuation techniques are classified as Level 3 under the fair value hierarchy. These valuation techniques involve judgement with regard to the valuation models used and the inputs to these models can lead to a range of plausible valuations for financial investments. For further details of determining fair value hierarchy see note 16.

If the market for a financial investment of the Group is not active, the fair value is determined using valuation techniques. The Group establishes fair value for these financial investments by using internally developed pricing models validated against independent price verifications where possible. The valuation technique is chosen with the objective of arriving at a 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, discounted cash flow analysis and option pricing models. The valuation techniques may include a number of assumptions relating to variables such as credit risk and interest rates and, for lifetime mortgages, mortality, future expenses, voluntary redemptions and house price assumptions. These assumptions can be impacted by climate change transition risk, noting, for example, the Group's investment in residential and commercial mortgages secured on properties.

Financial investments measured at fair value are classified into the three-level hierarchy described in note 16 on the basis of the lowest level of inputs that are significant to the fair value measurement of the financial investment concerned.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

1. MATERIAL ACCOUNTING POLICIES continued

1.13.5. Financial assets measured at amortised cost

Financial assets held at amortised cost are measured using the effective interest rate method and a loss allowance is recognised for expected credit losses. The model splits financial assets into those which are performing, underperforming and non-performing based on changes in credit quality since initial recognition.

At initial recognition financial assets are considered to be performing. They become underperforming where there has been a significant increase in credit risk since initial recognition, and non-performing when there is objective evidence of impairment. 12 months of expected credit losses are recognised within expenses in the Consolidated statement of comprehensive income and netted against the financial asset in the Consolidated statement of financial position for all performing financial assets, with lifetime expected credit losses recognised for underperforming and non-performing financial assets.

Expected credit losses are based on the historic levels of loss experienced for the relevant financial assets, with due consideration given to forward-looking information. The most significant categories of financial assets held at amortised cost for the Group are its portfolio of investments in sovereign gilts (see note 15) and cash available on demand. Investments are reclassified from performing to underperforming when coupons become more than 30 days past due, in line with the presumption set out in IFRS 9, or when the financial institution is no longer considered to be investment grade by the rating agents. Due to the nature of the investment in sovereign gilts, the Group concludes that these investments are low credit risk and there has been no significant deterioration in credit risk in the investments.

1.13.6. Investment contract liabilities

The majority of the Group's investment contract liabilities are linked endowment contracts. Fair value is determined by reference to the value of the assets backing the liabilities.

1.13.7. Loans and borrowings

Loans and borrowings are initially recognised at fair value, net of transaction costs, and subsequently amortised through profit or loss over the period to maturity at the effective rate of interest required to recognise the discounted estimated cash flows to maturity.

1.13.8. Other financial liabilities

Except for derivative financial liabilities, all other financial liabilities are held at amortised cost and measured using the effective interest rate method.

1.14. Cash and cash equivalents

Cash and cash equivalents in the Consolidated statement of cash flows consist of amounts reported in Cash available on demand in the Consolidated statement of financial position and short-term highly liquid investments included in Financial investments in the Consolidated statement of financial position.

Cash available on demand includes cash at bank and in hand and deposits held at call with banks. Additional cash equivalents reported in the Consolidated statement of cash flows include other short-term highly liquid investments with less than 90 days' maturity from the date of acquisition. Those do not meet the definition of Cash available on demand and are therefore reported in Financial investments (note 15).

1.15. Equity

Share capital, share premium and payment of dividends

The difference between the proceeds received on issue of the shares, net of share issue costs, and the par value of the shares issued is credited to the share premium account.

Interim dividends are recognised in equity in the period in which they are paid. Final dividends require shareholder approval prior to payment and are therefore recognised when they have been approved by shareholders.

Where the Company purchases shares for the purposes of employee incentive plans, the consideration paid, net of issue costs, is deducted from equity within shares held by trusts. Upon issue or sale, any consideration received is credited to equity net of related costs.

Other reserves

The reorganisation reserve represents the difference between the value of shares in the Company and the value of subsidiary shares for which they were exchanged as part of a Group reorganisation.

The merger reserve represents the difference between the value of businesses acquired and the nominal value of shares issued to acquire those businesses in a share-for-share exchange that meets the requirements to apply merger relief under Section 612 of the Companies Act 2006.

Tier 1 notes

Loan notes are classified as either debt or equity based on the contractual terms of the instruments. Loan notes are classified as equity where they do not meet the definition of a liability because they are perpetual with no fixed redemption or maturity date, they are only repayable on liquidation, conversion is only triggered under certain circumstances of non-compliance, and interest on the notes is non-cumulative and cancellable at the discretion of the issuer.

1.16. Taxation

The current tax expense is based on the taxable profits for the year, using blended rates determined from tax rates substantively enacted at the Consolidated statement of financial position date, and after any adjustments in respect of prior years. Current and deferred tax is charged or credited to Profit or loss unless it relates to items recognised in Other comprehensive income or directly in equity.

Provision is made for deferred tax liabilities, or 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 consolidated financial statements. The principal temporary differences arise from the transitional tax adjustments resulting from the implementation of IFRS 17. The principal temporary differences arise from the transitional tax adjustments resulting from the implementation of IFRS 17 and are being amortised over a period of 10 years from 1 January 2023.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The deferred tax assets and liabilities are measured using substantively enacted corporation tax rates based on the timings of when they are expected to reverse.

2. SEGMENTAL REPORTING

Segmental analysis

The Group has a single reportable segment “Insurance” which is reconciled to the total Group result by including the non-reportable segments plus the other companies’ results. This includes the Group’s corporate activities that are primarily involved in managing the Group’s liquidity, capital and investment activities.

The Insurance segment writes insurance products for distribution to the at/in-retirement market and the DB de-risking market. The primary products written by the Group are DB and GIfL and the Group invests the premiums received from these contracts in debt and other fixed income securities, gilts, liquidity funds, Lifetime Mortgage advances and other illiquid assets.

The Group’s other segment which is not currently sufficiently significant to disclose separately as a reportable segment is the Advisory segment. This segment performs the arranging of retirement income products through regulated advice and intermediary services and the provision of licensed software to financial advisers, banks, building societies, life assurance companies and pension trustees.

The Group primarily operates in the material geographical segment the United Kingdom.

The internal reporting used by the CODM includes segmental information regarding premiums and profit. Material product information is analysed by product line and includes shareholder funded DB, GIfL, DB Partner (funded re), Care Plans, Protection, LTM and Drawdown products. Further information on the DB Partner (funded re) transactions is included in the Business review. The information on adjusted operating profit and profit before tax used by the CODM is presented on a combined product basis within the insurance operating segment and is not analysed further by product.

Underlying operating profit

The Group reports underlying operating profit as an alternative measure of profit which is used for decision making and performance measurement. The Board believes that underlying operating profit, which represents a combination of both the future profit generated from new business written in the year and additional profit emerging from the in-force book of business, provides a view of the development of the business aligned to growth and future cash release. The underlying operating profit metric is presented prior to deferring new business profit to the CSM as the Board considers the value of new business is significant in assessing business performance. Actual operating experience, where different from that assumed at the start of the year, and the impacts of changes to future operating assumptions applied in the year, are then also included in arriving at adjusted operating profit.

New business profits incorporate expected investment returns on the financial instruments assumed to be newly purchased to back that business after allowances for expected movements in liabilities and deduction of acquisition costs. New business profits are based on valuation of investment returns as at the date of quoting for new business whereas the CSM on new business is computed as at the date of inception of new contracts. Profits arising from the in-force book of business represent an expected return on surplus assets of 4% (2023: 4%) which is primarily based upon short-term risk-free rates, the expected unwind of allowances for credit default and the release of the risk adjustment.

Underlying operating profit excludes strategic expenditure, and where applicable any impairments, exceptional items and amortisation of intangible assets arising on consolidation, since these items arise outside the normal course of business in the year.

Variances between actual and expected investment returns due to economic and market changes, including on surplus assets and on assets assumed to back new business, and gains and losses on the revaluation of land and buildings, are also disclosed outside underlying operating profit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

2. SEGMENTAL REPORTING continued

Segmental reporting and reconciliation to financial information

	Year ended 31 December 2024			Year ended 31 December 2023		
	Insurance £m	Other £m	Total £m	Insurance £m	Other £m	Total £m
New business profits	460	–	460	355	–	355
CSM amortisation[1]	(71)	–	(71)	(62)	–	(62)
Net underlying CSM increase[2]	**389**	**–**	**389**	**293**	**–**	**293**
In-force operating profit[1]	226	10	236	185	6	191
Other Group companies' operating results[3]	–	(17)	(17)	–	(15)	(15)
Development costs and other[3]	(24)	(11)	(35)	(16)	(8)	(24)
Finance costs	(82)	13	(69)	(84)	16	(68)
Underlying operating profit	**509**	**(5)**	**504**	**378**	**(1)**	**377**
Operating experience and assumption changes[1]	(37)	–	(37)	52	–	52
Adjusted operating profit before tax	**472**	**(5)**	**467**	**430**	**(1)**	**429**
Investment and economic movements	24	(6)	18	106	(14)	92
Strategic expenditure	(8)	(15)	(23)	(8)	(9)	(17)
Adjustment for transactions reported directly in equity in IFRS	26	(6)	20	28	(12)	16
Adjusted profit before tax	**514**	**(32)**	**482**	**556**	**(36)**	**520**
Deferral of profit in CSM[1]	(369)	–	(369)	(348)	–	(348)
Profit before tax	**145**	**(32)**	**113**	**208**	**(36)**	**172**

1 See glossary for definition.
2 New business profitability is valued based on quotation date in the new business profitability measure used by the Chief Operating Decision Maker. In IFRS, new business is measured based on the completion date and therefore there is a quotation date reconciling item between the segmental reporting profit and IFRS profit.
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 reconciliation of the non-GAAP new business profit to the new business contractual service margin (IFRS measure) is included in the Additional information.

Additional analysis of segmental profit or loss

Revenue, depreciation of property and equipment, and amortisation of intangible assets are materially all allocated to the insurance segment. The adjustment for transactions reported directly in equity in IFRS primarily relates to interest on the Tier 1 notes. The interest adjustment in respect of Tier 1 notes in the other segment represents the difference between interest charged to the insurance segment in respect of Tier 1 notes and interest incurred by the Group in respect of Tier 1 notes.

Product information analysis

Additional analysis relating to the Group's products is presented below:

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Defined Benefit De-risking Solutions ("DB")	4,275	2,999
Guaranteed Income for Life contracts ("GIfL")[1]	1,033	894
Retirement Income sales (shareholder funded)	**5,308**	**3,893**
DB Partner (funded re)	1,101	416
Retirement Income sales	**6,409**	**4,309**
Movements in premiums receivable	4	185
Premium cash flows (note 22(c))	**6,413**	**4,494**

1 GIfL includes UK GIfL, South Africa GIfL and Care Plans.

The DB Partner (funded re) relates to the full-scheme buy in of the G4S Pension scheme as described in the Strategic report: Case studies.

Drawdown and LTM products are accounted for as investment contracts and financial investments respectively in the Consolidated statement of financial position. An analysis of the amounts advanced during the year for these products is shown below:

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
LTM advances	340	186
Other investment products	13	12

3. INSURANCE SERVICE RESULT

	Note	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Insurance revenue			
Contractual service margin recognised for services provided		177	156
Change in risk adjustment for non-financial risk for risks expired		11	11
Expected incurred claims and other insurance service expenses		1,589	1,369
Recovery of insurance acquisition cash flows		32	19
Total insurance revenue	(a)	**1,809**	**1,555**
Insurance service expenses			
Actual claims and maintenance expenses		(1,589)	(1,377)
Amortisation of insurance acquisition cash flows		(32)	(19)
Total insurance service expenses	(b)	**(1,621)**	**(1,396)**
Net expenses from reinsurance contracts	(c)	(39)	(41)
Insurance service result		**149**	**118**

(a) Insurance revenue measured by transition type:

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Fully retrospective approach and General measurement model applied since inception	512	310
Fair value measurement at the date of transition	1,297	1,245
Total	**1,809**	**1,555**

The contractual service margin ("CSM") release of £177m (2023: £156m) is based on the coverage units, at cohort level, representing services provided in the year as a proportion of current and future coverage units, see note 22(f). The increase compared with 2023 reflects the inclusion of an additional year's cohort of business, together with the movement in the CSM balance in 2024 as a result of changes in estimates of future cash flows following demographic assumption changes for longevity and expenses and updates to the calibration of the risk adjustment.

The CSM release represents 6.1% (2023: 6.0%) of the CSM reserve balance immediately prior to release.

The risk adjustment release of £11m (2023: £11m) represents the value of the release of risk as insurance coverage expires.

The increase in expected incurred claims and other insurance service expenses to £1,589m (2023: £1,369m) reflects the increase in business mix towards DB business, together with the continued growth and maturity of the business whereby more of the Group's claims payments are for policies that are beyond guarantee periods and are recognised within insurance revenue and expenses.

The growth in the recovery of insurance acquisition cash flows in the year to £32m (2023: £19m) reflects the inclusion of an additional new business cohort. Only the cohorts measured on a fully retrospective basis at transition to IFRS 17 and cohorts of business written since transition (i.e. underwriting years 2021 onwards) have insurance acquisition cash flows. The recovery percentage recognised in the period is consistent with the CSM release percentages.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

3. INSURANCE SERVICE RESULT continued

(b) Insurance service expenses:

	Note	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Incurred expenses			
Claims		1,534	1,332
Personnel expenses and other	8	149	127
Investment expenses and charges		71	93
Other costs		85	75
Commission		33	23
Other acquisition costs		13	6
Impairment of intangible assets		–	3
Amortisation of intangible assets		1	3
Depreciation of equipment		3	2
IFRS 17 treatment of acquisition costs			
Amounts attributable to insurance acquisition cash flows		(215)	(183)
Amortisation of insurance acquisition cash flows		32	19
		1,706	**1,500**
Represented by:			
Actual claims and maintenance expenses		1,589	1,377
Amortisation of insurance acquisition cash flows		32	19
Insurance service expenses		**1,621**	**1,396**
Other operating expenses		85	104
Total		**1,706**	**1,500**

Total expenses, including claims costs, recognised in profit and loss in the period amounted to £1,706m (2023: £1,500m), of which £1,621m (2023: £1,396m) are attributed to provision of insurance services, and £85m (2023: £104m) of other operating expenses. The actual insurance claims and expenses of £1,589m (2023: £1,377m) compared with an expected value of £1,589m (2023: £1,369m), included within insurance revenue.

Insurance acquisition cash flows are deducted from CSM at point of sale and recognised in Insurance revenue and Insurance services expenses over the life of contracts. The total of £215m in 2024 increased compared with the prior year amount of £183m mainly reflecting growth in business volumes combined with higher investment acquisition costs as the Group has increased its investment in illiquid assets.

Other operating expenses of £85m (2023: £104m) represent expenses of the Group's non-insurance business of £40m (2023: £38m) and development and strategic expenses of £45m (2023: £34m). In the prior year, a further £32m of other costs are mainly investment acquisition related expenses attributed to in force insurance contracts.

These figures are stated after adjustments for:

- reduction of claims to exclude investment components and other non-insurance cash flows as noted above for insurance revenue; and
- acquisition expenses incurred in the period are treated as a deduction when calculating the CSM, with only the portion related to the current period service provision included in profit or loss.

During the year the following services were provided by the Group's auditor at costs, which is included in other costs, as detailed below:

	Year ended 31 December 2024 £000	Year ended 31 December 2023 £000
Auditor remuneration		
Fees payable for the audit of the Parent Company and consolidated accounts	**697**	**676**
Fees payable for other services		
The audit of the Company's subsidiaries pursuant to legislation	1,910	2,555
Audit-related assurance services	822	792
Other assurance services	–	–
Other non-audit services not covered above	77	1
Total	**3,506**	**4,024**

Audit-related assurance services mainly include fees relating to the audit of the Group's Solvency II regulatory returns and review procedures in relation to the Group's interim results. In the prior year, fees payable for the audit of the Company's subsidiaries pursuant to legislation includes fees of £789,000 for audit activities related to the implementation of IFRS 17.

(c) Net expenses from reinsurance contracts:

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Contractual service margin recognised for services received	23	27
Change in risk adjustment for non-financial risk for risk expired	4	4
Expected net settlements and reinsurance expenses	46	27
Actual net settlements and reinsurance expenses	(34)	(17)
Total	**39**	**41**

The CSM release for reinsurance contracts is recognised based on coverage units in a similar manner to the CSM in respect of the underlying contracts. For reinsurance swaps, the coverage units are calculated based on the cash flows of the floating (receiving) leg only.

The contractual service margin ("CSM") release on gross insurance contracts is detailed in note 3(a). On a net of reinsurance basis, the CSM release of £154m into profit (2023: £129m) represents 6.2% (2023: 6.2%) of the CSM balance immediately prior to release. The release in the current year reflects the inclusion of an additional year's cohort of business, together with the movement in the reinsurance CSM balance in 2024 as a result of changes in estimates of future reinsurance cash flows following demographic assumption changes for longevity and updates to the calibration of the risk adjustment.

The reinsurance risk adjustment is based on the floating leg cash flows, and hence the behaviour of the risk adjustment, including its release, is similar to the movement on the underlying contracts that are reinsured.

Actual reinsurance claims and expenses of £34m (2023: £17m) were lower than the expected value of £46m (2023: £27m) as a result of reductions in longevity experience during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

4. NET INVESTMENT RESULT

	Note	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Investment return			
Interest income on assets:			
– at amortised cost		135	54
– designated at FVTPL		869	806
– mandatorily measured at FVTPL: LTMs		213	244
		1,217	**1,104**
Movement in fair value of financial assets:			
– designated at FVTPL		(951)	424
– mandatorily measured at FVTPL: LTMs		(212)	278
– mandatorily measured at FVTPL: Derivatives		(180)	365
		(1,343)	**1,067**
Foreign exchange (losses)/gains on amortised cost assets		(2)	2
Investment return	(a)	**(128)**	**2,173**
Net finance income/(expenses) from insurance contracts			
Interest accreted		(1,693)	(1,317)
Effect of changes in interest rates and other financial assumptions		2,142	(622)
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition		31	(67)
Net finance income/(expenses) from insurance contracts	(b)	**480**	**(2,006)**
Net finance (expenses)/income from reinsurance contracts			
Interest accreted		99	34
Effect of changes in interest rates and other financial assumptions		(114)	32
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition		(28)	49
Effect of changes in non-performance risk of reinsurers		(9)	(7)
Net finance (expenses)/income from reinsurance contracts	(c)	**(52)**	**108**
Movement in investment contract liabilities		(2)	(2)
Net investment result		**298**	**273**

The Net investment result of £298m (2023: £273m) is the net impact on the Group from the return on investments offset by similar movements on insurance and investment contract liabilities. The principal driver over the period is the changes in the value of the investment assets and net insurance liabilities due to changes in long-term interest rates.

These amounts will not completely offset for a number of reasons, including:

- the term structures for financial investments held and net insurance liabilities are not identical;
- the existence of surplus assets held on the balance sheet which do not back insurance liabilities and the value of which are subject to changes in interest rates; and
- the deduction of a credit default allowance from the interest rate used to value insurance liabilities.

(a) Investment return

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 £1,343m loss (2023: £1,067m 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 Group invested over £2.4bn (2023: £1.7bn) into illiquid fixed income investments over 2024 including £0.3bn (2023: £0.2bn) in LTMs. The Group invested a further £1.4bn (2023: £2.3bn) into the amortised cost gilts portfolio which has been established.

The amortised cost portfolio has been established in tranches over the past two years and now totals £4bn (2023: £3bn); 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 increases in long-term interest rates over the period. In the prior period, expectations of long-term interest rates reduced over the second half of 2023, resulting in mark to market gains over 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.

(b) Net finance income/(expenses) from insurance contracts

Total net finance income from insurance contracts of £480m in 2024 compared with net finance expenses of £2,006m in 2023, with the year on year change primarily driven by the movement in discount rates over the period.

The net finance income/(expenses) represents a combination of unwind of discount rates and impact of changes in discount rates for the estimate of present value of future cash flows and risk adjustment, and unwind of discount rates alone for the CSM, which is measured using locked-in discount rates. Finance income/(expense) is recognised for the difference between the impact of changes in valuation measured at current rates vs locked-in rates.

Interest accreted

Interest accreted of £1,693m (2023: £1,317m) represents the effect of unwinding of the discount rates on the future cash flow and risk adjustment components of the insurance contract liabilities and the effect of interest accretion on the CSM. The increased accretion in the current period compared with the prior year reflects the growth in the size of the insurance portfolio.

The future cash flows and risk adjustment are interest rate sensitive and represent a significant majority of the value of insurance contract liabilities. The CSM is measured using historic "locked-in" discount rate curves. The majority of the CSM arises from the fair value approach on transition to IFRS 17 which is measured using the locked-in discount rate curve as at 1 January 2022. This curve is upward sloping in the early years which, combined with an increasing CSM balance attributable to new business and demographic assumption changes, has resulted in increased accretion.

Effect of changes in interest rates and other financial assumptions

The principal economic assumption changes impacting the movement in insurance liabilities during the year of £2,142m gain (2023: £622m loss) relate to discount rates and inflation. Expectations regarding increases in long-term interest rates primarily explain the current year result observed. In the prior year expectations regarding reductions in long-term interest rates primarily led to finance expenses recognised in the Consolidated statement of comprehensive income.

Insurance liabilities for inflation-linked products, most notably Defined Benefit business, and expenses on all products are impacted by changes in future expectations of Retail Price Inflation ("RPI"), Consumers Price Inflation ("CPI"), Linked Price Indexation ("LPI") and earnings inflation.

The relationship between changes in key inputs used in determining the value of net insurance liabilities and financial assets is explained in note 22(h).

Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition

The difference in the measurement of changes in estimates relating to future coverage at current discount rates of £61m loss (2023: £136m gain) compared to locked-in rates of £92m gain (2023: £203m loss), amounting to a £31m gain (2023: £67m loss), is recognised within net finance income. Significant assumption changes in estimates mainly relate to the demographic basis change on a gross of reinsurance basis.

(c) Net finance (expenses)/income from reinsurance contracts

Net finance expenses from reinsurance contracts of £52m loss (2023: £108m gain) reflects the impact of changes in discount rates and unwinding of discounting. Accretion of £99m (2023: £34m) includes £30m (2023: £12m) accretion of the reinsurance CSM, with the increase reflecting an additional year's cohort and the upwards shape of the yield curve applying to the in-force business.

Consistent with the underlying business, the principal economic assumption changes impacting the movement in reinsurance liabilities relate to discount rates and inflation.

The CSM is valued using economic parameters locked-in at point of sale. During the year, the impact of £28m loss (2023: £49m gain) on reinsurance is from demographic assumption changes and updates to the calibration of the risk adjustment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

5. OTHER FINANCE COSTS

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Interest on subordinated debt	50	49
Interest on repurchase agreements	146	70
Interest on collateral received and other	39	3
Tender premium on redemption of Tier 2 subordinated debt	6	–
Total	**241**	**122**

The amortised cost Gilt portfolio is funded by repurchase agreements; as this portfolio continues to grow, the Group incurs additional interest on repurchase agreements.

6. INCOME TAX

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Current taxation		
Current year tax on current year profits	4	–
Adjustments in respect of prior periods	6	–
Effect of tax losses carried back on current tax	(1)	–
Total current tax	**9**	**–**
Deferred taxation		
Deferred tax recognised for losses in the current period	(13)	(2)
Origination and reversal of temporary differences	2	6
Adjustments in respect of prior periods	–	3
Effect of tax losses carried back on current tax	1	–
Tax relief on the transitional adjustment on IFRS 17 implementation	34	34
Remeasurement of deferred tax – change in UK tax rate	–	2
Total deferred tax	**24**	**43**
Total income tax recognised in profit or loss	**33**	**43**

The deferred tax assets and liabilities have been calculated at 25% (2023: 25%), the current corporation tax rate, and the rate at which they are expected to reverse. The Group has assessed that the deferred tax balances will be fully recoverable based on the Group's five-year business plan and projection thereafter.

In accordance with Paragraph 4A of IAS 12 "Income taxes", the Group has not recognised nor disclosed information about deferred tax assets and liabilities related to Pillar Two income taxes. The Group does not currently expect the effect of the Pillar Two legislation to have a material impact on the tax position in future periods.

Reconciliation of total income tax to the applicable tax rate

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Profit on ordinary activities before tax	113	172
Income tax at 25% (2023: 23.5%)	28	40
Effects of:		
Expenses not deductible for tax purposes	–	2
Remeasurement of deferred tax – change in UK tax rate	–	2
Adjustments in respect of prior periods	6	3
Other	(1)	(4)
Total income tax recognised in profit or loss	**33**	**43**

Income tax recognised in other comprehensive income

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Revaluation of land and buildings	(1)	–
Total deferred tax	**(1)**	**–**
Total income tax recognised in other comprehensive income	**(1)**	**–**

Income tax recognised directly in equity

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Current taxation		
Relief on Tier 1 interest	(4)	(4)
Total current tax	**(4)**	**(4)**
Deferred taxation		
Relief in respect of share-based payments	**(4)**	**–**
Total deferred tax	**(4)**	**–**
Total income tax recognised directly in equity	**(8)**	**(4)**

Pillar 2 is not considered to have a significant impact on the Group's financial statements. The Group is predominantly a UK-centric business with an effective tax rate of close to the UK rate of tax of 25%.

In 2023, IFRS 17 Insurance Contracts was adopted. Cumulative differences arising between IFRS 17 and the previous accounting standards (IFRS 4), which represent the differences in retained profits previously reported and impact of the adoption of the standard, are brought back into the computation of taxable profits. However, legislation provided for transitional arrangements whereby such differences are amortised on a straight-line basis over a ten-year period from 1 January 2023. The tax charge for the year to 31 December 2024 includes current tax relief arising from amortisation of transitional balances of £34m (2023: £32m).

7. REMUNERATION OF DIRECTORS

Information concerning individual Directors' emoluments, interests and transactions is given in the Directors' Remuneration report. For the purposes of the disclosure required by Schedule 5 to the Companies Act 2006, the total aggregate emoluments of the Directors in the year was £5m (2023: £5m). Employer contributions to pensions for Executive Directors for qualifying periods were £nil (2023: nil). The aggregate net value of share awards granted to the Directors in the year was £2m (2023: £3m), calculated by reference to the average closing middle-market price of an ordinary share over the five days preceding the grant. One Director exercised share options during the year with an aggregate gain of £1m (2023: two Directors exercised options with an aggregate gain of £3m).

8. STAFF NUMBERS AND COSTS

The average number of persons employed by the Group (including Directors) during the financial year, analysed by category, was as follows:

	Year ended 31 December 2024 Number	Year ended 31 December 2023 Number
Directors	10	11
Senior management	165	142
Staff	1,179	1,052
Average number of staff	**1,354**	**1,205**

The aggregate personnel costs were as follows:

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Wages and salaries	121	104
Social security costs	15	11
Other pension costs	7	6
Share-based payment expense	6	6
Total	**149**	**127**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

9. EMPLOYEE BENEFITS

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable to the fund and amounted to £7m (2023: £6m).

Employee share plans

The Group operates a number of employee share option plans. Details of those plans are as follows:

Long Term Incentive Plans ("LTIP")

The Group has made awards under the LTIP to Executive Directors and other senior managers. Awards granted prior to 9 May 2023 were granted under the Just Retirement Group plc 2013 Long Term Incentive Plan. Awards granted since 9 May 2023 are granted under the Just Group plc Long Term Incentive Plan. Awards are made in the form of nil-cost options which become exercisable on the third anniversary of the grant date, subject to the satisfaction of service and performance conditions set out in the Directors' Remuneration report. Performance conditions include a range of measures regarding financial metrics and Environmental Social and Governance "ESG" targets.

Options are exercisable until the tenth anniversary of the grant date, with the exception for good leavers in respect of awards granted after 9 May 2023 which are exercisable until the first anniversary of the vesting date. The majority of options granted are also subject to a two-year holding period after the options have vested.

The options are accounted for as equity-settled schemes.

The number and weighted-average remaining contractual life of outstanding options under the LTIP are as follows:

	Year ended 31 December 2024 Number of options	Year ended 31 December 2023 Number of options
Outstanding at 1 January	26,004,780	25,935,723
Granted	7,005,523	9,544,856
Forfeited	(2,466,040)	(2,902,296)
Exercised	(5,311,380)	(6,573,503)
Expired	(19,450)	–
Outstanding at 31 December	**25,213,433**	**26,004,780**
Exercisable at 31 December	3,119,011	4,546,466
Weighted-average share price at exercise (£)	1.08	0.85
Weighted-average remaining contractual life (years)	1.06	1.14

The exercise price for options granted under the LTIP is nil.

During the year to 31 December 2024, awards of LTIPs were made on 28 March 2024, 18 April 2024 and 9 September 2024. The weighted-average fair value and assumptions used to determine the fair value of the LTIPs and the Buy-out options granted during the year are as follows:

	2024 awards	2023 awards
Fair value at grant date	£0.95	£0.77
Option pricing model used	Black–Scholes, Stochastic, Finnerty	Black–Scholes, Stochastic, Finnerty
Share price at grant date	£1.05	£0.84
Exercise price	Nil	Nil
Expected volatility – TSR performance	34.70% – 37.89%	41.34%
Expected volatility – holding period	37.45%	37.52% – 37.60%
Option life (including 2-year holding period)	2.93, 3.93 and 5 years	5 years
Dividend yield	Nil	HUB awards – 2.05% Other – Nil
Risk-free interest rate – TSR performance	4.11% – 4.59%	3.44%
Risk-free interest rate – holding period	3.94%	3.25% – 3.41%

A Stochastic model is used where vesting is related to a total shareholder return target, a Black-Scholes option pricing model is used for all other performance vesting targets, and a Finnerty model is used to model the holding period.

For awards subject to a market performance condition, such as Total Shareholder Return ("TSR"), expected volatility has been calculated using historic volatility of the Company, and for each company in the TSR comparator group, over the period of time commensurate with the remainder of the performance period immediately prior to the date of grant. For awards with a holding period condition, expected volatility has been calculated using historic volatility of the Company over the period of time commensurate with the holding period immediately prior to the date of grant.

Deferred share bonus plan ("DSBP")

The DSBP is operated in conjunction with the Group's short-term incentive plan for Executive Directors and other senior managers of the Company or any of its subsidiaries, as explained in the Directors' Remuneration report. Awards are made in the form of nil-cost options which become exercisable on the third anniversary of the grant date. Options are exercisable until the tenth anniversary of the grant date, with the exception of good leavers in respect of awards granted after 9 May 2023 which are exercisable until the first anniversary of the vesting date.

The options are accounted for as equity-settled schemes.

The number and weighted-average remaining contractual life of outstanding options under the DSBP are as follows:

	Year ended 31 December 2024 Number of options	Year ended 31 December 2023 Number of options
Outstanding at 1 January	5,400,381	5,998,639
Granted	1,336,229	1,278,872
Forfeited	–	(273,206)
Exercised	(1,733,872)	(1,603,924)
Outstanding at 31 December	**5,002,738**	**5,400,381**
Exercisable at 31 December	1,263,652	1,661,999
Weighted-average share price at exercise (£)	1.08	0.83
Weighted-average remaining contractual life (years)	0.95	0.85

The exercise price for options granted under the DSBP is nil (2023: nil).

During the year to 31 December 2024, awards of DSBPs were made on 28 March 2024. The weighted-average fair value and assumptions used to determine the fair value of options granted during the year under the DSBP are as follows:

	2024 awards	2023 awards
Fair value at grant date	£1.05	£0.84
Option pricing model used	Black–Scholes	Black–Scholes
Share price at grant date	£1.05	£0.84
Exercise price	Nil	Nil
Option life	3 years	3 years
Dividend yield	Nil	Nil
Risk-free interest rate	Nil	Nil

Save As You Earn ("SAYE") scheme

The Group operates SAYE plans for all employees, allowing a monthly amount to be saved from salaries over either a three- or five-year period that can be used to purchase shares in the Company at a predetermined price. The employee must remain in employment for the duration of the saving period and satisfy the monthly savings requirement (except in "good leaver" circumstances). Options are exercisable for up to six months after the saving period.

The options are accounted for as equity-settled schemes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

9. EMPLOYEE BENEFITS continued

The number, weighted-average exercise price, weighted-average share price at exercise, and weighted-average remaining contractual life of outstanding options under the SAYE are as follows:

	Year ended 31 December 2024		Year ended 31 December 2023	
	Number of options	Weighted-average exercise price £	Number of options	Weighted-average exercise price £
Outstanding at 1 January	7,853,387	0.60	12,918,140	0.45
Granted	2,215,921	0.85	3,910,005	0.67
Forfeited	(262,928)	0.69	(646,127)	0.56
Cancelled	(241,025)	0.73	(442,187)	0.71
Exercised	(1,020,834)	0.59	(7,794,943)	0.38
Expired	(45,735)	0.74	(91,501)	0.92
Outstanding at 31 December	**8,498,786**	**0.66**	**7,853,387**	**0.60**
Exercisable at 31 December	75,215	0.42	231,646	0.50
Weighted-average share price at exercise (£)	1.12		0.84	
Weighted-average remaining contractual life (years)	1.55		1.97	

The range of exercise prices of options outstanding at the end of the year are as follows:

	2024 Number of options outstanding	2023 Number of options outstanding
£0.38	1,750,493	2,043,899
£0.52	–	217,744
£0.67	3,273,896	3,647,050
£0.71	1,235,804	1,380,653
£0.74	125,566	562,516
£0.85	2,113,027	–
£1.18	–	1,525
Total	**8,498,786**	**7,853,387**

During the year to 31 December 2024, awards of SAYEs were made on 24 April 2024. The weighted-average fair value and assumptions used to determine the fair value of options granted during the year under the SAYE are as follows:

	2024 awards	2023 awards
Fair value at grant date	£0.36	£0.38
Option pricing model used	Black–Scholes	Black–Scholes
Share price at grant date	£1.03	£0.89
Exercise price	£0.85	£0.67
Expected volatility – 3-year scheme	37.51%	47.78%
Expected volatility – 5-year scheme	48.00%	50.32%
Option life	3.35 or 5.36 years	3.37 or 5.37 years
Dividend yield	2.02%	1.95%
Risk-free interest rate – 3-year scheme	4.46%	3.65%
Risk-free interest rate – 5-year scheme	4.30%	3.62%

Expected volatility has been calculated using historic volatility of the Company over the period of time commensurate with the expected term of the awards immediately prior to the date of grant.

Employee share

The share-based payment expense recognised in the Consolidated statement of comprehensive income for employee services receivable during the year is as follows:

	Note	Year ended 31 December 2024	Year ended 31 December 2023
Equity-settled schemes		6	6
Total expense	8	**6**	**6**

10. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted-average number of ordinary shares outstanding, and by the diluted weighted-average number of ordinary shares potentially outstanding at the end of the year. The weighted-average number of ordinary shares excludes shares held by the Employee Benefit Trust on behalf of the Company to satisfy future exercises of employee share scheme awards.

Earnings for the purposes of determining earnings per share and diluted earnings per share is calculated by adjusting the profit or loss attributable to ordinary equity holders of the Company for amounts in respect of the RT1 notes. This is based on the judgement that the rights associated with the RT1 notes are similar to preference shares. Adjustments include coupon payments and any gains/losses on redemption.

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Profit attributable to equity holders of Just Group plc	80	129
Coupon payments in respect of Tier 1 notes (net of tax)	(12)	(12)
Profit attributable to ordinary equity holders of Just Group plc/basic earnings	**68**	**117**
Effect of potentially dilutive share options	–	–
Diluted earnings	**68**	**117**

	Year ended 31 December 2024 million	Year ended 31 December 2023 million
Basic weighted average no. of shares	1,040	1,032
Effect of potentially dilutive share options	13	17
Diluted weighted average no. of shares	**1,053**	**1,049**

	Year ended 31 December 2024 pence	Year ended 31 December 2023 pence
Basic earnings per share	6.5	11.3
Diluted earnings per share	6.5	11.2

11. DIVIDENDS AND APPROPRIATIONS

Dividends and appropriations paid in the year were as follows:

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Final dividend		
Final dividend in respect of prior year end (1.5 pence per ordinary share, paid on 15 May 2024)	16	13
Interim dividend		
Interim dividend in respect of current year end (0.7 pence per ordinary share, paid on 4 October 2024)	7	6
Total dividends paid	**23**	**19**
Coupon payments in respect of Tier 1 notes[1]	16	16
Total distributions to equity holders in the period	**39**	**35**

1 Coupon payments on Tier 1 notes are treated as an appropriation of retained profits and, accordingly, are accounted for when paid.

Subsequent to 31 December 2024, the Directors proposed a final dividend for 2024 of 1.8 pence per ordinary share (2023: 1.5 pence) and together with the interim dividend of 0.7 pence per ordinary share paid in 4 October 2024 amounting to £26m (2023: £22m) in total. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

12. INTANGIBLE ASSETS

	Acquired intangible assets				
Year ended 31 December 2024	Goodwill £m	Intellectual property £m	PrognoSys™ £m	Software £m	Total £m
Cost	35	2	6	29	72
Disposals	–	–	–	(1)	(1)
At 31 December 2024	**35**	**2**	**6**	**28**	**71**
Amortisation and impairment					
At 1 January 2024	(1)	(1)	(4)	(25)	(31)
Charge for the year	–	–	(1)	–	(1)
Disposals	–	–	–	1	1
At 31 December 2024	**(1)**	**(1)**	**(5)**	**(24)**	**(31)**
Net book value at 31 December 2024	**34**	**1**	**1**	**4**	**40**
Net book value at 1 January 2024	34	1	2	4	41

	Acquired intangible assets				
Year ended 31 December 2023	Goodwill £m	Intellectual property £m	PrognoSys™ £m	Software £m	Total £m
Cost					
At 1 January 2023	35	2	6	29	72
At 31 December 2023	**35**	**2**	**6**	**29**	**72**
Amortisation and impairment					
At 1 January 2023	(1)	(1)	(3)	(20)	(25)
Impairment	–	–	–	(3)	(3)
Charge for the year	–	–	(1)	(2)	(3)
At 31 December 2023	**(1)**	**(1)**	**(4)**	**(25)**	**(31)**
Net book value at 31 December 2023	**34**	**1**	**2**	**4**	**41**
Net book value at 1 January 2023	34	1	3	9	47

The amortisation and impairment charge is recognised in other operating expenses in profit or loss.

PrognoSys™ is the Group's proprietary underwriting engine. The Group has accumulated years of experience collected over 20 years of operations. It is enhanced by an extensive breadth of external primary and secondary healthcare data and medical literature. Accordingly, an intangible asset in relation to its development is recognised in the Consolidated statement of financial position.

Impairment testing

The Group's goodwill of £34m at 31 December 2024 represents the following:

- £33m on the 2009 acquisition by Just Retirement Group Holdings Limited of Just Retirement (Holdings) Limited, the Holding Company of JRL; and
- £1m recognised on the 2018 acquisition of HUB Pension Consulting (Holdings) Limited.

The majority of the goodwill has been allocated to the cash-generating unit of Just Retirement (Holdings) Limited and its subsidiaries. The recoverable amounts of goodwill have been determined from the value-in-use of the cash generating unit.

	2024	2023
Period on which management approved forecasts are based	5 years	5 years
Discount rate (pre-tax)	12.9%	11.4%

The value-in-use of the cash-generating unit is considered by reference to the latest business plans over the next five years, which reflect management's best estimate of future cash flows based on historical experience, expected growth rates and assumptions around market share, customer numbers, expense inflation and mortality rates. The discount rate was determined using a weighted average cost of capital approach, with appropriate adjustments to reflect a market participant's view. The outcome of the impairment assessment is that the goodwill allocated to the cash-generating unit is not impaired and that the value-in-use is higher than the carrying value of goodwill. Any reasonably possible changes in assumptions will not cause the carrying value of the goodwill to exceed the recoverable amounts.

13. PROPERTY AND EQUIPMENT

Year ended 31 December 2024	Freehold land and buildings £m	Computer equipment £m	Furniture and fittings £m	Right-of-use assets £m	Total £m
Cost or valuation					
At 1 January 2024	10	12	9	16	47
Acquired during the year	–	1	3	–	4
Disposals	–	–	–	(7)	(7)
Revaluations	(4)	–	–	–	(4)
At 31 December 2024	**6**	**13**	**12**	**9**	**40**
Depreciation and impairment					
At 1 January 2024	–	(11)	(6)	(8)	(25)
Depreciation charge for the year	–	(1)	(1)	(1)	(3)
Disposals	–	–	–	7	7
Revaluations	1	–	–	–	1
At 31 December 2024	**1**	**(12)**	**(7)**	**(2)**	**(20)**
Net book value at 31 December 2024	**7**	**1**	**5**	**7**	**20**
Net book value at 1 January 2024	**10**	**1**	**3**	**8**	**22**

Year ended 31 December 2023	Freehold land and buildings £m	Computer equipment £m	Furniture and fittings £m	Right-of-use assets £m	Total £m
Cost or valuation					
At 1 January 2023	10	11	9	15	45
Acquired during the year	–	1	–	2	3
Disposals	–	–	–	(1)	(1)
At 31 December 2023	**10**	**12**	**9**	**16**	**47**
Depreciation and impairment					
At 1 January 2023	–	(10)	(6)	(7)	(23)
Depreciation charge for the year	–	(1)	–	(1)	(2)
At 31 December 2023	**–**	**(11)**	**(6)**	**(8)**	**(25)**
Net book value at 31 December 2023	**10**	**1**	**3**	**8**	**22**
Net book value at 1 January 2023	10	1	3	8	22

Included in freehold land and buildings is land of value £2m (2023: £2m).

The Group's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of freehold land and buildings as at 22 August 2024 were performed by Hurst Warne and Partners Surveyors Ltd, independent valuers not related to the Group. Hurst Warne and Partners Surveyors Ltd is registered for regulation by the Royal Institution of Chartered Surveyors ("RICS"). The valuation process relies on expert judgement which is heightened due to the macroeconomic-related uncertainty. The valuer has sufficient current local knowledge of the particular market, and the knowledge, skills and understanding to undertake the valuation competently. The fair value of the freehold land was undertaken using a residual valuation assuming a new build office to an exact equivalent size as currently exists to a modern Grade A specification, disregarding the possibility of developing any alternative uses or possible enhancements. The fair value of the buildings was determined based on open market comparable evidence of market rent in the existing condition. The fair value measurement of revalued land and buildings has been categorised as Level 3 within the fair value hierarchy based on the non-observable inputs to the valuation technique used.

Revaluations during the year comprise a loss of £4m recognised in other comprehensive income (gross of tax of £1m) and the elimination of depreciation on the revaluations of £1m, reversing previously recognised gains of £4m (gross of tax of £1m).

If freehold land and buildings were stated on the historical cost basis, the carrying values would be land of £4m (2023: £4m) and buildings of £4m (2023: £4m).

Right-of-use assets are property assets leased by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

14. INVESTMENT PROPERTY

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
At 1 January	32	40
Net loss from fair value adjustment	(5)	(8)
At 31 December	**27**	**32**

Investment properties are leased to commercial tenants. Investment properties are valued using discounted cash flow analysis using assumptions based on the repayment of the underlying loan. The valuation model discounts the expected future cash flows using a discount rate which includes a credit spread allowance associated with that asset. The redemption and default assumptions are derived from the assumptions for the Group's bond portfolio. The Group's investment property is held by the Group's Jersey Property Unit Trust ("JPUT"). Rental income received in the year from investment properties was £1m (2023: £1m). Minimum lease payments receivable on leases of investment properties are as follows (undiscounted cash flows):

	Year ended 31 December 2024 £m	Year ended 31 December 2023 (restated)[1] £m
Within 1 year	1	1
Between 1 and 2 years	1	1
Between 2 and 3 years	1	1
Between 3 and 4 years	1	1
Between 4 and 5 years	1	1
Later than 5 years	265	266
Total	**270**	**271**

1 Amounts have been restated to reflect the revised contractual lease term.

15. FINANCIAL INVESTMENTS

The Group's financial investments that are measured at fair value through the profit or loss are either managed within a fair value business model, or mandatorily measured at fair value. The Group's financial investments that are measured at amortised cost are held within a business model where the intention of holding the instruments is to collect solely payments of principal and interest. The table below summarises the classification of the Group's financial assets and liabilities.

Analysis of financial investments

	31 December 2024 £m	31 December 2023 £m
Units in liquidity funds	1,792	1,141
Investment funds	399	495
Debt securities and other fixed income securities		
– Debt securities	12,860	12,269
– Infrastructure and Long income real estate debt securities[1]	3,150	1,385
	16,010	**13,654**
Deposits with credit institutions	808	706
Loans secured by commercial mortgages	809	764
Long income real estate[2]	787	779
Infrastructure loans[2]	1,246	1,113
Other loans	195	164
Total investments measured at FVTPL – designated	**22,046**	**18,816**
Lifetime mortgages	5,637	5,681
Derivative financial assets	2,756	2,377
Total investments measured at FVTPL – mandatory	**8,393**	**8,058**
Gilts – subject to repurchase agreements	3,951	2,549
Total investments measured at amortised cost	**3,951**	**2,549**
Total financial investments	**34,390**	**29,423**

1. Includes £2,266m (2023: £1,146m) of Infrastructure debt securities and £884m (2023: 239m) of Long income real estate debt securities.
2. Long income real estate includes £157m (2023: £176m) residential and £630m (2023: £603m) commercial ground rents. Long income real estate of £119m was transferred to infrastructure loans as a result of a decision to reclassify certain assets whose security relied on the property operator rather than the property itself.

Units in liquidity funds comprise wholly of units in funds which invest in very short dated liquid assets. However as they do not meet the definition of Cash available on demand, liquidity funds are reported within Financial investments. Liquidity funds do however meet the definition of cash equivalents for the purposes of disclosure in the Consolidated statement of cash flows.

The majority of investments included in debt securities and other fixed income securities are listed investments. The Group also originates illiquid fixed income assets including infrastructure, real estate and private placements. Long income real estate investments are typically much longer duration and hence the cash flow profile is more appropriate to match DB deferred liabilities.

Deposits with credit institutions with a carrying value of £808m (2023: £706m) have been pledged as collateral in respect of the Group's derivative and repurchase agreement financial instruments. Amounts pledged as collateral are deposited with the derivative or repurchase agreement counterparty.

Derivatives are reported within Financial investments where the derivative valuation is in an asset position, or alternatively within Payables and other financial liabilities where the derivative is in a liability position.

In 2023, the Group first established an amortised cost portfolio; the Group has now invested around £4bn in long dated gilts that are held within this portfolio, to significantly reduce the Solvency II coverage ratio sensitivity to future interest rate movements, with a much reduced volatility on the IFRS position.

16. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

This note explains the methodology for valuing the Group's financial assets and liabilities fair value, including financial investments, and provides disclosures in accordance with IFRS 13 "Fair value measurement" including an analysis of such assets and liabilities categorised in a fair value hierarchy based on market observability of valuation inputs.

(a) Determination of fair value and fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1

Inputs to Level 1 fair values are unadjusted quoted prices in active markets for identical assets and liabilities that the entity can access at the measurement date.

Level 2

Inputs to Level 2 fair values are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the instrument. Level 2 inputs include the following:

- quoted prices for similar assets and liabilities in active markets;
- quoted prices for identical assets or similar assets in markets that are not active, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which very little information is released publicly;
- inputs other than quoted prices that are observable for the asset or liability; and
- market-corroborated inputs.

Level 3

Inputs to Level 3 fair values include significant unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Unobservable inputs reflect the same assumptions as those that the market participant would use in pricing the asset or liability including those about risk.

The sensitivity of Level 3 investments to reasonably possible alternative assumptions for unobservable inputs used in the valuation model that could give rise to significant changes in the fair value of the assets is included in section (d). The sensitivities in this note only consider the impact of the change in these assumptions on the fair value of the asset. Some of these sensitivities would also impact the yield on assets and hence the valuation discount rate used to determine insurance contract liabilities. For some of these sensitivities, the impact on the value of insurance contract liabilities and therefore the combined impact on profit before tax is included in note 22(h).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

16. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES continued

Assessment of the observability of pricing information

All assets classified as Level 1 and 2 are valued using observable market data from standard market pricing sources such as Bloomberg.

Debt securities and financial derivatives categorised as Level 1 and Level 2 are valued using observable data, either directly (as prices) or indirectly (derived from prices). The pricing data for the Level 2 instruments undergoes expert review to determine its quality. For instance, the pricing data is sourced from multiple external sources (such as Bloomberg and Thomson Reuters) and is subject to several monitoring controls, such as monthly price variances, stale price reviews and variance analysis. If the data quality is not sufficiently high, the instrument is reassigned to Level 3.

If Bloomberg's pricing service (BVAL) assigns a low score to the pricing data provided by brokers/asset managers, the instruments are then classified as Level 3.

The Group's assets and liabilities held at fair value, which are valued using valuation techniques for which observable market data are not available and classified as Level 3, include loans secured by mortgages, long income real estate, infrastructure loans, private placement debt securities, investment funds, other loans and also the Group's investment contract liabilities.

(b) Analysis of assets and liabilities held at fair value according to fair value hierarchy

	31 December 2024				31 December 2023			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets held at fair value through profit or loss								
Units in liquidity funds	1,792	–	–	1,792	1,135	6	–	1,141
Investment funds	–	110	289	399	–	97	398	495
Debt securities and other fixed income securities	6,291	4,964	4,755	16,010	4,941	5,799	2,914	13,654
Deposits with credit institutions	808	–	–	808	706	–	–	706
Loans secured by commercial mortgages	–	–	809	809	–	–	764	764
Long income real estate	–	–	787	787	–	–	779	779
Infrastructure loans	–	–	1,246	1,246	–	–	1,113	1,113
Other loans	–	61	134	195	–	41	123	164
Lifetime mortgages	–	–	5,637	5,637	–	–	5,681	5,681
Derivative financial assets	–	2,750	6	2,756	–	2,377	–	2,377
Financial investments	**8,891**	**7,885**	**13,663**	**30,439**	**6,782**	**8,320**	**11,772**	**26,874**
Investment property	–	–	27	27	–	–	32	32
Fair value of financial assets held at amortised cost								
Gilts – subject to repurchase agreements (fair value)	3,604	–	–	3,604	2,614	–	–	2,614
Total financial assets and investment property	**12,495**	**7,885**	**13,690**	**34,070**	**9,396**	**8,320**	**11,804**	**29,520**
Liabilities held at fair value								
Investment contract liabilities	–	37	5	42	–	–	35	35
Derivative financial liabilities	–	2,997	18	3,015	–	2,473	14	2,487
Fair value of financial liabilities at amortised cost								
Obligations for repayment of cash collateral received (fair value)	662	–	–	662	511	21	–	532
Loans and borrowings at amortised cost (fair value)	–	862	–	862	–	694	–	694
Repurchase obligation (fair value)	–	3,878	–	3,878	–	2,569	–	2,569
Total financial liabilities	**662**	**7,774**	**23**	**8,459**	**511**	**5,757**	**49**	**6,317**

There are no non-recurring fair value measurements in either period.

(c) Transfers between levels

The Group's policy is to assess pricing source changes and determine transfers between levels as of the end of each half-yearly reporting period. Transfers between levels arise from changes in the pricing sources. During the year there were the following transfers between levels:

- Transfers from Level 2 to Level 1 as a result of improved pricing sources were £1,380m (2023: £1,492m)
- Transfer from Level 1 to Level 2 due to a fall in pricing quality were £275m (2023: £279m)
- Transfers from level 2 to level 3 due to a fall in pricing quality £192m (2023: 157m)
- Transfers from level 3 to level 2 are investment contract liabilities which have been transferred to match the classification of the assets backed to those liabilities £37m (2023: nil) and investments which have improved pricing sources £467m (2023: £15m)

(d) Level 3 assets and liabilities measured at fair value

Reconciliation of the opening and closing recorded amount of Level 3 assets and liabilities held at fair value.

Year ended 31 December 2024	Investment funds £m	Debt securities and other fixed income securities £m	Loans secured by commercial mortgages £m	Long income real estate £m	Infra-structure loans £m	Other loans £m	Lifetime mortgages £m	Investment contract liabilities £m	Derivative financial liabilities £m	Derivative financial assets £m
At 1 January 2024	398	2,914	764	779	1,113	123	5,681	(35)	(14)	–
Purchases/advances/deposits	81	2,417	178	235	101	–	340	(13)	–	–
Transfers to Level 3	–	192	–	–	–	–	–	–	–	1
Transfers from Level 3	–	(467)	–	–	–	–	–	37	–	–
Reclassification between level 3	–	–	–	(119)	119	–	–	–	–	–
Sales/redemptions/payments	(180)	(107)	(127)	(13)	(39)	–	(375)	8	–	–
Recognised in profit or loss in investment return										
– Realised gains and losses	(11)	–	–	–	–	–	150	–	–	–
– Unrealised gains and losses	1	(175)	(7)	(95)	(43)	2	(364)	–	(4)	5
Interest accrued	–	(19)	1	–	(5)	9	205	–	–	–
Change in fair value of liabilities recognised in profit or loss	–	–	–	–	–	–	–	(2)	–	–
At 31 December 2024	**289**	**4,755**	**809**	**787**	**1,246**	**134**	**5,637**	**(5)**	**(18)**	**6**

Year ended 31 December 2023	Investment funds £m	Debt securities and other fixed income securities £m	Loans secured by commercial mortgages £m	Long income real estate £m	Infra-structure loans £m	Other loans £m	Lifetime mortgages £m	Investment contract liabilities £m	Derivative financial liabilities £m	Derivative financial assets £m
At 1 January 2023	338	1,605	584	247	948	112	5,306	(33)	(42)	–
Purchases/advances/deposits	56	1,195	256	529	138	17	186	(12)	–	–
Transfers to Level 3	–	157	–	–	–	–	–	–	–	–
Transfers from Level 3	–	(15)	–	–	–	–	–	–	–	–
Sales/redemptions/payments	4	(116)	(110)	(4)	(50)	–	(342)	1	23	–
Recognised in profit or loss in investment return										
– Realised gains and losses	–	–	–	–	–	–	122	–	–	–
– Unrealised gains and losses	–	93	32	7	72	(16)	164	–	5	–
Interest accrued	–	(5)	2	–	5	10	245	–	–	–
Change in fair value of liabilities recognised in profit or loss	–	–	–	–	–	–	–	9	–	–
At 31 December 2023	**398**	**2,914**	**764**	**779**	**1,113**	**123**	**5,681**	**(35)**	**(14)**	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

16. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES continued

Sensitivity analysis

The sensitivities disclosed in this note only consider the impact of the change in these assumptions on the fair value of the investment assets. Some of these sensitivities would also impact the yield on assets and hence the valuation discount rate used to determine the insurance contract liabilities. For some of these sensitivities, the impact on the value of insurance contract liabilities and hence profit before tax is included in note 22(h).

Reasonably possible alternative assumptions for unobservable inputs used in the valuation model either as at the valuation date or from a suitable recent reporting period where appropriate to do so could give rise to significant changes in the fair value of the assets. The Group has estimated the impact on fair value to changes to these inputs as follows:

Financial investments	Note	Principal assumption[1]	Sensitivity applied	31 December 2024 £m	31 December 2023 £m
Investment funds	(i)	credit spreads	+100bps	(11)	(10)
Debt securities and other fixed income securities	(ii)	credit spreads	+100bps	(420)	(293)
Loans secured by commercial mortgages	(iii)	credit spreads	+100bps	(27)	(27)
Long income real estate	(iv)	credit spreads	+100bps	(114)	(158)
Long income real estate	(iv)	credit rating	downgrade of residential ground rents to BBB	(4)	(11)
Infrastructure loans	(v)	credit spreads	+100bps	(87)	(78)

1 Sensitivities are determined by reference to the movement in credit spreads where the valuation models used discount the expected cash flows using a discount rate which includes a credit spread allowance associated with the asset.

For sensitivity analysis of lifetime mortgages, please refer to 16(d)(vi).

(i) 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%).

(ii) Debt 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.

(iii) 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.

(iv) 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.

Principal assumptions underlying the calculation of long income real estate

In determining the credit spreads for the valuation of residential ground rents, the Group has taken a market participant approach, which requires consideration of the assumptions, including those about risk, that a market participant would make at the balance sheet date for valuing such assets. The Group notes the significant uncertainty regarding the outcome of the previous Government consultation and the 2024 King's Speech regarding restriction of residential ground rents as explained in the Risk Management report. The Group included an adjustment to the valuation of its residential ground rents portfolio in 2023 to reflect this uncertainty in the fair value that a market participant would be willing to exchange such assets. The value of these assets was adjusted to reflect an expected increase in credit spread and consequential increase the credit risk deduction for defaults. The Group has not made any change to the approach for determining this adjustment as at 31 December 2024 but figures have been refreshed to reflect current economic conditions.

As explained in note 30, the Group continues to monitor the new Government's agenda regarding residential ground rent assets. The Group has performed additional sensitivity analysis over the residential ground rents within the long income real estate portfolio. The sensitivity of residential ground rents to more significant adverse changes in credit quality has been evaluated in light of the potential scenarios proposed in the previous Government consultation. As shown in the sensitivities table above, an additional sensitivity has been performed under the scenario that the credit rating of the Group's holding in residential ground rents reduces to BBB.

(v) 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.

(vi) Lifetime mortgages

Methodology and judgement underlying the calculation of 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 key 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.

Principal assumptions underlying the calculation of lifetime mortgages

Gains and losses arising from lifetime mortgages are largely dependent on the term of the mortgage, which in turn is determined by the longevity of the customer. Principal assumptions underlying the calculation of lifetime mortgages include the items set out below. These assumptions are also used to provide the expected cash flows from the lifetime mortgages which determine the yield on this asset. This yield is used for the purpose of setting valuation discount rates on the liabilities supported, as described in note 22(b).

Maintenance expenses

Assumptions for future policy expense levels are based on the Group's recent expense analyses. The assumed future expense levels incorporate an annual inflation rate allowance of 3.7% (2023: 3.6%).

Mortality

Mortality assumptions have been derived with reference to England and Wales population mortality using the CMI 2023 (2023: CMI 2022) model for mortality improvements. These base mortality and improvement tables have been adjusted to reflect the expected future mortality experience of mortgage contract holders, taking into account the medical and lifestyle evidence collected during the sales process and the Group's assessment of how this experience will develop in the future. This assessment takes into consideration relevant industry and population studies, published research materials and management's own experience. The Group has considered the possible impact of the COVID-19 pandemic on its mortality assumptions and has included an allowance for the expected future direct and indirect impacts of this and wider UK mortality trends, updated from that which applied at 31 December 2023. Further details of the matters considered in relation to mortality assumptions at 31 December 2024 are set out in note 22(b).

Property prices

The approach in place as at 31 December 2024, which is the same as at 31 December 2023, is to calculate the value of a property by taking the latest Automated Valuation Model "AVM" result, or latest surveyor value if more recent, indexing this to the balance sheet date using Nationwide UK house price indices and then making a further allowance for property dilapidation since the last revaluation date.

The appropriateness of this valuation basis is regularly tested on the event of redemption of mortgages. The sensitivity of lifetime mortgages to a fall in property prices is included in the table of sensitivities below.

Future property price

In the absence of a reliable long-term forward curve for UK residential property price inflation, the Group has made an assumption about future residential property price inflation based upon available market and industry data. These assumptions have been derived with reference to the long-term expectation of the UK consumer price index inflation metric, "CPI", plus an allowance for the expectation of house price growth above CPI (property risk premium) less a margin for a combination of risks including property dilapidation and basis risk. An additional allowance is made for the volatility of future property prices. This results in a single rate of future house price growth of 3.3% (2023: 3.3%), with a volatility assumption of 13% per annum (2023: 13%). The setting of these assumptions includes consideration of future long and short-term forecasts, the Group's historical experience, benchmarking data, and future uncertainties including the possible impacts of the COVID-19 pandemic and a higher interest and inflation rate economic environment on the UK property market. Increases in house price indices have been observed over 2024, albeit this only represents a short time period in relation to the long-term assumption being considered here. As such, at this stage our view is that there is no clear indication of a change in the long-term prospects of the housing market. In light of this, the future house price growth and property volatility assumptions have been maintained at the same level as assumed at 31 December 2023. The sensitivity of lifetime mortgages to changes in future property price growth is included in the table of sensitivities below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

16. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES continued

Voluntary redemptions

Assumptions for future voluntary redemption levels are based on the Group's recent experience analyses and management's expert judgement. The assumed redemption rate varies by factors such as product type, duration, issue age and property value with base assumptions varying between 0.5% and 3.7% for loans in JRL (2023: 0.5% and 4.1%) and between 0.2% and 6.0% for loans in PLACL (2023: 0.6% and 6.8%).

Liquidity premium

The liquidity premium at initial recognition is set such that the fair value of each loan is equal to the face value of the loan. The liquidity premium partly reflects the illiquidity of the loan and also spreads the recognition of profit over the lifetime of the loan. Once calculated, the liquidity premium remains unchanged at future valuations except when further advances are taken out. In this situation, the single liquidity premium to apply to that loan is recalculated allowing for all advances. The average liquidity premium for loans held within JRL is 3.2% (2023: 3.2%) and for loans held within PLACL is 3.3% (2023: 3.3%). The movement over the period observed in both JRL and PLACL is a function of the liquidity premiums on new loan originations compared to the liquidity premiums on those policies which have redeemed over the period, both in reference to the average spread on the in-force portfolio of LTMs.

Sensitivity analysis

Reasonably possible alternative assumptions for unobservable inputs used in the valuation model could give rise to significant changes in the fair value of the assets. The Group has estimated the impact on fair value to changes to these inputs as follows:

Lifetime mortgages net increase/ (decrease) in fair value (£m)	Maintenance expenses +10%	Base mortality -5%	Mortality improvement +10%	Immediate property price fall -10%	Future property price growth -0.5%	Future property price volatility +1%	Voluntary redemptions +10%	Liquidity premium +10bps
2024	**(5)**	**(23)**	**(3)**	**(88)**	**(51)**	**(33)**	**27**	**(46)**
2023	(5)	(15)	(3)	(83)	(50)	(34)	19	(49)

The sensitivity factors are applied via financial models either as at the valuation date or from a suitable recent reporting period where appropriate to do so. The analysis has been prepared for a change in each variable with other assumptions remaining constant. In reality such an occurrence is unlikely due to correlation between the assumptions and other factors. It should be noted that some of these sensitivities are non-linear and larger or smaller impacts should not be simply interpolated or extrapolated from these results. For example, the impact from a 5% fall in property prices would be slightly less than half of that disclosed in the table above.

The impact on insurance liabilities of sensitivities to mortality is included in note 22(h).

Other limitations in the above sensitivity analysis include the use of hypothetical market movements to demonstrate potential risk that only represents the Group's view of reasonably possible near-term market changes that cannot be predicted with any certainty.

(vii) Other loans

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

Sensitivity analysis

The sensitivity of fair value to changes in credit spread assumptions in respect of other loans is not material.

17. DEFERRED TAX ASSETS

	31 December 2024 £m	31 December 2023 £m
Transitional tax relief on adoption of IFRS 17	273	307
Tax losses and other	113	99
Land and buildings	1	–
Total	**387**	**406**

The £273m (2023: £341m) deferred tax asset was recognised on adoption of IFRS 17 for transitional tax relief and is being amortised over a period of ten years from 1 January 2023.

The movement in the net deferred tax balance was as follows:

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Net balance at 1 January	406	449
Recognised in profit or loss	(24)	(43)
Recognised in other comprehensive income	1	–
Recognised in equity	4	–
Net balance at 31 December	**387**	**406**

The Group has unrecognised deferred tax assets of £8m (2023: £6m).

18. CASH AND CASH EQUIVALENTS

	31 December 2024 £m	31 December 2023 £m
Cash available on demand	808	546
Units in liquidity funds	1,792	1,141
Cash and cash equivalents in the Consolidated statement of cash flows	**2,600**	**1,687**

Units in liquidity funds comprise wholly of units in funds which invest in very short dated liquid assets. However as they do not meet the definition of Cash available on demand, liquidity funds are reported within financial investments (see note 15). Liquidity funds do however meet the definition of cash equivalents for the purposes of disclosure in the Consolidated statement of cash flows.

19. SHARE CAPITAL AND SHARE PREMIUM

The allotted, issued and fully paid ordinary share capital of Just Group plc is detailed below:

	Number of £0.10 ordinary shares	Share capital £m	Share premium £m
At 1 January 2024	1,038,702,932	104	95
At 31 December 2024	**1,038,702,932**	**104**	**95**
At 1 January 2023	1,038,702,932	104	95
At 31 December 2023	**1,038,702,932**	**104**	**95**

The Company does not have a limited amount of authorised share capital.

20. OTHER RESERVES

	31 December 2024 £m	31 December 2023 £m
Merger reserve	597	597
Reorganisation reserve	348	348
Revaluation reserve	1	3
Share held by trusts	(2)	(5)
Total	**944**	**943**

Reorganisation reserve represents the difference in the nominal value of the shares in the Company and the value of shares in Just Retirement Group Holdings Limited for which they were exchanged as part of the Group reorganisation in November 2013.

The merger reserve is the result of a placing of 94,012,782 ordinary shares in 2019 and the acquisition of 100% of the equity of Partnership Assurance Group plc in 2016. The placing was achieved by the Company acquiring 100% of the equity of a limited company for consideration of the new ordinary shares issued. Merger relief under Section 612 of the Companies Act 2006 applied to both transactions, as explained in note 6 of Parent Company's financial statements.

21. TIER 1 NOTES

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
At 1 January	322	322
At 31 December	**322**	**322**

On 16 September 2021 the Group issued £325m 5.0% perpetual restricted Tier 1 contingent convertible notes, incurring issue costs of £3m.

During the year, interest of £16m was paid to holders of the Tier 1 notes (2023: £16m). The Tier 1 notes bear interest on the principal amount up to 30 September 2031 (the first reset date) at the rate of 5.0% per annum, and thereafter at a fixed rate of interest reset on the first call date and on each fifth anniversary thereafter. Interest is payable on the Tier 1 notes semi-annually in arrears on 30 March and 30 September each year.

The Group has the option to cancel the coupon payment at its discretion and cancellation of the coupon payment becomes mandatory upon non-compliance with the solvency capital requirement or minimum capital requirement or where the Group has insufficient distributable funds. Cancelled coupon payments do not accumulate or become payable at a later date and do not constitute a default. In the event of non-compliance with specific solvency requirements, the conversion of the Tier 1 notes into ordinary shares could be triggered.

The Tier 1 notes are treated as a separate category within equity and the coupon payments are recognised outside of the profit after tax result and as a deduction directly from shareholders' equity. Amounts reported in the Statement of changes in equity are £12m (2023: £12m) after attributable tax.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

22. INSURANCE CONTRACTS AND RELATED REINSURANCE

	31 December 2024 £m	31 December 2023 £m
Gross insurance liabilities	27,753	24,131
Reinsurance contract assets	(2,067)	(1,143)
Reinsurance contract liabilities	94	125
Net reinsurance contracts	**(1,973)**	**(1,018)**
Net insurance liabilities	**25,780**	**23,113**

Insurance liabilities and reinsurance assets and liabilities include valuation of the Best estimate of the present value of future cash flows, the Risk adjustment for non-financial risk and the Contractual service margin. A summary of the movement in insurance liabilities and net reinsurance contracts is presented below.

	Year ended 31 December 2024			Year ended 31 December 2023		
	Gross £m	Net reinsurance £m	Net £m	Gross £m	Net reinsurance £m	Net £m
Best estimate	20,758	64	20,822	17,030	76	17,106
Risk adjustment	924	(592)	332	674	(399)	275
CSM	2,449	(490)	1,959	1,943	(332)	1,611
Net opening balance	**24,131**	**(1,018)**	**23,113**	**19,647**	**(655)**	**18,992**
CSM recognised for services provided	(177)	23	(154)	(156)	27	(129)
CSM accretion	113	(30)	83	79	(12)	67
Other movements in the CSM	346	94	440	583	(173)	410
Release from risk adjustment	(11)	4	(7)	(11)	4	(7)
Other movements in risk adjustment	139	(144)	(5)	261	(197)	64
Movements in best estimate	3,212	(902)	2,310	3,728	(12)	3,716
Net closing balance	**27,753**	**(1,973)**	**25,780**	**24,131**	**(1,018)**	**23,113**
Best estimate	23,970	(838)	23,132	20,758	64	20,822
Risk adjustment	1,052	(732)	320	924	(592)	332
CSM	2,731	(403)	2,328	2,449	(490)	1,959
Net closing balance	**27,753**	**(1,973)**	**25,780**	**24,131**	**(1,018)**	**23,113**

The detailed movements analysis of insurance liabilities and reinsurance assets and liabilities are presented in note 22(c) and (d) respectively. The movements include the CSM split between contracts under the Fair Value Approach ("FVA") and other contracts, including those measured under the Fully Retrospective Approach ("FRA") at transition to IFRS 17 and new contracts since transition to IFRS 17.

(a) Terms and conditions of insurance and reinsurance contracts

The Group's long-term insurance contracts include Retirement Income (Defined Benefit, Guaranteed Income for Life, and Care Plans), and whole of life and term protection insurance.

Although the process for the establishment of insurance liabilities follows specified rules and guidelines, the liabilities that result from the process remain uncertain. As a consequence of this uncertainty, the eventual value of claims could vary from the amounts provided to cover future claims.

The estimation process used in determining insurance liabilities involves projecting future annuity payments and the cost of maintaining the contracts.

The Group uses reinsurance as an integral part of its risk and capital management activities. New business is reinsured via longevity swap and quota share arrangements. The percentage of new business reinsured in 2024 is:

- GIfL was reinsured using longevity swap reinsurance at 90%.
- DB was reinsured using longevity swap reinsurance at c.90% for future cash flows excluding tax free cash.
- One DB Partner transaction was executed in 2024 and was reinsured using both quota share (funded) reinsurance and longevity swap reinsurance at respectively 60% and 35% of the total risk. The funded reinsurance represented 17% of the total new business volume in 2024.

In-force business is reinsured under longevity swap and quota share treaties.

The longevity reinsurance on JRL GIfL in-force business is as described for new business, noting the following differences in proportion reinsured:

- Business written between 1 January 2016 and 31 December 2019 is reinsured at 100% following a change implemented in 2020 for in-force policies, which increased the reinsurance coverage from 75% to 100%.
- Business written prior to March 2015 is not reinsured; business written from March to December 2015 is reinsured at 45%.

The reinsurance on JRL DB written:

- Between 1 January 2016 and 30 June 2019 is reinsured at 100% following a change implemented in 2019 for in-force policies, which increased the reinsurance coverage from 55% for underwritten schemes and 75% for non-underwritten schemes.
- Between 1 July 2019 and 31 December 2023 is reinsured at 90% for non-underwritten schemes and 75% for underwritten schemes, and a small proportion has been reinsured using quota share reinsurance since 2020 via DB partnering.
- DB Partner (funded re) in-force business is reinsured using quota share reinsurance arrangements at 100% reinsured.

The reinsurance arrangements above are subject to collateral arrangements in order to mitigate the credit risk created by such contracts. Collateral arrangements for both quota share and longevity swap treaties are described in note 28(c)(iii).

(b) Measurement of insurance contracts

The Group's long-term insurance contracts include retirement annuities, namely Defined Benefit and Guaranteed Income for Life products, and annuities to fund care fees (immediate needs and deferred).

The value of insurance contracts in the financial statements comprises the following components:

- Present value of future cash flows
  - estimates of future cash flows;
  - an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows;
- a risk adjustment for non-financial risk; and
- a contractual service margin.

(i) Estimates of future cash flows

In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events. When estimating future cash flows, the Group takes into account current expectations of future events that might affect those cash flows.

Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs, including investment expenses, that are incurred when fulfilling contracts. The valuation of future policyholder payments is by its nature inherently uncertain, and is based on recognised mortality assumptions as described below.

Insurance acquisition cash flows, and other costs that are incurred in fulfilling contracts, comprise both direct costs and an allocation of fixed and variable overheads. These may include costs incurred in providing the required level of benefits; policy administration and maintenance costs; transaction-based taxes and levies directly associated with the insurance contract; payments by the insurer in a fiduciary capacity to meet tax obligations incurred by the policyholder, and related receipts; costs the entity will incur performing investment activities to the extent the entity performs that activity to enhance benefits from insurance coverage for policyholders; and an allocation of fixed and variable overheads.

Cash flows are attributed to acquisition activities, other fulfilment activities and other activities using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. Other costs are recognised in profit or loss as they are incurred.

(ii) Mortality assumptions

Mortality assumptions have been set by reference to appropriate standard mortality tables, adjusted to reflect the future mortality experience of the policyholders, taking into account the medical and lifestyle evidence collected during the underwriting process, premium size, gender and the Group's assessment of how this experience will develop in the future. This 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

22. INSURANCE CONTRACTS AND RELATED REINSURANCE continued

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 standard tables which underpin the mortality assumptions are summarised in the table below.

Product group	Entity	2024	2023
Individually underwritten Guaranteed Income for Life Solutions	JRL, PLACL	**Modified E and W Population mortality, with CMI 2023 model mortality improvements**	Modified E and W Population mortality, with CMI 2022 model mortality improvements
Defined Benefit	JRL	**Modified E and W Population mortality, with CMI 2023 model mortality improvements. Medically underwritten unchanged from 2023**	Modified E and W Population mortality, with CMI 2022 model mortality improvements. Medically underwritten: Reinsurer supplied tables underpinned by the Self-Administered Pension Scheme ("SAPS") S1 tables, with modified CMI 2009 model mortality improvements for medically underwritten business
Defined Benefit	PLACL	**Modified E and W Population mortality, with CMI 2023 model mortality improvements**	Modified E and W Population mortality, with CMI 2022 model mortality improvements
Care Plans and other annuity products	PLACL	**Modified PCMA/PCFA or modified E and W Population mortality with CMI 2023 model mortality improvements**	Modified PCMA/PCFA or modified E and W Population mortality with CMI 2022 model mortality improvements
Protection	PLACL	**Unchanged from 2023**	TM/TF00 Select

The long-term improvement rates in the CMI 2023 model are 1.5% for males and 1.25% for females (2023: CMI 2022 model with 1.5% for males and 1.25% for females). The period smoothing parameter in the modified CMI 2023 model has been set to 7.0 (2023: CMI 2022 model with 7.0). The addition to initial rates ("A") parameter in the model is set to 0% (2023: between 0% and 0.25% depending on product). A 0% weighting has been given to 2023 CMI mortality experience (2023: 0% for 2022 mortality experience). All other CMI model parameters are the defaults (2023: all other parameters set to defaults).

(iii) Discount rates

All cash flows are discounted using investment yield curves adjusted to allow for expected and unexpected credit risk. For non-lifetime mortgage assets, this adjustment is comprised of an element based upon historic default experience and an element based upon current spread levels where both elements are relevant to the asset in question. The yields on lifetime mortgage assets are derived using the assumptions described below and also in note 16 with an additional reduction to the future house price growth rate of 50bps (2023: 50bps) allowed for. The yields on residential ground rents are derived using the assumptions described in note 16(d)(iv) and the adjustments set out in note 1.3 in light of the ongoing uncertainty associated with the government consultation regarding these investments.

The overall reduction in yield to allow for the risk of defaults from all non-LTMs and the adjustment from LTMs, which included a combination of the NNEG and the additional reduction to future house price growth rate, was 56bps for JRL (2023: 58bps). During the year, the Group has aligned PLACL's presentation of this reduction in yield with that of the JRL assumption. The PLACL assumption is 96bps (2023: 88bps on an equivalent basis).

Discount rates at the inception of each contract are based on the yields within a hypothetical reference portfolio of assets which the Group expects to acquire to back the portfolio of new insurance liabilities (the "target portfolio"). A weighted average of these discount rate curves is determined for the purpose of calculating movements in the CSM relating to each group of contracts.

At each valuation date, the estimate of the present value of future liability cash flows and the risk adjustment for non-financial risks are discounted using the yields from a reference portfolio based upon the actual asset portfolio backing the net of reinsurance best estimate liabilities and risk adjustment. The reference portfolio is adjusted in respect of new contracts incepting in the period to allow for a period of transition from the actual asset holdings to the target portfolio where necessary. Typically, this period of transition can be up to six months but is dependent on the volume of new business transactions completed.

The target asset portfolio seeks to select the appropriate mix of assets to match the underlying net insurance contract liabilities. The target asset portfolio consists of listed bonds, unlisted illiquid investments and lifetime mortgages.

The tables below set out rates at certain points on the yield curves used to discount the best estimate liability and risk adjustment reserves as at 31 December together with the weighted average discount rates applied to the new business cohorts for the principal insurance product lines. The discount rates used for the gross insurance and reinsurance contracts at the year end date are consistent, having been based on a single investment portfolio for each legal entity. The discount rates used for locking-in the CSM for the new business cohort are based on the interest rates applicable on the date of recognition for underlying business. For reinsurance:

- In instances where reinsurance cover is in place when underlying contracts are written, the reinsurance CSM is calculated using discount rates as at the start of the relevant treaty notice period.
- In instances where reinsurance is transacted subsequently to the underlying business being written, the reinsurance CSM is calculated using discount rates as at the start date of the reinsurance treaty.

Locked-in rates for underlying business are presented below. Equivalent locked-in reinsurance discount rates vary by reinsurer but are based upon the same underlying reference portfolios as for gross insurance business so will only differ due to the recognition date difference described above. Discount rates have been disclosed in aggregate and have not been split according to their profitability groupings.

Discount rate – insurance contracts JRL

	31 December 2024			31 December 2023		
	Valuation rate at 31 December	New business cohort (Locked-in rates)		Valuation rate at 31 December	New business cohort (Locked-in rates)	
	All products	GIfL	DB	All products	GIfL	DB
1 year	6.6%	6.4%	6.2%	6.9%	7.1%	7.0%
5 year	6.2%	6.1%	5.9%	5.5%	6.5%	6.3%
10 year	6.2%	6.1%	6.0%	5.4%	6.2%	6.0%
20 year	6.4%	6.2%	6.2%	5.5%	6.0%	5.9%
30 year	6.4%	5.9%	5.8%	5.5%	5.9%	5.6%

Discount rate – insurance contracts PLACL

	Valuation rate at 31 December 2024		Valuation rate at 31 December 2023	
	GIfL/DB	Care	GIfL/DB	Care
1 year	6.6%	5.1%	6.8%	4.9%
5 year	6.2%	4.6%	5.5%	3.5%
10 year	6.2%	4.7%	5.4%	3.4%
20 year	6.4%	4.9%	5.5%	3.6%
30 year	6.4%	4.8%	5.5%	3.5%

(iv) Inflation

Assumptions for annuity escalation are required for RPI, CPI and LPI index-linked liabilities, the majority of which are within the Defined Benefit business. The inflation curve assumed in each case is that which is implied by market swap rates, using a mark to model basis for LPI inflation, taking into account any escalation caps and/or floors applicable. Compared to the previous period, the approach to the derivation of inflation curves has incorporated additional market data from 2022 and 2023 and extended the term structure to reach the ultimate level but is otherwise unchanged.

For the purposes of calculating movements in the CSM relating to each group of contracts, for JRL separate weighted average inflation curves for each index are calculated and locked-in for each annual cohort. The inflation curves from each day are weighted by the business volumes completed on that day to which that inflation variant applies.

(v) Future 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 was £29.05 per plan (2023: £25.37), and the JRL DB maintenance assumption used was £71.14 per scheme member (2023: £68.49). The PLACL GIfL maintenance expense assumption used was £40.42 per plan (2023: £28.85), and the PLACL DB maintenance assumption used was £119.74 per scheme member (2023: £203.50). The changes in the PLACL maintenance expense assumptions reflect an updated assessment of activity required to support in-force policies.

Assumptions for future policy expense levels are determined from the Group's recent expense analyses and incorporate an annual inflation rate allowance of 3.7% (2023: 3.6%) derived from the expected RPI and CPI implied by inflation swap rates and an additional allowance for earnings inflation. The annual inflation rate allowance is regarded as a financial assumption and therefore all changes in expense inflation rates are recognised immediately within net investment result.

(vi) Risk adjustment

The best estimate liability represents the present value of future net cash outflows to settle claims and expenses quantified at the 50th percentile confidence interval. The risk adjustment for non-financial risk is determined to reflect the compensation that the Group requires for bearing longevity, expense, and insurance-contract specific operational risks. The risk adjustment represents an additional reserve held that increases the ultimate time horizon confidence interval up to the 70th percentile and amounts to £0.3bn (2023 £0.3bn) net of reinsurance. Based upon the latest risk adjustment calibration exercise, a 5% increase in the ultimate run-off confidence interval would increase the net of reinsurance risk adjustment by c£0.1bn (2023: c£0.1bn).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

22. INSURANCE CONTRACTS AND RELATED REINSURANCE continued

The Group determines the risk adjustment for non-financial risk using a "value at risk" technique. The primary non-financial risks allowed for are longevity and expenses, which is consistent with the primary life underwriting risks allowed for in Solvency II reporting. On an annual basis, the Group uses the probability distributions of the future net of reinsurance cash flows from insurance contracts on a one-year time horizon as used within the respective JRL and PLACL internal models for Solvency II reporting for the aforementioned non-financial risks, which are then converted to ultimate horizon distributions in order to determine stress parameters at the target percentile. This represents a change from the approach adopted for 31 December 2023 following the adoption of a Solvency II internal model for PLACL in 2024. Financial risks are reflected as adjustments to discount rates (by comparison, both financial and non-financial risks are included in the Solvency II SCR).

The risk adjustment for non-financial risk is then calculated as the excess of the value at risk at the target confidence level percentile over the expected present value of the future cash flows. The Group targets an ultimate confidence interval at the 70th percentile. At the point of calibration, this calibration represents an approximately one-in-ten year stress on a one-year basis. The calibration is carried out on an annual basis ahead of the financial reporting year end, therefore the actual confidence interval as at the valuation date may differ slightly, for example, due to economic movements in the intervening period.

The Group's IFRS risk adjustment for non-financial risk is considered by management to provide an economic view of the profitability of new business and is therefore used for pricing purposes as well as representing the basis used within the new business profits KPI.

The confidence level is targeted on a net of reinsurance basis as this reflects how insurance risk is managed by the Group. The reinsurance risk adjustment represents the amount of risk being transferred by the holder of the reinsurance contract to the issuer of that contract. Reinsurance contracts held by the Group transfer longevity risk proportional to the underlying insurance contract. Consequently, the same risk adjustment stresses for this non-financial risk are applied to both gross and reinsurance contracts to determine the respective risk adjustment for each. Expense and operational risks are not transferred to reinsurers as part of the reinsurance contract held by the Group and hence there are no stresses applied for these in the reinsurance risk adjustment.

Allowance is made for diversification between risks within legal entities, but not between the different legal entities within the Group.

(c) Movements analyses – insurance contracts

(i) Insurance contracts analysis of remaining coverage

Year ended 31 December 2024	Note	Liability for remaining coverage £m	Incurred claims £m	Total £m
Opening insurance contract liabilities balance (restated[1])		24,208	(77)	24,131
Changes in the statement of comprehensive income				
Insurance revenue	3(a)	(1,809)	–	(1,809)
Insurance service expenses				
– Incurred claims and directly attributable expenses		–	1,589	1,589
– Amortisation of insurance acquisition cash flows		32	–	32
	3(b)	**32**	**1,589**	**1,621**
Insurance service result		(1,777)	1,589	(188)
Investment component		(296)	296	–
Net finance income from insurance contracts	4(b)	(480)	–	(480)
Exchange rate movements		(4)	–	(4)
Total changes in the statement of comprehensive income		**(2,557)**	**1,885**	**(672)**
Cash flows				
Premiums received	2	6,413	–	6,413
Claims and other insurance service expenses paid, including investment components		–	(1,904)	(1,904)
Insurance acquisition cash flows	3(b)	(215)	–	(215)
Total cash flows		**6,198**	**(1,904)**	**4,294**
Closing insurance contract liabilities balance		**27,849**	**(96)**	**27,753**

1 The analysis of the opening balance between Liability for remaining coverage and Incurred claims has been restated by £34m as a result of a correction to the amounts reported for the investment component in the comparative table on the next page.

Year ended 31 December 2023	Note	Liability for remaining coverage (restated[1]) £m	Incurred claims (restated[1]) £m	Total £m
Opening insurance contract liabilities balance		19,720	(73)	19,647
Changes in the statement of comprehensive income				
Insurance revenue	3(a)	(1,555)	–	(1,555)
Insurance service expenses				
– Incurred claims and directly attributable expenses		–	1,377	1,377
– Amortisation of insurance acquisition cash flows		19	–	19
	3(b)	**19**	**1,377**	**1,396**
Insurance service result		**(1,536)**	**1,377**	**(159)**
Investment component[1]		(267)	267	–
Net finance expenses from insurance contracts	4(b)	2,006	–	2,006
Exchange rate movements		(26)	–	(26)
Total changes in the statement of comprehensive income		**177**	**1,644**	**1,821**
Cash flows				
Premiums received	2	4,494	–	4,494
Claims and other insurance service expenses paid, including investment components		–	(1,648)	(1,648)
Insurance acquisition cash flows	3(b)	(183)	–	(183)
Total cash flows		**4,311**	**(1,648)**	**2,663**
Closing insurance contract liabilities balance		**24,208**	**(77)**	**24,131**

1 The investment component has been restated by £34m to also include amounts paid as tax free cash and transfers out, consistent with the presentation in the statement of comprehensive income.

The amount of insurance contract liabilities that relates to annuity payments due in the year "liability for incurred claims" is reported separately from the amounts related to future periods "Liability for remaining coverage" in the table above. This balance includes guarantee period payments due in future years (together with related CSM) regardless of whether or not the guarantees have crystallised.

Payments of annuities in advance are deducted as prepayments from incurred claims. These include payments made, for example on the final working day of the month.

There were no material loss components during the year.

Investment component

Investment component represents the value of payments due to annuitants in the year that fall within guarantee periods. These payments are made to annuitants or their beneficiaries regardless of any insurance event and are excluded from insurance revenue and insurance service expenses.

Transfer payments and tax-free cash paid to DB scheme members at retirement are treated by the Group as non-insurance cash flows, not relating to any insurance event, and are therefore included as investment components and also excluded from insurance revenue and insurance service expenses.

This is further explained in accounting policy note 1.7.9.1.

Exchange rate movements

Exchange rate movements of £4m in 2024 (2023: £26m) reflect the impact of change in converting the reserves of Just Retirement South Africa into sterling at year end exchange rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

22. INSURANCE CONTRACTS AND RELATED REINSURANCE continued

(ii) Insurance contracts analysed by measurement component

Year ended 31 December 2024	Note	Estimate of present value of future cash flows £m	Risk adjustment for non-financial risk £m	CSM £m	Total £m
Opening insurance contract liabilities balance		20,758	924	2,449	24,131
Changes in the statement of comprehensive income					
Changes that relate to current service					
CSM recognised for service provided	3(a)	–	–	(177)	(177)
Change in risk adjustment for non-financial risk for risk expired	3(a)	–	(11)	–	(11)
Experience adjustments	3	–	–	–	–
Changes that relate to future service					
Contracts initially recognised in the year		(728)	290	438	–
Changes in estimates that adjust the CSM		72	20	(92)	–
Insurance service result	3	(656)	299	169	(188)
Net finance income from insurance contracts	4(b)	(422)	(171)	113	(480)
Exchange rate movement		(4)	–	–	(4)
Total changes in the statement of comprehensive income		**(1,082)**	**128**	**282**	**(672)**
Cash flows					
Premiums received	2	6,413	–	–	6,413
Claims and other insurance service expenses paid, including investment components		(1,904)	–	–	(1,904)
Insurance acquisition cash flows	3(b)	(215)	–	–	(215)
Total cash flows		**4,294**	**–**	**–**	**4,294**
Closing insurance contract liabilities balance		**23,970**	**1,052**	**2,731**	**27,753**

Year ended 31 December 2023	Note	Estimate of present value of future cash flows £m	Risk adjustment for non-financial risk £m	CSM £m	Total £m
Opening insurance contract liabilities balance		17,030	674	1,943	19,647
Changes in the statement of comprehensive income					
Changes that relate to current service					
CSM recognised for service provided	3(a)	–	–	(156)	(156)
Change in risk adjustment for non-financial risk for risk expired	3(a)	–	(11)	–	(11)
Experience adjustments	3	8	–	–	8
Changes that relate to future service					
Contracts initially recognised in the year		(542)	162	380	–
Changes in estimates that adjust the CSM		(292)	89	203	–
Insurance service result	3	**(826)**	**240**	**427**	**(159)**
Net finance expenses from insurance contracts	4(b)	1,917	10	79	2,006
Exchange rate movement		(26)	–	–	(26)
Total changes in the statement of comprehensive income		**1,065**	**250**	**506**	**1,821**
Cash flows					
Premiums received	2	4,494	–	–	4,494
Claims and other insurance service expenses paid, including investment components		(1,648)	–	–	(1,648)
Insurance acquisition cash flows	3(b)	(183)	–	–	(183)
Total cash flows		**2,663**	**–**	**–**	**2,663**
Closing insurance contract liabilities balance		**20,758**	**924**	**2,449**	**24,131**

(iii) Disclosure of movement in CSM by IFRS 17 Transitional approach

Below is the CSM movement split by Fair Value Approach ("FVA") on transition to IFRS 17 and other contracts.

	Year ended 31 December 2024			Year ended 31 December 2023		
	Contracts under FVA £m	Other contracts £m	Total CSM £m	Contracts under FVA £m	Other contracts £m	Total CSM £m
Opening insurance contract liabilities balance	1,437	1,012	2,449	1,354	589	1,943
Changes in the statement of comprehensive income						
Changes that relate to current service						
CSM recognised for service provided	(108)	(69)	(177)	(109)	(47)	(156)
Changes that relate to future service						
Contracts initially recognised in the period	–	438	438	–	380	380
Changes in estimates that adjust the CSM	**27**	**(119)**	**(92)**	150	53	203
Insurance service result	**(81)**	**250**	**169**	**41**	**386**	**427**
Net finance expenses from insurance contracts	44	69	113	42	37	79
Total changes in the statement of comprehensive income	**(37)**	**319**	**282**	**83**	**423**	**506**
Closing insurance contract liabilities balance	**1,400**	**1,331**	**2,731**	**1,437**	**1,012**	**2,449**

Changes that relate to current service

CSM recognised in the period is computed based on the proportion of insurance contract services provided in the period compared with the value of services expected to be provided in future periods. Experience adjustments represent the difference between the expected value of claims and expenses projected as at the start of the year included in insurance revenue, and the actual value of claims and expenses due in the year included in insurance service expense. The experience adjustment of nil in 2024 (2023: £8m unfavourable) should be viewed in the context of £1,904m (2023: £1,648m) of claims and expenses paid.

Changes that relate to future service

The value of contracts initially recognised in the year is presented in note 22(e).

Changes in estimates that adjust the CSM represent changes in projected future years cash flows that arise from experience in the period and non-economic assumption changes, measured at locked-in discount rates. This movement in the CSM is directionally opposite to the movement in the projected future cash flows.

In the current year the £72m change in present value of future cash flows mainly reflect increases due to updates to demographic assumptions for longevity and expenses. The £20m risk adjustment impact reflects recalibration of the associated stress parameters. The corresponding amounts in the prior year include a release associated with longevity improvements (2023: £(292)m) and the impact of recalibration of the risk adjustment (2023: £89m).

Net finance income from insurance contracts

The £113m of accretion of CSM (discount unwind of which £69m was in FRA/GMM cohorts and £44m in FVA cohorts) in 2024 compared with £79m in 2023, with the increase due to the addition of another cohort of new business and the upwards shape of the yield curves for prior year cohorts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

22. INSURANCE CONTRACTS AND RELATED REINSURANCE continued

(d) Movements analysis – reinsurance contracts

(i) Reinsurance contracts analysis of remaining coverage

Year ended 31 December 2024	Note	Remaining coverage £m	Incurred claims £m	Total £m
Opening reinsurance contract asset		1,136	7	1,143
Opening reinsurance contract liability		(34)	(91)	(125)
Net opening balance		**1,102**	**(84)**	**1,018**
Changes in the statement of comprehensive income				
Reinsurance expenses		(1,035)	–	(1,035)
Claims recovered		–	996	996
Net expenses from reinsurance contracts	3(c)	**(1,035)**	**996**	**(39)**
Investment component		(2)	2	–
Net finance expenses from reinsurance contracts	4(c)	(52)	–	(52)
Total changes in the statement of comprehensive income		**(1,089)**	**998**	**(91)**
Cash flows				
Premiums paid		1,976	–	1,976
Claims received		–	(930)	(930)
Total cash flows		**1,976**	**(930)**	**1,046**
Closing reinsurance contract asset		2,059	8	2,067
Closing reinsurance contract liability		(70)	(24)	(94)
Net closing balance		**1,989**	**(16)**	**1,973**

Year ended 31 December 2023	Note	Remaining coverage £m	Incurred claims £m	Total £m
Opening reinsurance contract asset		769	7	776
Opening reinsurance contract liability		(114)	(7)	(121)
Net opening balance		**655**	**–**	**655**
Changes in the statement of comprehensive income				
Reinsurance expenses		(857)	–	(857)
Claims recovered		–	816	816
Net expenses from reinsurance contracts	3(c)	**(857)**	**816**	**(41)**
Net finance income from reinsurance contracts	4(c)	108	–	108
Total changes in the statement of comprehensive income		**(749)**	**816**	**67**
Cash flows				
Premiums paid		1,196	–	1,196
Claims received		–	(900)	(900)
Total cash flows		**1,196**	**(900)**	**296**
Closing reinsurance contract asset		1,136	7	1,143
Closing reinsurance contract liability		(34)	(91)	(125)
Net closing balance		**1,102**	**(84)**	**1,018**

Liabilities for remaining coverage represent the present value of reinsurance cash flows due for payment in future years adjusted for non-financial risk, together with the value of unamortised CSM.

Incurred claims represent the value of net reinsurance settlements on longevity swaps, facultative reinsurance, and other reinsurance arrangements during the period.

As noted in note 1.7.3, reinsurance contracts in each legal entity are allocated to either a portfolio of treaties transferring longevity and financial (inflation and/or investment) risk, or a portfolio transferring longevity risk alone. Portfolios may be in either net asset or liability positions including CSM.

Within the table above, the value of fixed legs of longevity swaps are presented as Reinsurance expenses and Premiums paid, and the value of floated legs of longevity swaps are presented as Claims recovered and Claims received.

Premiums paid of £1,976m in 2024 (2023: £1,196m) mainly represented new quota share premiums of £1,013m including in relation to DB partner (funded re) and current year fixed leg values on longevity swaps of £963m (2023: £397m and £761m respectively).

(ii) Reinsurance contracts analysed by measurement component

Year ended 31 December 2024	Note	Estimate of present value of future cash flows £m	Risk adjustment for non-financial risk £m	CSM £m	Total £m
Opening reinsurance contract asset		937	106	100	1,143
Opening reinsurance contract liability		(1,001)	486	390	(125)
Net opening balance		**(64)**	**592**	**490**	**1,018**
Changes in the statement of comprehensive income					
Changes that relate to current service					
CSM recognised for service received	3(c)	–	–	(23)	(23)
Change in risk adjustment for non-financial risk for risk expired	3(c)	–	(4)	–	(4)
Experience adjustments	3(c)	(12)	–	–	(12)
Changes that relate to future service					
Contracts initially recognised in the year		(208)	232	(24)	–
Change in estimates that adjust the CSM		(2)	72	(70)	–
Net expenses from reinsurance contracts	3(c)	**(222)**	**300**	**(117)**	**(39)**
Net finance expenses from reinsurance contracts	4(c)	78	(160)	30	(52)
Total changes in the statement of comprehensive income		**(144)**	**140**	**(87)**	**(91)**
Cash flows					
Premiums paid		1,976	–	–	1,976
Claims received		(930)	–	–	(930)
Total cash flows		**1,046**	**–**	**–**	**1,046**
Closing reinsurance contract asset		1,802	128	137	2,067
Closing reinsurance contract liability		(964)	604	266	(94)
Net closing balance		**838**	**732**	**403**	**1,973**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

22. INSURANCE CONTRACTS AND RELATED REINSURANCE continued

Year ended 31 December 2023	Note	Estimate of present value of future cash flows £m	Risk adjustment for non-financial risk £m	CSM £m	Total £m
Opening reinsurance contract asset		589	80	107	776
Opening reinsurance contract liability		(665)	319	225	(121)
Net opening balance		**(76)**	**399**	**332**	**655**
Changes in the statement of comprehensive income					
Changes that relate to current service					
CSM recognised for service received	3(c)	–	–	(27)	(27)
Change in risk adjustment for non-financial risk for risk expired	3(c)	–	(4)	–	(4)
Experience adjustments	3(c)	(10)	–	–	(10)
Changes that relate to future service					
Contracts initially recognised in the year		(168)	131	37	–
Change in estimates that adjust the CSM		(200)	64	136	–
Net expenses from reinsurance contracts	3(c)	**(378)**	**191**	**146**	**(41)**
Net finance income from reinsurance contracts	4(c)	94	2	12	108
Total changes in the statement of comprehensive income		**(284)**	**193**	**158**	**67**
Cash flows					
Premiums paid		1,196	–	–	1,196
Claims received		(900)	–	–	(900)
Total cash flows		**296**	**–**	**–**	**296**
Closing reinsurance contract asset		937	106	100	1,143
Closing reinsurance contract liability		(1,001)	486	390	(125)
Net closing balance		**(64)**	**592**	**490**	**1,018**

(iii) Disclosure of movement in CSM by IFRS 17 Transitional approach

Below is the CSM movement split by Fair Value Approach (“FVA”) on transition to IFRS 17 and other contracts.

	Year ended 31 December 2024			Year ended 31 December 2023		
	Contracts under FVA £m	Other contracts £m	Total CSM £m	Contracts under FVA £m	Other contracts £m	Total CSM £m
Opening reinsurance contract asset	68	32	100	75	32	107
Opening reinsurance contract liability	203	187	390	137	88	225
Net opening balance	**271**	**219**	**490**	**212**	**120**	**332**
Changes in the statement of comprehensive income						
Changes that relate to current service						
CSM recognised for service received	(18)	(5)	(23)	(20)	(7)	(27)
Changes that relate to future service						
Contracts initially recognised in the period	–	(24)	(24)	–	37	37
Change in estimates that adjust the CSM	(3)	(67)	(70)	73	63	136
Net (expenses)/income from reinsurance contracts	**(21)**	**(96)**	**(117)**	**53**	**93**	**146**
Net finance income from reinsurance contracts	17	13	30	6	6	12
Total changes in the statement of comprehensive income	**(4)**	**(83)**	**(87)**	**59**	**99**	**158**
Closing reinsurance contract asset	86	51	137	68	32	100
Closing reinsurance contract liability	181	85	266	203	187	390
Net closing balance	**267**	**136**	**403**	**271**	**219**	**490**

The value of contracts initially recognised in the year are explained in note 22(e).

The change in estimates that adjust the CSM recognised in the estimate of present value of future cash flows and risk adjustment in 2024 of £(2)m (2023: £(200)m) and £72m (2023: £64m) respectively represent the reinsurers' share of the equivalent gross changes of £72m (2023: £(292)m) and £20m (2023: £89m) respectively explained in note 22(c)(ii).

(e) New insurance contracts issued and reinsurance contracts held

The tables below present the CSM at point of inception of new contracts sold in the year together with CSM for the related reinsurance:

	Note	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Insurance contracts issued			
Insurance acquisition cash flows	3(b)	(215)	(183)
Estimate of present value of future cash outflows		(5,466)	(3,580)
Estimate of present value of future cash inflows		6,409	4,305
Estimates of net present value of cash flows		**728**	**542**
Risk adjustment		(290)	(162)
Contractual service margin		**438**	**380**

The amount recognised in the CSM represents the value of new business acquired in the period valued based on point of sale economic and non-economic assumptions.

The estimate of present value of future cash outflows of £5,466m (2023: £3,580m) represents the present value of claims and maintenance expenses quantified at the discount rates applicable at date of inception of contracts. The expense loading is determined based on incremental marginal costs including overheads that are attributable to the new contracts signed in the current period and does not include costs which have been previously allocated to existing contracts in prior years. The increase reflects the increase in business sold in the year, with retirement income sales increasing from £4,305m in 2023 to £6,409m in 2024.

	Year ended 31 December 2024			Year ended 31 December 2023		
	Originated with a positive CSM £m	Originated with a negative CSM £m	Total £m	Originated with a positive CSM £m	Originated with a negative CSM £m	Total £m
Reinsurance contracts ceded						
Estimate of present value of future cash outflows	(55)	(153)	(208)	(19)	(149)	(168)
Risk adjustment	104	128	232	31	100	131
Contractual service margin	**49**	**(25)**	**24**	**12**	**(49)**	**(37)**

New insurance contracts and reinsurance contracts ceded include the impact of DB Partner (funded-re) transactions as described in the Strategic report.

(f) Contractual service margin run-off

The following represents the current view of the run-off of the CSM after allowing for accretion.

31 December 2024	Insurance contract liability £m	Net reinsurance £m	Net £m
Within 1 year	86	(15)	71
1–2 years	89	(15)	74
2–3 years	93	(15)	78
3–4 years	98	(15)	83
4–5 years	97	(15)	82
5–10 years	482	(78)	404
10–20 years	825	(137)	688
20–30 years	556	(79)	477
Over 30 years	405	(34)	371
Total	**2,731**	**(403)**	**2,328**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

22. INSURANCE CONTRACTS AND RELATED REINSURANCE continued

31 December 2023[1]	Insurance contract liability (restated)[1] £m	Net reinsurance (restated)[1] £m	Net £m
Within 1 year	71	(10)	61
1–2 years	78	(11)	67
2–3 years	80	(12)	68
3–4 years	85	(13)	72
4–5 years	88	(14)	74
5–10 years	437	(74)	363
10–20 years	765	(151)	614
20–30 years	489	(113)	376
Over 30 years	356	(92)	264
Total	**2,449**	**(490)**	**1,959**

1 Amounts have been restated to disclose the run-off of the CSM associated with the Group's Insurance contract liabilities and Net Reinsurance balances after allowing for accretion on the CSM. Previously the run-off of the CSM was reported excluding the impact of accretion.

(g) Estimated timing of net cash outflows from insurance contract liabilities

The following table shows the insurance contract balances analysed by duration. The total balances are split by duration of payments in proportion to the policy cash flows estimated to arise during the year, measured as the expected undiscounted net cash flows.

31 December 2024	Insurance contract liability £m	Reinsurance contract assets £m	Reinsurance contract liabilities £m	Net £m
Less than 1 year	2,051	(133)	29	1,947
1–2 years	2,044	(135)	31	1,940
2–3 years	2,037	(138)	33	1,932
3–4 years	2,027	(140)	34	1,921
4–5 years	2,016	(142)	36	1,910
5–10 years	9,790	(724)	190	9,256
10–20 years	16,900	(1,368)	324	15,856
20–30 years	11,272	(1,000)	(40)	10,232
Over 30 years	8,456	(755)	(537)	7,164
Total value (undiscounted)	**56,593**	**(4,535)**	**100**	**52,158**
Carrying value (discounted)	**25,166**	**(1,922)**	**337**	**23,581**

31 December 2023	Insurance contract liability £m	Reinsurance contract assets £m	Reinsurance contract liabilities £m	Net £m
Less than 1 year	1,731	(73)	30	1,688
1–2 years	1,715	(75)	31	1,671
2–3 years	1,697	(76)	33	1,654
3–4 years	1,679	(76)	34	1,637
4–5 years	1,662	(76)	35	1,621
5–10 years	7,971	(378)	187	7,780
10–20 years	13,317	(659)	324	12,982
20–30 years	8,325	(408)	86	8,003
Over 30 years	5,802	(253)	(130)	5,419
Total value (undiscounted)	**43,899**	**(2,074)**	**630**	**42,455**
Carrying value (discounted)	**21,789**	**(1,039)**	**426**	**21,176**

The tables above present the timing and amount of expected future cash flows excluding both current insurance related accruals and prepayments, and the CSM release as presented in note 22(f). Contractual amounts payable on demand include amounts that DB scheme members may transfer out in the deferred phase prior to retirement of £4,335m as at 31 December 2024 (31 December 2023: £2,868m).

(h) Sensitivity analysis

The Group has estimated the impact on fulfilment cash flows, contractual service margin and profit before tax for the year in relation to insurance contracts and related reinsurance from reasonably possible changes in key assumptions relating to financial assets and to liabilities. The sensitivities capture the liability impacts arising from the impact on the yields of the assets backing liabilities in each sensitivity. The impact of changes in the value of assets and liabilities has been shown separately to aid the comparison with the change in value of assets for the relevant sensitivities in note 16.

The sensitivity factors are applied via financial models either as at the valuation date or from a suitable recent reporting period where appropriate to do so. The analysis has been prepared for a change in each variable with other assumptions remaining constant. In reality, such an occurrence is unlikely, due to correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear, and larger or smaller impacts cannot necessarily be interpolated or extrapolated from these results. The extent of non-linearity grows as the severity of any sensitivity is increased. For example, in the specific scenario of property price falls, the impact on IFRS profit before tax from a 5% fall in property prices would be slightly less than half of that disclosed in the table below. Furthermore, in the specific scenario of a mortality reduction, a smaller fall in fulfilment cash flows than disclosed in the table below or a similar increase in mortality may be expected to result in broadly linear impacts. However, it becomes less appropriate to extrapolate the expected impact for more severe scenarios. The sensitivity factors take into consideration that the Group's assets and liabilities are actively managed and may vary at the time that any actual market movement occurs. The sensitivities below cover the changes on all assets and liabilities from the given stress. Parameters that have had limited sensitivity both historically and currently are not included, such as inflation for which the risk is substantially hedged. The impact of these sensitivities on IFRS net equity is the impact on profit before tax as set out in the table below less tax at the current tax rate.

Sensitivity factor	Description of sensitivity factor applied
Interest rate and investment return	The impact of a change in the market interest rates by +/- 1% (e.g. if a current interest rate is 5%, the impact of an immediate change to 4% and 6% respectively). The test consistently allows for similar changes to both assets and liabilities
Expenses	The impact of an increase in maintenance expenses by 10%
Base mortality rates	The impact of a decrease in base table mortality rates by 5% applied to both Retirement Income liabilities and lifetime mortgages[1]
Mortality improvement rates	The impact of a level increase in mortality improvement rates of 10% for both Retirement Income liabilities and LTMs[1]. This sensitivity applies a multiplicative adjustment to the improvement rates
Immediate property price fall	The impact of an immediate decrease in the value of properties on lifetime mortgages[1] by 10%
Future property price growth	The impact of a reduction in future property price growth on lifetime mortgages[1] by 0.5%
Future property price volatility	The impact of an increase in future property price volatility on lifetime mortgages[1] by 1%
Voluntary redemptions	The impact of an increase in voluntary redemption rates on lifetime mortgages[1] by 10%
Credit defaults	The impact of an increase in the credit default assumption of 10bps

1 Including the impact from NNEG hedges.

A guide to the sensitivity table is provided below:

Abbreviation	Title	Impact
FCF	Fulfilment cash flows	Positive values represent cash inflows or lower cash outflows resulting in reductions in insurance contract liabilities or an increase in reinsurance contracts assets Negative values represent cash outflows or higher cash outflows resulting in increased insurance contract liabilities or a decrease in reinsurance contracts assets
CSM	Contractual service margin	Positive values represent a reduction in the CSM Negative values represent an increase in the CSM
P&L	Profit/(loss) before tax	Profit – increase in pre-tax profit (Loss) – decrease in pre-tax profit Sensitivities can result in an opposite impact on Profit/(loss) before and after allowance for the CSM due to the impact of the use of locked-in rates for the CSM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

22. INSURANCE CONTRACTS AND RELATED REINSURANCE continued

Impact of sensitivities

31 December 2024		Insurance contract liabilities £m	Reinsurance contracts (net) held £m	Net insurance contract liabilities £m	Valuation of assets £m	Net impact on profit before tax £m
Interest rate and investments + 1%	FCF	2,193	(181)	2,012	–	–
	CSM	–	–	–	–	–
	P&L	2,193	(181)	2,012	(1,993)	19
Interest rate and investments -1%	FCF	(2,617)	226	(2,391)	–	–
	CSM	–	–	–	–	–
	P&L	(2,617)	226	(2,391)	2,367	(24)
Maintenance expenses +10%	FCF	(41)	2	(39)	–	–
	CSM	41	–	41	–	–
	P&L	–	2	2	(5)	(3)
Decrease in base mortality by 5%	FCF	(361)	236	(125)	–	–
	CSM	554	(409)	145	–	–
	P&L	193	(173)	20	(23)	(3)
Mortality improvements rates +10%	FCF	(165)	109	(56)	–	–
	CSM	274	(231)	43	–	–
	P&L	109	(122)	(13)	(3)	(16)
Immediate fall of 10% in house prices	FCF	(53)	6	(47)	–	–
	CSM	–	–	–	–	–
	P&L	(53)	6	(47)	(75)	(122)
Future property price growth reduces by 0.5%	FCF	(40)	4	(36)	–	–
	CSM	–	–	–	–	–
	P&L	(40)	4	(36)	(40)	(76)
Future property price volatility increase by 1%	FCF	(20)	3	(17)	–	–
	CSM	–	–	–	–	–
	P&L	(20)	3	(17)	(27)	(44)
Voluntary redemptions increase by 10%	FCF	(22)	3	(19)	–	–
	CSM	–	–	–	–	–
	P&L	(22)	3	(19)	27	8
Credit default allowance – increase by 10bps[1]	FCF	(239)	21	(218)	–	–
	CSM	–	–	–	–	–
	P&L	(239)	21	(218)	–	(218)

1 Over that included in the discount rate section in note 22(b).

31 December 2023		Insurance contract liabilities £m	Reinsurance contracts (net) held £m	Net insurance contract liabilities £m	Valuation of assets £m	Net impact on profit before tax £m
Interest rate and investments + 1%	FCF	1,970	(77)	1,893	–	–
	CSM	–	–	–	–	–
	P&L	1,970	(77)	1,893	(1,933)	(40)
Interest rate and investments -1%	FCF	(2,366)	100	(2,266)	–	–
	CSM	–	–	–	–	–
	P&L	(2,366)	100	(2,266)	2,316	49
Maintenance expenses +10%	FCF	(30)	–	(30)	–	–
	CSM	31	–	31	–	–
	P&L	1	–	1	(5)	(5)
Decrease in base mortality by 5%	FCF	(327)	196	(131)	–	–
	CSM	476	(293)	182	–	–
	P&L	148	(97)	51	(14)	37
Mortality improvements rates +10%	FCF	(178)	106	(72)	–	–
	CSM	263	(172)	91	–	–
	P&L	85	(66)	20	(3)	17
Immediate fall of 10% in house prices	FCF	(46)	2	(44)	–	–
	CSM	–	–	–	–	–
	P&L	(46)	2	(44)	(68)	(113)
Future property price growth reduces by 0.5%	FCF	(38)	2	(36)	–	–
	CSM	–	–	–	–	–
	P&L	(38)	2	(36)	(38)	(74)
Future property price volatility increase by 1%	FCF	(18)	1	(17)	–	–
	CSM	–	–	–	–	–
	P&L	(18)	1	(17)	(27)	(44)
Voluntary redemptions increase by 10%	FCF	(24)	1	(23)	–	–
	CSM	–	–	–	–	–
	P&L	(24)	1	(23)	19	(4)
Credit default allowance – increase by 10bps[1]	FCF	(213)	9	(204)	–	–
	CSM	–	–	–	–	–
	P&L	(213)	9	(204)	–	(204)

1 Over that included in the discount rate section in note 22(b).

23. INVESTMENT CONTRACT LIABILITIES

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
At 1 January	35	33
Deposits received from policyholders	13	12
Payments made to policyholders	(8)	(1)
Change in contract liabilities recognised in profit or loss	2	(9)
At 31 December	**42**	**35**

(a) Terms and conditions of investment contracts

The Group has written linked endowment contracts and term-certain GIfL contracts for the at-retirement market in South Africa which are classified as investment contracts.

(b) Principal assumptions underlying the calculation of investment contracts

The majority of the Group's investment contract liabilities are linked endowment contracts and are deposit accounted for. Fair value is determined by reference to the value of the assets backing the liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

24. LOANS AND BORROWINGS

	Carrying value		Fair value	
	31 December 2024 £m	31 December 2023 £m	31 December 2024 £m	31 December 2023 £m
£250m 9.0% 10-year subordinated debt 2026 (Tier 2) issued by Just Group plc (£150m principal outstanding)	152	152	163	164
£125m 8.125% 10-year subordinated debt 2029 (Tier 2) issued by Just Group plc	125	126	136	127
£250m 7.0% 10.5-year subordinated debt 2031 (Green Tier 2) issued by Just Group plc	–	251	–	252
£400m 6.875% 10.5 year subordinated debt 2035 non-callable for first 10.0-years (Sustainability Tier 2) issued by Just Group plc	405	–	407	–
£230m 3.5% 7-year subordinated debt 2025 (Tier 3) issued by Just Group plc (£155m principal outstanding)[1]	157	157	156	151
Total	**839**	**686**	**862**	**694**

1 The Group's Tier 3 debt is repayable within one year.

The £400m 6.875% bond is callable after 30 September 2034. The maturity analysis in note 28(d) assumes it is called at the first possible date.

The Group does not expect there to be any breaches to report in the attestations to be made to lenders in March 2025 and there are no indications that the Group may have difficulties complying with the covenants over the forthcoming 12 months.

The Group also has an undrawn revolving credit facility for general corporate and working capital purposes. During the year the size of the facility has been increased from £300m to £400m. Interest is payable on any drawn amounts at a rate of SONIA plus a margin of between 0.81% and 1.94% per annum depending on the Group's ratio of net debt to net assets and the outcomes of certain sustainability performance targets.

Movements in borrowings during the year were as follows:

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
At 1 January	686	699
Coupon payments	(46)	(48)
Proceeds on issuance of Just Group plc Tier 2 subordinated debt	400	–
Issue costs	(2)	–
Repayment of Just Group plc Tier 2 subordinated debt[1]	(256)	(24)
Financing cash flows	**96**	**(72)**
Transfer brought forward interest from accruals	–	10
Interest charged at the effective interest rate	50	48
Tender premium on redemption of Tier 2 subordinated debt	6	–
Amortisation of issue costs	1	1
Amounts reported in the statement of comprehensive income	**57**	**59**
At 31 December	**839**	**686**

1 In 2024, 7.0% 10.5-year Tier 2 subordinated debt included £6m tender premium on redemption of the Tier 2 subordinated debt was repaid (2023 repayment is in respect of the Group's 9.0% 10-year Tier 2 subordinated debt).

During the year the Company completed a refinancing exercise which consisted of the issuance of a £400m 10.5-year sustainability Tier 2 bond with a coupon of 6.875% and concurrent tender offer of Just's existing £250m 7.0% Green Tier 2 bond.

25. PAYABLES AND OTHER FINANCIAL LIABILITIES

	31 December 2024 £m	31 December 2023 £m
Derivative financial liabilities	3,015	2,487
Repurchase obligation	3,878	2,569
Obligations for repayment of cash collateral received	662	532
Outstanding investment purchases	307	–
Other payables[1]	20	11
Lease liability[1]	7	9
Total	**7,889**	**5,608**

1 Other payables and lease liability have been aggregated with other financial liabilities in all periods presented.

Derivative financial liabilities are classified as mandatorily FVTPL and are analysed in note 26 below.

As described in note 15, 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 7 and 24 months. The repurchase agreements are measured at amortised cost in the financial statements. The fair value of these agreements is £3,878m (2023: £2,569m). Additional repurchase agreements have been entered into during the period to fund increases in the amortised cost portfolio of gilts.

The Group has received cash collateral of £662m (2023: £532m). Obligations to pay cash collateral is measured at amortised cost and there is no material difference between the fair value and amortised cost of the instruments.

As at 31 December 2024, the Group had pledged collateral in respect of repurchase agreements and derivatives. Collateral pledged of £5,416m (2023: £4,016m) includes £3,604m of the Group's amortised cost gilt portfolio (2023: £2,614m), £1,004m of corporate bonds (2023: £696m) and £808m deposits (2023: £706m), which continue to be recognised in financial investments in the statement of financial position as the Group retains the significant risks and rewards of ownership.

26. DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses various derivative financial instruments to manage its exposure to interest rates, counterparty credit risk, inflation and foreign exchange risk.

	31 December 2024			31 December 2023		
Derivatives	Asset fair value £m	Liability fair value £m	Notional amount £m	Asset Fair value £m	Liability fair value £m	Notional amount £m
Foreign currency swaps	475	1,070	22,631	515	857	16,607
Interest rate swaps	1,762	1,811	46,157	1,435	1,512	26,995
Inflation swaps	382	106	8,527	409	102	5,681
Forward swaps	8	10	692	4	1	630
Total return swaps	123	–	1,393	–	–	–
Put options on property index (NNEG hedges)	–	14	380	–	14	380
Interest rate options	–	–	115	–	1	100
Investment asset derivatives	6	4	401	14	–	210
Total	**2,756**	**3,015**	**80,296**	**2,377**	**2,487**	**50,603**

The Group's derivative financial instruments are not designated as hedging instruments and changes in their fair value are included in profit or loss. All over-the-counter derivative transactions are conducted under standardised International Swaps and Derivatives Association Inc. master agreements, and the Group has collateral agreements between the individual Group entities and relevant counterparties in place under each of these market master agreements.

27. COMMITMENTS

At 31 December 2024, the Group had £401m unfunded commitments (2023: £210m) primarily related to investments and commitments associated with property leases and associated capital commitments.

The Group has pledged a letter of credit in relation to its Protected Cell Company as explained in note 31.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

28. FINANCIAL AND INSURANCE RISK MANAGEMENT

This note presents information about the major financial and insurance risks to which the Group is exposed, and its objectives, policies and processes for their measurement and management. Financial risk comprises exposure to market, credit and liquidity risk.

(a) Insurance risk

The Group's insurance risks include exposure to longevity, mortality and morbidity and management and administration expenses. The writing of long-term insurance contracts requires a range of assumptions to be made. The Group's main insurance risk arises from adverse experience compared with the assumptions used in pricing products and valuing insurance liabilities.

Individually underwritten GIfL policies are priced using assumptions about future longevity that are based on historic experience information, lifestyle and medical factors relevant to individual customers, and judgements about the future development of longevity improvements. Our DB business uses our DB pricing platform and we perform regular insurer price monitoring utilising our bulk quotation service. In the event of an increase in longevity, the actuarial reserve required to make future payments to customers may increase.

Loans secured by mortgages are used as part of the portfolio to match the liabilities arising from writing long-term insurance policies. In the event that early repayments on LTMs in a given period are higher than anticipated, less interest will have accrued on the mortgages and the amount repayable will be less than assumed at the time of sale. In the event of an increase in longevity, although more interest will have accrued and the amount repayable will be greater than assumed at the time of the sale, the associated cash flows will be received later than had originally been anticipated. In addition, a general increase in longevity would have the effect of increasing the total amount repayable, which would increase the LTV ratio and could increase the risk of failing to be repaid in full as a consequence of the no-negative equity guarantee. There is also exposure to morbidity risk as the LTM is repayable when the customer moves into long-term care.

(i) Management of insurance risk

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 PrognoSys™ 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.

The insurance risk exposures to climate change are highly uncertain and have not yet been quantified in the Group's risk scenarios, therefore no explicit allowance is made.

(ii) Concentrations of insurance risk

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.

(b) Market risk

Market risk is the risk of loss or of adverse change in the financial situation from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments, together with the impact of changes in interest rates. Market risk is implicit in the insurance business model and arises from exposure to interest rates, residential property markets, credit spreads, inflation and exchange rates. The Group is not exposed to any material levels of equity risk. Some very limited equity risk exposure arises from investment into credit funds which have a mandate that allows preferred equity to be held. Changes in the value of the Group's investment portfolio will also affect the Group's financial position. In addition, falls in the financial markets can reduce the value of pension funds available to purchase Retirement Income products and changes in interest rates can affect the relative attractiveness of Retirement Income products.

In mitigation, Retirement Income product premiums are invested to match the asset and liability cash flows as closely as practicable. In practice, it is not possible to eliminate market risk fully as there are inherent uncertainties surrounding many of the assumptions underlying the projected asset and liability cash flows.

Just has bonds denominated in currencies other than GBP. Some have coupons linked to rates which are hedged into fixed GBP coupons. If any of these rates were no longer produced, there is a risk that the bond coupons would not match the swap leg payments. In mitigation, Just would restructure the related cross currency asset swap to match the new coupon rate.

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

The Group is exposed to market risk associated with any unmatched exposure arising from the value of investments backing insurance liabilities, and the consequential impact on the valuation interest rate used to discount insurance liabilities.

(i) Interest rate risk

The Group is exposed to interest rate risk arising from the changes in the values of assets or liabilities as a result of changes in risk-free interest rates. The Group seeks to limit its exposure through appropriate asset and liability matching and hedging strategies. The Group actively hedges its interest rate exposure to protect balance sheet positions on both Solvency II and IFRS bases in accordance with its risk appetite framework and principles.

The Group continues to increase its portfolio of amortised cost gilts as part of managing the exposure of the Group's Solvency II balance sheet to interest rate movements, whilst limiting the market risk exposure on the IFRS balance sheet.

The Group's main exposure to changes in interest rates is concentrated in the investment portfolio, loans secured by mortgages and its insurance obligations. Changes in investment and loan values attributable to interest rate changes are mitigated by corresponding and partially offsetting changes in the value of insurance liabilities. The Group monitors this exposure through regular reviews of the asset and liability position, capital modelling, sensitivity testing and scenario analyses. Interest rate risk is also managed using derivative instruments e.g. swaps.

The following table indicates the earlier of contractual repricing or maturity dates for the Group's significant financial assets.

31 December 2024	Less than one year £m	One to five years £m	Five to ten years £m	Over ten years £m	No fixed term £m	Total £m
Units in liquidity funds	1,792	–	–	–	–	1,792
Investment funds	108	289	–	–	2	399
Debt securities and other fixed income securities	499	1,675	2,708	11,128	–	16,010
Deposits with credit institutions	808	–	–	–	–	808
Loans secured by commercial mortgages	8	475	165	161	–	809
Long income real estate[1]	21	–	–	766	–	787
Infrastructure loans	–	132	260	854	–	1,246
Other loans	1	168	4	22	–	195
Total investments measured at FVTPL – designated	**3,237**	**2,739**	**3,137**	**12,931**	**2**	**22,046**
Lifetime mortgages	–	–	–	–	5,637	5,637
Derivative financial assets	52	351	526	1,827	–	2,756
Total investments measured at FVTPL – mandatory	**52**	**351**	**526**	**1,827**	**5,637**	**8,393**
Gilts – subject to repurchase agreements	–	–	–	3,951	–	3,951
Total investments measured at amortised cost	**–**	**–**	**–**	**3,951**	**–**	**3,951**
Total financial investments	**3,289**	**3,090**	**3,663**	**18,709**	**5,639**	**34,390**

1 Includes residential ground rents of £157m.

31 December 2023	Less than one year £m	One to five years £m	Five to ten years £m	Over ten years £m	No fixed term £m	Total £m
Units in liquidity funds	1,141	–	–	–	–	1,141
Investment funds	97	398	–	–	–	495
Debt securities and other fixed income securities	527	1,625	2,513	8,989	–	13,654
Deposits with credit institutions	706	–	–	–	–	706
Loans secured by commercial mortgages	87	378	202	97	–	764
Long income real estate[1]	–	4	–	775	–	779
Infrastructure loans	–	72	246	795	–	1,113
Other loans	1	146	4	13	–	164
Total investments measured at FVTPL – designated	**2,559**	**2,623**	**2,965**	**10,669**	**–**	**18,816**
Lifetime mortgages	–	–	–	–	5,681	5,681
Derivative financial assets	48	177	573	1,579	–	2,377
Total investments measured at FVTPL – mandatory	**48**	**177**	**573**	**1,579**	**5,681**	**8,058**
Gilts – subject to repurchase agreements	–	–	–	2,549	–	2,549
Total investments measured at amortised cost	**–**	**–**	**–**	**2,549**	**–**	**2,549**
Total financial investments	**2,607**	**2,800**	**3,538**	**14,797**	**5,681**	**29,423**

1 Includes residential ground rents of £176m.

A sensitivity analysis of the impact of interest rate movements on profit before tax is included in note 22(h).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

28. FINANCIAL AND INSURANCE RISK MANAGEMENT continued

(ii) Property risk

The Group's exposure to property risk arises from the provision of lifetime mortgages which creates an exposure to the UK residential property market. A substantial decline or sustained underperformance in UK residential property prices, against which the Group's lifetime mortgages are secured, could result in the mortgage debt at the date of redemption exceeding the proceeds from the sale of the property.

Demand for lifetime mortgage products may also be impacted by a fall in property prices. It may diminish consumers' propensity to borrow and reduce the amount they are able to borrow due to reductions in property values.

The risk is managed by controlling the loan value as a proportion of the property's 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. House prices are monitored and the impact of exposure to adverse house prices (both regionally and nationally) is regularly reviewed. Further mitigation is through management of the volume of Lifetime Mortgages, including disposals, in the portfolio in line with the Group's LTM backing ratio target, and the establishment of the NNEG hedges.

A sensitivity analysis of the impact of residential property price movements is included in note 16(d)(vi) and note 22(h).

The Group is also exposed to commercial property risk indirectly through the investment in loans secured by commercial mortgages. Mitigation of such risk is covered by the credit risk section below.

(iii) Inflation risk

Inflation risk is the risk of change in the value of assets or liabilities arising from changes in actual or expected inflation or in the volatility of inflation. Exposure to long-term inflation occurs in relation to the Group's own management expenses and its writing of index-linked Retirement Income contracts. The Group continues to manage inflation risk through the application of disciplined cost control over management expenses and matching inflation-linked assets including inflation swaps, and inflation-linked liabilities for the long-term inflation risk.

(iv) Currency risk

Currency risk arises from changes in foreign exchange rates which affect the value of assets denominated in foreign currencies.

Exposure to currency risk could arise from the Group's investment in non-sterling denominated assets. The Group invests in fixed income securities denominated in US dollars and other foreign currencies for its financial asset portfolio. All material Group liabilities are in sterling. As the Group does not wish to introduce foreign exchange risk into its investment portfolio, derivative or quasi-derivative contracts are entered into to mitigate the foreign exchange exposure as far as possible.

The Group invests in non-sterling denominated assets; any foreign exchange exposure is managed through foreign currency swaps in order to minimise this risk exposure.

(c) Credit risk

Credit risk arises if another party fails to perform its financial obligations to the Group, including failure to perform them in a timely manner, and is managed through credit concentration limits and collateral arrangements. Climate-related matters may affect the ability of counterparties to meet their obligations in the future, see further information in the Strategic report Sustainability: TCFD report.

Credit risk exposures arise from:

- Holding fixed income investments. The risk of default (where the counterparty fails to pay back the capital and/or interest on a corporate bond) is mitigated by investing only in higher quality or investment grade assets. Concentration of credit risk exposures is managed by placing limits on exposures to individual counterparties, sectors and geographic areas. The Group holds a portion of its fixed income investments as loans secured against a variety of types of collateral including but not limited to commercial real estate and commercial ground rents as well as residential ground rents.
- Counterparties in derivative contracts. The Group uses financial instruments to mitigate interest rate, inflation and currency risk exposures. It therefore has credit exposure to various counterparties through which it transacts these instruments, although this is usually mitigated by collateral arrangements (see note 15).
- Reinsurance treaties. Reinsurance is used to manage longevity risk and to fund new business but, as a consequence, credit risk exposure arises should a reinsurer fail to meet its claim repayment obligations. Credit risk on reinsurance balances is mitigated by the reinsurer depositing back more than 100% of premiums ceded under the reinsurance agreement and/or through robust collateral arrangements.
- Reinsurance concentration risk: to reduce risk, the Group ensures it trades with a wide range of counterparties to diversify exposures.
- Cash balances. Credit risk on cash assets is managed by imposing restrictions over the credit ratings of third parties with whom cash is deposited, as well as the balances permitted.
- Credit risk for lifetime mortgages secured on residential property has been considered within "property risk" above.

(i) Credit ratings of financial assets

The following table provides information regarding the credit risk exposure for financial assets of the Group, which are neither past due nor impaired at 31 December:

31 December 2024	AAA £m	AA £m	A £m	BBB £m	BB or below £m	Unrated £m	Total £m
Units in liquidity funds	1,792	–	–	–	–	–	1,792
Investment funds	–	–	–	–	–	399	399
Debt securities and other fixed income securities	986	3,960	5,452	5,490	122	–	16,010
Deposits with credit institutions	–	11	588	209	–	–	808
Loans secured by commercial mortgages	–	–	–	–	–	809	809
Long income real estate[1]	157	–	241	389	–	–	787
Infrastructure loans	57	135	242	799	13	–	1,246
Other loans	–	–	–	–	60	135	195
Lifetime mortgages	–	–	–	–	–	5,637	5,637
Derivative financial assets	–	16	2,018	716	–	6	2,756
Gilts – subject to repurchase agreements	–	3,951	–	–	–	–	3,951
Reinsurance[2]	–	416	984	350	–	180	1,930
Other receivables	–	–	–	–	–	49	49
Total	**2,992**	**8,489**	**9,525**	**7,953**	**195**	**7,215**	**36,369**

1 Includes residential ground rents of £157m rated AAA.
2 This is the reinsurance asset position excluding CSM.

31 December 2023	AAA £m	AA £m	A £m	BBB £m	BB or below £m	Unrated £m	Total £m
Units in liquidity funds	1,135	6	–	–	–	–	1,141
Investment funds	–	–	–	–	–	495	495
Debt securities and other fixed income securities	927	2,283	4,521	5,763	160	–	13,654
Deposits with credit institutions	–	100	425	181	–	–	706
Loans secured by commercial mortgages	–	–	–	–	–	764	764
Long income real estate[1]	164	20	185	410	–	–	779
Infrastructure loans	64	121	151	764	13	–	1,113
Other loans	–	–	–	–	41	123	164
Lifetime mortgages	–	–	–	–	–	5,681	5,681
Derivative financial assets	–	28	1,686	649	–	14	2,377
Gilts – subject to repurchase agreements	–	2,549	–	–	–	–	2,549
Reinsurance[2]	–	264	193	387	–	199	1,043
Other receivables	–	–	–	–	–	60	60
Total	**2,290**	**5,371**	**7,161**	**8,154**	**214**	**7,336**	**30,526**

1 Includes residential ground rents of £164m rated AAA and £12m rated AA.
2 This is the reinsurance asset position excluding CSM.

There are no financial assets that are either past due or impaired.

The amortised cost portfolio of gilts are investment grade and deemed low credit risk, as such lifetime expected credit losses are therefore considered immaterial.

The credit rating for Cash available on demand at 31 December 2024 was between a range of A and BB (31 December 2023: between a range of AA- and A).

The carrying amount of those assets subject to credit risk represents the maximum credit risk exposure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

28. FINANCIAL AND INSURANCE RISK MANAGEMENT continued

(ii) Offsetting financial assets and liabilities

The Group has no financial assets and financial liabilities that have been offset in the Consolidated statement of financial position as at 31 December 2024 (2023: none). In accordance with IFRS 7, disclosure is included below regarding recognised financial instruments subject to enforceable master netting arrangements irrespective of whether they are set off in the Consolidated statement of financial position. In the tables below, the amounts of assets or liabilities presented in the Consolidated statement of financial position are offset first by financial instruments that have the right of offset under master netting arrangement or similar arrangements with any remaining amount reduced by cash and securities collateral.

31 December 2024	As reported £m	Related financial instruments[1] £m	Cash collateral[2] £m	Securities collateral pledged[2] £m	Net amount £m
Derivative assets	2,756	(2,317)	(421)	(18)	–
Derivative liabilities	(3,015)	2,317	243	455	–
Repurchase obligation	(3,878)	–	–	3,878	–

31 December 2023	As reported £m	Related financial instruments[1] £m	Cash collateral[2] £m	Securities collateral pledged[2] £m	Net amount £m
Derivative assets	2,362	(1,917)	(376)	(67)	2
Derivative liabilities	(2,471)	1,917	338	211	(5)
Repurchase obligation	(2,569)	–	–	2,569	–

1 Related financial instruments represent outstanding amounts with the same counterparty which, under agreements such as the ISDA Master Agreement, could be offset and settled net following certain predetermined events.

2 Cash and securities held may exceed target levels due to the complexities of operational collateral management, timing and agreements in place with individual counterparties. This may result in over/under-collateralisation of derivative positions. The amount of collateral reported in the table above is restricted to the value of the associated derivatives recognised in the Consolidated statement of financial position. Securities collateral pledged against the repurchase obligation include the Group's portfolio of amortised cost Gilts.

(iii) Significant reinsurance collateral arrangements

The quota share reinsurance treaties have deposit back or other collateral arrangements to remove the majority of the reinsurer credit risk, as described below. The majority of longevity swaps also have collateral arrangements, for the same purpose.

The Group has received deposits from reinsurers that are recognised as part of the cash flows from the reinsurance contract and are included in the measurement of reinsurance balances within note 22. Whereas certain reinsurance arrangements give rise to deposits from reinsurers that are not included in the Consolidated statement of financial position of the Group as described below:

- The Group has an agreement with reinsurers, including funded reinsurance partners, 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 with the Group. Although the funds are controlled by the Group, no future benefits accrue to the Group as any returns on the deposits are paid to reinsurers. Consequently, the deposits are not recognised as assets of the Group and the investment income they produce does not accrue to the Group.
- The Group has an agreement with one reinsurer whereby assets equal to the reinsurer's full obligation under the treaty are deposited into a ring-fenced collateral account. The Group has first claim over these assets should the reinsurer default, but as the Group has no control over these funds and does not accrue any future benefit, this fund is not recognised as an asset of the Group.
- The Group has agreements with reinsurers, including funded reinsurance treaties, 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 the Group and the investment income they produce does not accrue to the Group. The reinsurers also deposit cash into a bank account held legally by the Group 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 Group.
- The Group has an agreement with one funded reinsurance partner whereby assets equal to the reinsurer's full obligation under the treaty are either deposited into a ring-fenced collateral account of corporate bonds, or held under a funds withheld structure of Lifetime Mortgages. The latter are legally and physically held by the Group. Although the funds are managed by the Group (as the Group controls the investment of the asset), no future benefits accrue to the Group as returns on the assets are paid to reinsurers. Consequently, the lifetime mortgages are not recognised as assets of the Group and the investment income they produce does not accrue to the Group. The reinsurer also deposits cash into a bank account held legally by the Group to fund future lifetime mortgages but as this cash is ring-fenced for issued lifetime mortgage quotes agreed by the reinsurer, it is also not recognised as an asset by the Group.

	2024 £m	2023 Restated[1] £m
Deposits held in trust	**2,133[2]**	**992**

1 Deposits held in trust have been restated to include amounts incorrectly excluded in the previously reported figure of £787m

2 The increase in 2024 relates to the addition of £1bn related to the DB partner (funded-re) transaction entered into during year.

The collateral that is not recognised in the Consolidated statement of financial position does not represent a cash flow within the IFRS 17 contract boundaries. The Group is exposed to a minimal amount of reinsurance counterparty default risk in respect of reinsurance arrangements and calculates an allowance for counterparty default in the reinsurance future cash flows accordingly. At 31 December 2024, this liability totalled £16m (2023: £8m).

(d) Liquidity risk

Liquidity risk is the risk of loss because the Group does not have sufficient suitable assets available to meet its financial obligations as they fall due.

The Group is exposed to liquidity risk as part of its business model and its desire to manage its exposure to inflation, interest rates and currency risks using derivatives.

Exposure to liquidity risk arises from:

- maintaining and servicing collateral requirements arising from the changes in market value of financial derivatives used by the Group;
- needing to realise assets to meet liabilities during stressed market conditions;
- increasing cash flow volatility in the short term giving rise to mismatches between cash flows from assets and requirements from liabilities;
- needing to support liquidity requirements for day-to-day operations;
- higher than expected funding requirements on existing LTM contracts, or lower redemptions than expected; and
- ensuring financial support can be provided across the Group.

Liquidity risk continues to be managed by holding assets of a suitable maturity, collateral eligibility and marketability to meet liabilities as they fall due. The Group's short-term liquidity requirements to meet annuity payments are predominantly funded by investment coupon receipts, and bond principal repayments. There are significant barriers for policyholders to withdraw funds that have already been paid to the Group in the form of premiums. Cash outflows associated with insurance liabilities including any pension commencement lump sum payments can be reasonably estimated and liquidity can be arranged to meet this expected outflow through asset-liability matching.

The cash flow characteristics of the Lifetime Mortgages are reverse when compared with Retirement Income products, with cash flows effectively representing an advance payment, which is eventually funded by repayment of principal plus accrued interest. Borrowers are able to redeem mortgages, albeit with payment of an early redemption charge. The mortgage assets themselves are considered illiquid, as they are not readily saleable due to the complexity of valuation and the lack of a market in which to trade them.

Cash flow forecasts over the short, medium and long term are regularly prepared to predict and monitor liquidity levels in line with limits set on the minimum amount of liquid assets required. Short-term stresses, periods from one day up to and including one month, take into account market volatility and focus on the worst observed movements over the last 40 years. Cash flow forecasts include an assessment of the impact to a range of scenarios including 1-in-200 shocks on the Group's long-term liquidity and the minimum cash and cash equivalent levels required to cover enhanced stresses.

The Group increased its undrawn Revolving Credit Facility during the period from £300m to £400m for general corporate and working capital purposes. Interest is payable on any drawn amounts at a rate of SONIA plus a margin of between 0.81% and 1.94% per annum depending on the Group's ratio of net debt to net assets and the outcomes of certain sustainability performance targets.

The table below summarises the maturity profile of the financial liabilities, including both principal and interest payments, of the Group based on remaining undiscounted contractual obligations:

31 December 2024	Within one year or payable on demand £m	One to five years £m	Five to ten years £m	Over ten years £m	Total £m
Investment contract liabilities	4	50	–	–	54
Subordinated debt	209	439	138	428	1,214
Derivative financial liabilities	3,142	9,393	7,031	19,452	39,018
Repurchase obligation	3,357	626	–	–	3,983
Obligations for repayment of cash collateral received	662	–	–	–	662
Other payables	327	–	–	–	327

31 December 2023	Within one year or payable on demand £m	One to five years £m	Five to ten years £m	Over ten years £m	Total £m
Investment contract liabilities	7	38	–	–	45
Subordinated debt	47	598	285	–	930
Derivative financial liabilities	1,463	4,273	5,725	17,642	29,103
Repurchase obligation	2,178	478	–	–	2,656
Obligations for repayment of cash collateral received	532	–	–	–	532
Other payables	11	–	–	–	11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

29. CONTINGENT LIABILITIES, GUARANTEES AND INDEMNITIES

Provision for the liabilities arising under contracts with policyholders is based on certain assumptions at outset, which may differ over time based upon actual experience, resulting in a variance of the provision originally made. Liabilities may also arise in respect of claims relating to the interpretation of policyholder contracts, or circumstances in which policyholders have entered into them. It is not possible to predict the preciseness of such liabilities as they are influenced by a number of factors, including updated legislation, guidance and regulation of the PRA, FCA, ombudsman rulings, industry compensation schemes and court judgments.

Relevant Group companies ensure that they make prudent provision as and when such circumstances became known and more precise, and readjust capital and reserves to meet such reasonably foreseeable eventualities. However, it is not always possible to predict with certainty the extent and timing of the financial impact on such liabilities arising from these circumstances.

Group companies continue to give warranties, indemnities and guarantees as part of their normal business operations, whether in relation to capital market transactions or otherwise.

30. CAPITAL

Group capital position

The Group's estimated regulatory capital surplus position at 31 December 2024 is shown below. This excludes the impact from repayment of Tier 3 debt in February 2025, which is estimated to reduce the Solvency coverage ratio to 204% as reported in the Business Review.

	Solvency II capital requirement		Minimum Group Solvency II capital requirement	
	31 December 2024[1,2] £m	31 December 2023[1,2] £m	31 December 2024 £m	31 December 2023[2] £m
Eligible own funds	3,159	3,104	2,508	2,572
Capital requirement	(1,494)[4]	(1,577)	(502)[4]	(462)
Excess own funds	1,665[4]	1,527	2,006[4]	2,110
Solvency II Capital coverage ratio[3]	211%[3,4]	197%	499%[3,4]	557%

1 Solvency II capital coverage ratios as at 31 December 2024 and 31 December 2023 include a formal recalculation of TMTP.
2 2024 regulatory position is estimated. 2023 regulatory position is reported as included in the Group's Solvency II and Financial Condition Report as at 31 December 2023.
3 2024 regulatory position excludes the £104m reduction in eligible own funds (net of release of restrictions) from repayment of the Group's £155m Tier 3 debt in February 2025, which is estimated to reduce the Solvency coverage ratio to 204%. There would be no impact on the Minimum Group Solvency II capital requirement.
4 The capital requirement, excess own funds and Capital coverage ratio information is unaudited.

Further information on the Group's Solvency II position, including a reconciliation between the regulatory capital position to the reported capital surplus, is included in the Business Review. This information is estimated and therefore subject to change.

The Group and its regulated insurance subsidiaries are required to comply with the requirements established by the Solvency II Framework directive as adopted by the Prudential Regulation Authority ("PRA") in the UK, and to measure and monitor its capital resources on this basis. The overriding objective of the Solvency II capital framework is to ensure there is sufficient capital within the Group and its insurance companies to protect policyholders and meet their payments when due. Firms are required to maintain eligible capital, or "Own Funds", in excess of the value of their Solvency Capital Requirements ("SCR"). The SCR represents the risk capital required to be set aside to absorb 1-in-200 year stress tests over the next one-year time horizon, allowing for each risk type that the Group is exposed to, including longevity risk, property risk, credit risk and interest rate risk. These risks are all aggregated with appropriate allowance for diversification.

The capital requirement for Just Group plc is calculated using an approved Internal Model.

Group entities that are under supervisory regulation and are required to maintain a minimum level of regulatory capital are:

- JRL and PLACL – authorised by the PRA, and regulated by the PRA and FCA.
- HUB Financial Solutions Limited, Just Retirement Money Limited and Partnership Home Loans Limited – authorised and regulated by the FCA.
- In accordance with a waiver agreed with the PRA, the Group's South Africa business is out of scope for regulatory reporting to the PRA.

The Group and its regulated subsidiaries complied with their regulatory capital requirements throughout the year.

Capital management

The Group's objectives when managing capital for all 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 reasonably 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 contracts commensurately with the level of risk; and
- to generate capital from in-force business, excluding economic variances, management actions, and dividends, that is greater than new business strain.

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

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 does not write new business.

EVT Compliance

The Effective Value Test ("EVT") is a regulatory requirement that assesses the economic value of equity release mortgages (LTMs). The EVT is used to ensure that LTMs do not exceed the economic value of assets on the Solvency II balance sheet. At 31 December 2024, JRL and PLACL passed the PRA EVT with a buffer of 1.2% and 1.0% (unaudited) respectively, over the current minimum deferment rate of 3.5% (allowing for volatility of 13%, in line with the requirement for the EVT).

At 31 December 2023, the buffer for JRL was 1.1% (unaudited) compared to the minimum deferment rate of 3.0%. PLACL did not take credit for the matching adjustment on LTM assets at 31 December 2023 so the EVT test was not applicable at that time.

Regulatory developments

Following PRA approval to move from Standard Formula to Internal Model for calculating the PLACL capital requirement in July 2024, the Firm now uses an Internal Model for calculating the capital requirement of JRL, PLACL and the Group.

The key regulatory developments are included below.

Residential ground rents – 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. Although the previous government did not implement any reform of residential ground rent, the new government may still consider reforming the ground rent charges. The Group is closely monitoring the new government's agenda, which remains uncertain, and the impact of this on the Group's £157m (2023: £176m) portfolio of residential ground rents. An adjustment was made at year end 2023, which has been maintained at a similar level for year end 2024 to reflect the ongoing uncertainty.

Matching adjustment (SUK) reform – In line with the requirements set out in PS10/24, the Group has implemented required changes at 31 December 2024, including: 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 of these regulatory changes is reported within the Business review analysis of movement in excess own funds. The Group is assessing new matching adjustment eligible investment opportunities.

Life Insurance Stress Test – The PRA is conducting its second Life Insurance Stress Test ("LIST") exercise in 2025 to assess sector and firm resilience to severe but plausible adverse scenarios and to strengthen market understanding of risk exposures. JRL and PLACL will take part in the exercise. The Group will assess the impact of a severe economic stress, as prescribed by the PRA in a document published in January, and provide results to the PRA in June 2025. The PRA plans to publish sector and firm level results in Q4 2025. The Group has been engaged with industry and regulatory discussions ahead of LIST 2025.

31. GROUP ENTITIES

In accordance with the requirements of the Companies Act 2006, information regarding the Group's related undertakings at 31 December 2024 are disclosed below. Related undertakings comprise subsidiaries, joint ventures, associates and other significant holdings.

	Principal activity	Registered office	Percentage of nominal share capital and voting rights held
Direct subsidiary			
Just Retirement Group Holdings Limited[3]	Holding company	Reigate	100%
Partnership Assurance Group Limited[3]	Holding company	Reigate	100%
Indirect subsidiary			
HUB Acquisitions Limited[1, 3]	Holding company	Reigate	100%
HUB Financial Solutions Limited	Distribution	Reigate	100%
Just Re 1 Limited[3]	Investment activity	Reigate	100%
Just Re 2 Limited[3]	Investment activity	Reigate	100%
Just Retirement (Holdings) Limited[3]	Holding company	Reigate	100%
Just Retirement (South Africa) Holdings (Pty) Limited	Holding company	South Africa	100%
Just Retirement Life (South Africa) Limited	Life assurance	South Africa	100%
Just Retirement Limited	Life assurance	Reigate	100%
Just Retirement Management Services Limited[3]	Management services	Reigate	100%
Just Retirement Money Limited	Provision of lifetime mortgage products	Reigate	100%
Partnership Group Holdings Limited[3]	Holding company	Reigate	100%
Partnership Holdings Limited[3]	Holding company	Reigate	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

31. GROUP ENTITIES continued

	Principal activity	Registered office	Percentage of nominal share capital and voting rights held
Indirect subsidiary			
Partnership Home Loans Limited	Provision of lifetime mortgage products	Reigate	100%
Partnership Life Assurance Company Limited	Life assurance	Reigate	100%
Partnership Services Limited[3]	Management services	Reigate	100%
TOMAS Online Development Limited[3]	Software development	Belfast	100%
Enhanced Retirement Limited	Dormant	Reigate	100%
HUB Digital Solutions Limited	Dormant	Reigate	100%
Pension Buddy Limited	Dormant	Belfast	100%
HUB Pension Solutions Limited	Dormant	Reigate	100%
HUB Transfer Solutions Limited	Dormant	Reigate	100%
JRP Group Limited	Dormant	Reigate	100%
JRP Nominees Limited	Dormant	Reigate	100%
Just Annuities Limited	Dormant	Reigate	100%
Just Equity Release Limited	Dormant	Reigate	100%
Just Direct Limited	Dormant	Reigate	100%
Just Management Services (Proprietary) Limited	Dormant	South Africa	100%
Just Protection Limited	Dormant	Reigate	100%
Just Retirement Finance plc[3]	Non-trading	Reigate	100%
Just Retirement Nominees Limited	Dormant	Reigate	100%
Just Retirement Solutions Limited	Dormant	Reigate	100%
PAG Finance Limited	Dormant	Jersey	100%
PAG Holdings Limited	Dormant	Jersey	100%
PASPV Limited	Dormant	Reigate	100%
PayingForCare Limited	Dormant	Reigate	100%
PLACL RE 1 Limited	Investment activity	Reigate	100%
PLACL RE 2 Limited	Dormant	Reigate	100%
TOMAS Acquisitions Limited	Dormant	Reigate	100%
The Open Market Annuity Service Limited	Dormant	Belfast	100%
HUB Pension Consulting (Holdings) Limited[3]	Holding company	Reigate	100%
HUB Pension Consulting Limited[3]	Pension consulting	Reigate	100%
Spire Platform Solutions Limited[2]	Software development	Reigate	100%
White Rock Insurance (Gibraltar) PCC Limited	Protected cell company	Gibraltar	100%
Pineyard Unit Trust	Unit trust	Jersey	100%
Associate			
TP2 Unit trust	Unit trust	Guernsey	60%
Comentis Ltd	Product development	Bristol	13%

1 Class “A” and Class “B” ordinary shares.
2 30 June year end.
3 The financial statements of these subsidiary undertakings are exempt from the requirements of the Companies Act 2006 relating to the audit of individual financial statements by virtue of Section 479A of the Companies Act 2006.

Registered offices

Reigate office:
Enterprise House
Bancroft Road
Reigate, Surrey RH2 7RP

Belfast office:
Level 5 The Ewart
3 Bedford Street
Belfast BT2 7EP

South Africa office:
Spaces Waterfront, Dock Road Junction
Cnr Stanley & Dock Road, Waterfront
Cape Town 8001

Jersey office (PAG):
44 Esplanade
St Helier
Jersey JE4 9WG

Consolidated structured entities

The Group holds an investment in a cell of a Protected Cell Company, White Rock Insurance (Gibraltar) PCC Limited, 913 Europort, Gibraltar, GX 11 1AA. Financial support provided by the Group is limited to amounts required to cover transactions between the cell and the Group. Just is the cell owner of the individual protected cell and owns the single insurance share associated with the cell. The Group has provided £10m financial support in the form of a letter of credit.

The Group holds a controlling interest in a Jersey Property Unit Trust (JPUT), Pineyard Unit Trust, Pineyard Trustee 1 Limited, 47 Esplanade, St Helier, Jersey JE1 0BD. The Group has determined that it controls the JPUT as a result of the Group's ability to remove the Trustees; other than the Group and the Trustees there are no other parties with decision making rights over the JPUT. The Group has taken the option within IFRS 3 "Business Combinations" to apply the concentration test to determine whether the JPUT represents a business within the scope of IFRS 3. The conclusion of the concentration test is that the assets of the JPUT are concentrated in the single identifiable asset of the investment property, which the Trust is not permitted to dispose except on termination, and as such the investment by the Group does not represent a business combination (see note 14). The Group has consolidated the results of the JPUT; any excess of investment purchase price over the fair value of the assets acquired is allocated against the identifiable assets and liabilities in proportion to their relative fair values; goodwill is not recognised.

Unconsolidated structured entities

The Group has interests in structured entities which are not consolidated as the definition of control has not been met.

Interests in unconsolidated structured entities include investment funds and liquidity funds and loans granted to special purpose vehicles ("SPVs") secured by assets held by the SPVs such as commercial mortgages and long income real estate.

As at 31 December 2024 the Group's interest in unconsolidated structured entities, which are classified as investments held at fair value through profit or loss, is shown below:

	31 December 2024 £m	31 December 2023 £m
Loans secured by commercial mortgages	809	764
Long income real estate	787	779
Asset backed securities	1,078	7
Investment funds	399	495
Liquidity funds	1,792	1,141
Total	**4,865**	**3,186**

The Group's exposure to financial loss from its interest in unconsolidated structured entities is limited to the amounts shown above. The Group is not required to provide financial support to the entities, nor does it sponsor the entities, or intend to do so.

Non-controlling interests

During the year, the Group acquired the remaining non-controlling interest in Spire Platform Solutions for £1m.

The Group has no material non-controlling interests.

Associates

The Group holds a 60% equity stake in a Guernsey Property Unit Trust (GPUT) "TP2 Unit Trust", M&G (Guernsey), PO Box 156, Dorey Court, Admiral Park, St. Peter Port, Guernsey GY1 4EU.

The GPUT is a structured entity as voting rights are not the determining factor in assessing which party controls the entity. Although the Group has a majority equity stake, the decisions regarding the relevant activities of the GPUT are made by the Trustee. Each investor holds veto rights, however these are not proportionate to the equity holding and as such the veto rights do not give any investor more power than any other investor. The Group accounts for this investment as an Associate using the equity method.

All other associates are immaterial.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

31. GROUP ENTITIES continued

Summarised financial information for associates

Summarised balance sheet – GPUT	31 December 2024 £m	31 December 2023 £m
Assets		
Financial investments	196	244
Cash and cash equivalents	3	3
Total assets	**199**	**247**
Equity		
Partners capital	327	327
Retained earnings	(131)	(80)
Total equity	**196**	**247**
Other payables	3	–
Total equity and liability	**199**	**247**

Reconciliation to carrying amount	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Net assets brought forward – GPUT	247	270
Total movement in retained earnings	(51)	(23)
Net assets at 31 December – GPUT	**196**	**247**
Group's share – GPUT	118	148
Group's share – Other associates	1	1
Carrying amount of associates	**119**	**149**

Summarised statement of comprehensive income – GPUT	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Fair value loss on financial investments	(43)	(15)
Distributions to unitholders	(8)	(8)
Total movement in retained earnings	**(51)**	**(23)**

32. RELATED PARTIES

The Group has related party relationships with its key management personnel and subsidiary undertakings detailed in note 31. Key management personnel comprise the Directors of the Company. There were no material transactions between the Group and its key management personnel other than those disclosed below. Key management compensation is as follows:

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Short-term employee benefits	3	3
Share-based payments	2	2
Total	**5**	**5**

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.

33. ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The Company is the ultimate Parent and Controlling Party of the Group.

34. POST BALANCE SHEET EVENTS

Subsequent to 31 December 2024, the Directors proposed a final dividend for 2024 of 1.8 pence per ordinary share (2023: 1.5 pence) and together with the interim dividend of 0.7 pence per ordinary share paid in 4 October 2024 amounting to £26m (2023: £22m) in total. 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.

On 6 February 2025 the Group repaid the remaining £155m notional of its Tier 3 subordinated debt.

STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

for the year ended 31 December 2024

Year ended 31 December 2024	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Tier 1 notes £m	Total £m
At 1 January 2024	104	93	295	462	322	1,276
Profit for the year	–	–	–	17	–	17
Total comprehensive income for the year	**–**	**–**	**–**	**17**	**–**	**17**
Contributions and distributions						
Dividends	–	–	–	(23)	–	(23)
Interest paid on Tier 1 notes (net of tax)	–	–	–	(12)	–	(12)
Share-based payments reserve credit	–	–	–	6	–	6
Transactions in shares held by trusts	–	–	2	(5)	–	(3)
Total contributions and distributions	**–**	**–**	**2**	**(34)**	**–**	**(32)**
At 31 December 2024	**104**	**93**	**297**	**445**	**322**	**1,261**

Year ended 31 December 2023	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Tier 1 notes £m	Total £m
At 1 January 2023	104	93	290	476	322	1,285
Profit for the year	–	–	–	22	–	22
Total comprehensive income for the year	**–**	**–**	**–**	**22**	**–**	**22**
Contributions and distributions						
Dividends	–	–	–	(19)	–	(19)
Interest paid on Tier 1 notes (net of tax)	–	–	–	(12)	–	(12)
Share-based payments reserve credit	–	–	–	6	–	6
Transactions in shares held by trusts	–	–	5	(11)	–	(6)
Total contributions and distributions	**–**	**–**	**5**	**(36)**	**–**	**(31)**
At 31 December 2023	**104**	**93**	**295**	**462**	**322**	**1,276**

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

as at 31 December 2024

	Note	31 December 2024 £m	31 December 2023 £m
Assets			
Investments in Group undertakings	2	861	855
Loans to Group undertakings	3	910	711
Property and equipment		5	3
Deferred tax		–	1
Total non-current assets		**1,776**	**1,570**
Financial investments	4	264	85
Prepayments and accrued income		–	1
Loans to Group undertakings	3	51	300
Amounts due from Group undertakings		–	1
Cash available on demand		15	12
Total current assets		**330**	**399**
Total assets		**2,106**	**1,969**
Equity			
Share capital	5	104	104
Share premium	5	93	93
Other reserves	6	297	295
Retained earnings		445	462
Total equity attributable to shareholders of Just Group plc		**939**	**954**
Tier 1 notes		**322**	**322**
Total equity		**1,261**	**1,276**
Liabilities			
Subordinated debt	7	684	689
Lease liability		2	2
Total non-current liabilities		**686**	**691**
Subordinated debt		157	–
Other payables		2	2
Total current liabilities		**159**	**2**
Total liabilities		**845**	**693**
Total equity and liabilities		**2,106**	**1,969**

The Company has taken advantage of the exemption in Section 408 of the Companies Act 2006 not to present its own statement of comprehensive income. The profit arising in the year amounts to £17m (2023: £22m). The financial statements were approved by the Board of Directors on 6 March 2025 and were signed on its behalf by:

M. Godson

MARK GODSON

Director

Company number: 08568957

STATEMENT OF CASH FLOWS OF THE COMPANY

for the year ended 31 December 2024

	Year ended 31 December 2024 £m	Year ended 31 December 2023 (restated)[1] £m
Cash flows from operating activities		
Profit before tax	23	30
Adjustments for:		
Impairment of loans to Group undertakings	–	2
Transactions in shares held by trusts	(3)	(6)
Coupon received on Tier 1 notes from Group undertakings	(26)	(28)
Interest income	(63)	(59)
Interest expense	59	51
Change in operating assets and liabilities:		
Decrease in prepayments	–	5
Taxation received	–	4
Net cash outflow from operating activities	**(10)**	**(1)**
Cash flows from investing activities		
Interest received on financial assets	7	4
Acquisition of property and equipment	(2)	–
Repayment of loans from Group undertakings	300	–
Issue of loan to Group undertaking	(250)	–
Coupon received on Tier 1 notes from Group undertakings[1]	26	28
Interest received on borrowings from Group undertakings[1]	56	56
Net cash inflow from investing activities[1]	**137**	**88**
Cash flows from financing activities		
Proceeds on issue of borrowings (net of costs)	398	–
Payment on redemption of borrowings	(256)	(26)
Dividends paid	(23)	(19)
Coupon paid on Tier 1 notes[1]	(16)	(16)
Interest paid on borrowings[1]	(48)	(49)
Net cash inflow/(outflow) from financing activities[1]	**55**	**(110)**
Net increase/(decrease) in cash and cash equivalents	182	(23)
Cash and cash equivalents at 1 January	97	120
Cash and cash equivalents at 31 December	**279**	**97**
Cash available on demand	15	12
Units in liquidity funds	264	85
Cash and cash equivalents at 31 December	**279**	**97**

1 Payments and receipts in respect of coupons/interest are presented on a gross basis as there is no right of offset between the external payments due and the intercompany receipts. Prior period figures have been restated to report £28m interest received on the Tier 1 notes from Group undertakings and £56m interest received on the loans from Group undertakings within investing activities; previously reported within financing activities net of coupons/interest paid.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. MATERIAL ACCOUNTING POLICIES

General information

Just Group plc (the "Company") is a public company limited by shares, incorporated and domiciled in England and Wales.

1.1.Basis of preparation

The financial statements have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and the disclosure guidance and transparency rules sourcebook of the United Kingdom's Financial Conduct Authority.

The accounting policies followed in the Company financial statements are the same as those in the consolidated accounts. Values are expressed to the nearest £1m.

1.2. Net investment income

Investment income is accrued up to the balance sheet date. Investment expenses and charges are also recognised on an accruals basis.

1.3. Taxation

Taxation is based on profits for the year as determined in accordance with the relevant tax legislation, together with adjustments to provisions for prior periods. Deferred taxation is provided on temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient taxable profits to utilise carried forward tax losses against which the reversal of underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

1.4 Investments in Group undertakings

Shares in subsidiary undertakings are stated at cost less any provision for impairment.

1.5 Loans to Group undertakings

Investments in subordinated debt issued by subsidiary undertakings are valued at amortised cost net of impairment for expected credit losses. Expected credit losses are calculated on a 12-month forward-looking basis where the debt has low credit risk or has had no significant increase in credit risk since the debt originated.

1.6 Financial investments

Financial investments are designated at fair value through profit or loss on initial recognition and subsequently measured at Fair Value Through Profit or Loss ("FVTPL").

1.7 Share-based payments

The Group offers share award and option plans for certain key employees and a Save As You Earn scheme for all employees. The share-based payment plans operated by the Group are all equity-settled plans. Under IFRS 2, Share-based payment, where the Company, as the Parent Company, has the obligation to settle the options or awards of its equity instruments to employees of its subsidiary undertakings, and such share-based payments are accounted for as equity-settled in the Group financial statements, the Company records an increase in the investment in subsidiary undertakings for the value of the share options and awards granted with a corresponding credit entry recognised directly in equity. The value of the share options and awards granted is based upon the fair value of the options and awards at the grant date, the vesting period and the vesting conditions.

1.8 Classification of intra-Group loan arrangements

The Company assesses the commercial substance of its intra-Group lending arrangements to determine the classification as either a financial asset (that gives rise to a financial liability or equity instrument in the subsidiary) or whether the lending arrangement forms part of the Company's investment in the subsidiary. In making the assessment the Company considers evidence of past principal and coupon payments, planned payments and the contractual terms of the arrangement. Intra-Group loans that bear a market rate of interest and have fixed repayment dates are classified as financial liabilities by the subsidiary and as financial assets by the Company.

The Company issued Restricted Tier 1 notes in the external market in 2019 and on-lent the proceeds from these instruments to its subsidiaries JRL and PLACL under the same commercial terms as the Company obtained in the external market. During the current year, these instruments were redeemed, and JRL entered into a simultaneous replacement Restricted Tier 1 note under the same commercial terms as the original instrument and reflecting current market rates of interest.

These instruments are classified as equity instruments by the issuer as explained in note 21 to the Group financial statements; classification by the subsidiaries is consistent with this. As the on-lending of this instrument was on the same commercial terms, the Company does not consider that the transaction represents an action in its capacity as the shareholder, and therefore the asset recognised in the Company's financial statements is classified as a financial asset in the scope of IFRS 9. Interest received on these Restricted Tier 1 notes is recognised in profit or loss when received.

2. INVESTMENTS IN GROUP UNDERTAKINGS

	Shares in Group undertakings 2024 £m	Shares in Group undertakings 2023 £m
At 1 January	855	849
Additions	6	6
At 31 December	**861**	**855**

Details of the Company's investments in the ordinary shares of subsidiary undertakings are given in note 31 to the Group financial statements. Additions to shares in Group undertakings relate to the cost of share-based payments for services provided by employees of subsidiary undertakings to be satisfied by shares issued by the Company. Investments in Group undertakings are assessed annually for any indication of impairment.

Impairment testing has been carried out to assess the recoverable amount of the investments in JRL and PLACL at 31 December 2024. The carrying amount of the investment at 31 December 2024 for JRL was £513m and for PLACL was £272m. The recoverable amounts for both entities were calculated to be in excess of this amount, indicating that no impairment of the Company's investment in JRL or PLACL was required.

The calculation of value-in-use for JRL and PLACL uses cash flow projections based on the emergence of surplus for in-force business on a Solvency II basis, together with new business cash flows on a Solvency II basis set out in the Group's business plan approved by the Board. The pre-tax discount rates used were 12.1% for JRL and 11.1% for PLACL. The discount rates were determined using a weighted average cost of capital approach, adjusted for specific risks attributable to the businesses, with the lower rate used for PLACL reflecting that it is largely closed to new business. A one percentage point increase in the discount rates used would reduce the headroom of the excess of the value-in-use above the cost of investment of JRL and PLACL by 16% and 14% respectively. The Directors have not identified a reasonably possible change in assumptions which would result in the carrying amount of the Group's investment in JRL or PLACL to exceed its recoverable amount.

3. LOANS TO GROUP UNDERTAKINGS

	2024 £m	2023 £m
At 1 January	1,011	1,000
Additions	250	13
Repayments	(300)	–
Loss allowance for expected credit losses	–	(2)
At 31 December	**961**	**1,011**

Details of the Company's loans to Group undertakings are as follows:

	31 December 2024 £m	31 December 2023 £m
9.375% perpetual restricted Tier 1 contingent convertible debt (call option in April 2024) issued by JRL in April 2019	–	250
9.375% perpetual restricted Tier 1 contingent convertible debt (call option in April 2024) issued by PLACL in April 2019	–	50
9.75% perpetual restricted Tier 1 contingent convertible debt (call option in March 2031) issued by JRL in April 2024	250	–
7.0% 10.5-year subordinated debt 2031 (Tier 2) issued by JRL in November 2020	76	76
7.0% 10.5-year subordinated debt 2031 (Tier 2) issued by PLACL in November 2020	102	102
8.2% 10-year subordinated debt 2030 (Tier 2) issued by JRL in May 2020	103	103
8.125% 10-year subordinated debt 2029 (Tier 2) issued by JRL in October 2019	25	25
8.125% 10-year subordinated debt 2029 (Tier 2) issued by PLACL in October 2019	102	102
9.0% 10-year subordinated debt 2026 (Tier 2) issued by JRL in October 2016	254	254
5.0% 7-year subordinated debt 2025 (Tier 3) issued by JRL in December 2018[1]	51	51
	963	**1,013**
Less: Loss allowance for expected credit losses	(2)	(2)
Total	**961**	**1,011**

1 Included in current assets.

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

3. LOANS TO GROUP UNDERTAKINGS continued

On 26 April 2019, JRL issued £250m fixed rate perpetual restricted Tier 1 contingent convertible notes to the Company. These notes were redeemed in full on 26 April 2024. New loan notes of £250m have been advanced to JRL by the Company on 26 April 2024 with no fixed maturity date and under same terms but with a new interest rate of 9.75%.

On 26 April 2019, PLACL completed the issue of £50m fixed rate perpetual restricted Tier 1 contingent convertible notes. The notes were redeemed in full on 26 April 2024.

4. FINANCIAL INVESTMENTS

	Fair value (designated)	
	31 December 2024 £m	31 December 2023 £m
Units in liquidity funds	264	85
Total	**264**	**85**

All assets for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measured as a whole. In the fair value hierarchy, units in liquidity funds are all classified as Level 1. There have been no transfers between levels during the year.

5. SHARE CAPITAL AND SHARE PREMIUM

The allotted, issued and fully paid ordinary share capital of the Company at 31 December 2024 is detailed below:

	Number of £0.10 ordinary shares	Share capital £m	Share premium £m	Total £m
At 1 January 2024	1,038,702,932	104	93	197
At 31 December 2024	**1,038,702,932**	**104**	**93**	**197**
At 1 January 2023	1,038,702,932	104	93	197
At 31 December 2023	**1,038,702,932**	**104**	**93**	**197**

6. OTHER RESERVES

	31 December 2024 £m	31 December 2023 £m
Merger reserve	300	300
Share held by trusts	(3)	(5)
Total other reserves	**297**	**295**

The merger reserve was established as the result of a placing of 94,012,782 ordinary shares in 2019 and the acquisition of 100% of the equity of Partnership Assurance Group plc in 2016.

The placing was achieved by the Company acquiring 100% of the equity of a limited company for consideration of the new ordinary shares issued. Accordingly, merger relief under Section 612 of the Companies Act 2006 applied, and share premium was not recognised in respect of this issue of shares. The merger reserve recognised represents the premium over the nominal value of the shares issued.

Consideration for the acquisition of the equity shares of Partnership Assurance Group plc consisted of a new issue of shares in the Company. Accordingly, merger relief under Section 612 of the Companies Act 2006 applied, and share premium was not recognised in respect of this issue of shares. The merger reserve recognised represents the difference between the nominal value of the shares issued and the net assets of Partnership Assurance Group plc acquired.

7. SUBORDINATED DEBT

Details of the Company's subordinated debt are shown in note 24 to the Group financial statements. The Company's Tier 3 debt is repayable on 7 February 2025 and is presented within current liabilities.

8. RELATED PARTY TRANSACTIONS

(a) Trading transactions and balances

The following transactions were made with related parties during the year:

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Staff costs, Directors' remuneration, operating expenses and management fees charged	(8)	(5)
Interest on loan balances charged to JRL	64	64
Interest on loan balances charged to PLACL	18	20

Additions to Group undertakings are detailed in note 2 and loans advanced to or repaid by Group undertakings are detailed in note 3.

The following balances in respect of related parties were owed by the Company at the end of the year:

	31 December 2024 £m	31 December 2023 £m
Amounts owed for Group tax relief	(1)	–
Others	(1)	(2)

The following balances in respect of related parties were owed to the Company at the end of the year:

	31 December 2024 £m	31 December 2023 £m
Loans to JRL (including interest)	758	759
Loans to PLACL (including interest)	203	253
Amounts owed for Group tax relief	–	1
Others	(2)	(1)

(b) Key management compensation

Key management personnel comprise the Directors of the Company.

Key management compensation is disclosed in note 32 to the Group financial statements.

9. COMMITMENTS

Capital commitments of £nil (2023: £2m) relate to improvements to office space to be undertaken in the Company's Belfast office.

10. POST BALANCE SHEET EVENTS

Subsequent to 31 December 2024, the Directors proposed a final dividend for 2024 of 1.8 pence per ordinary share (2023: 1.5 pence), and together with the interim dividend of 0.7 pence per ordinary share paid in 4 October 2024 amounting to £26m (2023: £22m) in total. 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.

On 6 February 2025 the Company repaid the remaining £155m notional of its Tier 3 subordinated debt. Prior to this, the Company received the proceeds from settlement of the outstanding £50m notional associated with the Tier 3 loan to Group undertaking JRL.

ADDITIONAL INFORMATION

The following additional financial information is unaudited.

FINANCIAL INVESTMENTS CREDIT RATINGS

The sector analysis of the Group's financial investments portfolio by credit rating at 31 December 2024 is shown below:

	Total £m	%	AAA £m	AA £m	A £m	BBB £m	% BBB £m	BB or below £m
Basic materials	109	0.4%	–	5	21	79	1.1%	4
Communications and technology	1,154	4.3%	117	223	162	652	9.4%	–
Auto manufacturers	85	0.3%	–	–	78	7	0.1%	–
Consumer staples (including healthcare)	1,226	4.5%	129	175	541	364	5.3%	17
Consumer cyclical	178	0.7%	–	4	47	127	1.8%	–
Energy	278	1.0%	–	67	5	175	2.5%	31
Banks	1,469	5.4%	51	108	908	402	5.8%	–
Insurance	745	2.8%	–	301	102	342	5.0%	–
Financial – other	590	2.2%	90	85	329	86	1.3%	–
Real estate including REITs	630	2.3%	30	16	289	245	3.6%	50
Government	3,081	11.4%	312	2,301	230	238	3.4%	–
Industrial	524	1.9%	–	105	155	254	3.7%	10
Utilities	2,452	9.1%	–	64	889	1,489	21.6%	10
Commercial mortgages	809	3.0%	89	323	281	116	1.7%	–
Long income real estate[1]	1,808	6.7%	157	234	921	496	7.2%	–
Infrastructure	3,512	13.0%	57	367	1,246	1,829	26.5%	13
Other	43	0.2%	–	–	43	–	0.0%	–
Corporate/government bond total	**18,693**	**69.2%**	**1,032**	**4,378**	**6,247**	**6,901**	**100.0%**	**135**
Other assets	888	3.3%						
Lifetime mortgages	5,637	20.9%						
Liquidity funds	1,792	6.6%						
Investments portfolio	27,010	100.0%						
Derivatives and collateral	3,564							
Gilts (interest rate hedging)	3,951							
Total	**34,525**							

1 Includes residential ground rents of £157m rated AAA.

NEW BUSINESS PROFIT RECONCILIATION

New business profit is deferred on the balance sheet under IFRS 17. In addition IFRS 17 provides clarification regarding the economic assumptions to be used at the point of recognition of contracts. Just recognises contracts based on their completion dates for IFRS 17, but bases its assessment of new business profitability for management purposes based on the economic parameters prevailing at the quote date of the business.

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
New business CSM on gross business written	438	380
Reinsurance CSM	24	(37)
Net new business CSM	**462**	**343**
Impact of using quote date for profitability measurement	(2)	12
New business profit	**460**	**355**

RECONCILIATION FROM OPERATING PROFIT TO IFRS CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The tables below present the reconciliation from the Group's APM income statement view to the IFRS statement of comprehensive income for the Group. Further information on these tables is included in the Business Review.

YEAR ENDED 31 DECEMBER 2024

Alternative profit measure format					Statutory accounts format				
	Reported £m	Quote date difference £m	CSM deferral £m	Adjusted total £m	Insurance service result £m	Net investment result £m	Other finance costs £m	Other income, expenses and associates £m	PBT £m
New business profit	460	2	(462)	–					
CSM amortisation	(71)		71	–					
Net underlying CSM increase	389	2	(391)	–					
In-force operating profit	236			**236**	161	75			**236**
Other Group companies' operating results	(17)			**(17)**				(17)	**(17)**
Development costs and other	(35)			**(35)**				(35)	**(35)**
Finance costs	(69)			**(69)**			(69)		**(69)**
Underlying operating profit	504	2	(391)	**115**	161	75	(69)	(52)	**115**
Operating experience and assumption changes	(37)		22	**(15)**	(12)	(3)			**(15)**
Adjusted operating profit before tax	467	2	(369)	**100**					
Investment and economic movements	18	(2)		**16**		226	(192)	(18)	**16**
Strategic expenditure	(23)			**(23)**				(23)	**(23)**
Adjustment for transactions reported directly in equity in IFRS	20			**20**			20		**20**
Adjusted profit before tax	482		(369)	**113**					
Deferral of profit in CSM	(369)		369	**–**					
Profit before tax	113			**113**	149	298	(241)	(93)	**113**

YEAR ENDED 31 DECEMBER 2023

Alternative profit measure format					Statutory accounts format				
	Reported £m	Quote date difference £m	CSM deferral £m	Adjusted total £m	Insurance service result £m	Net investment result £m	Other finance costs £m	Other income, expenses and associates £m	PBT £m
New business profit	355	(12)	(343)	–					
CSM amortisation	(62)		62	–					
Net underlying CSM increase	293	(12)	(281)	–					
In-force operating profit	191			191	136	55			191
Other Group companies' operating results	(15)			**(15)**				(15)	**(15)**
Development costs and other	(24)			**(24)**				(24)	**(24)**
Finance costs	(68)			**(68)**			(68)		**(68)**
Underlying operating profit	377	(12)	(281)	**84**	136	55	(68)	(39)	**84**
Operating experience and assumption changes	52		(67)	**(15)**	(18)	3			**(15)**
Adjusted operating profit before tax	429	(12)	(348)	**69**					
Investment and economic movements	92	12		**104**		215	(70)	(41)	**104**
Strategic expenditure	(17)			**(17)**				(17)	**(17)**
Adjustment for transactions reported directly in equity in IFRS	16			**16**			16		**16**
Adjusted profit before tax	520		(348)	**172**					
Deferral of profit in CSM	(348)		348	**–**					
Profit before tax	172			**172**	118	273	(122)	(97)	**172**

INFORMATION FOR SHAREHOLDERS

The following information is unaudited.

SHAREHOLDER PROFILE AS AT 31 DECEMBER 2024

Holdings	No. of holders	% of holders	No. of shares	% of issued share capital
1–5,000	511	48.07	515,656	0.05
5,001–10,000	63	5.93	470,912	0.05
10,001–100,000	217	20.41	7,633,158	0.73
100,001–1,000,000	136	12.79	52,857,087	5.09
1,000,001–10,000,000	113	10.63	366,297,729	35.26
10,000,001–20,000,000	11	1.04	162,949,600	15.69
20,000,001 and over	12	1.13	447,978,790	43.13
Totals	**1,063**	**100.00**	**1,038,702,932**	**100.00**

REGISTRAR

The Company's register of shareholders is maintained by our Registrar, Equiniti Limited. All enquiries regarding shareholder administration, including dividends, lost share certificates or changes of address, should be communicated in writing, quoting the Company's reference number 3947 to Equiniti via one of the methods below.

Online
Shareholders can view and manage their shareholdings and dividend mandates online at **www.shareview.co.uk**

Telephone
+44 (0) 371 384 2787 Lines are open 8.30am to 5.30pm (UK time) Monday to Friday (excluding public holidays in England and Wales).

Post
Equiniti Limited, Aspect House, Spencer Road Lancing, West Sussex, BN99 6DA

DIVIDEND PAYMENTS AND MANDATES

Any dividends due will only be paid by direct credit. We strongly encourage all shareholders to register a Shareview Portfolio and nominate their bank account at www.shareview.co.uk in order to receive their cash dividends by direct transfer to a bank or building society account.

ANNUAL GENERAL MEETING

The Company's 2025 Annual General Meeting ("AGM") will be held on Thursday 8 May 2025 at 10.00am at 1 Angel Lane, London EC4R 3AB. More information about the AGM can be found in the Notice of Meeting, which will be made available to shareholders separately.

FINANCIAL CALENDAR

Event	Date
Ex-dividend date for final dividend	10 April 2025
Record date for final dividend	11 April 2025
Annual General Meeting	8 May 2025
Payment date for final dividend	14 May 2025
2025 half-year end	30 June 2025
2025 half-year results announcement	7 August 2025

Please note that the above dates may be subject to change.

JUST GROUP PLC SHARE PRICE

The Company's ordinary shares are listed on the equity shares of commercial companies segment of the London Stock Exchange under the symbol JUST. Current and historical share price information is available on our website **www.justgroupplc.co.uk/investors/share-monitor** and also on many other websites.

ELECTRONIC COMMUNICATIONS

Shareholders are encouraged to elect to receive shareholder documents electronically to receive shareholder information quickly and securely, and to help us save paper and reduce our carbon footprint, by registering with Shareview at **www.shareview.co.uk**.

Shareholders who have registered will be sent an email notification whenever shareholder documents are available on the Company's website. When registering, shareholders will need their shareholder reference number which can be found on their share certificate or Form of Proxy.

SHAREHOLDER SECURITY

Shareholders should be very wary of any unsolicited advice, offers to buy shares at a discount, or offers of free company reports. These are typically from overseas based "brokers" who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in UK investments. These operations are commonly known as "boiler rooms". These "brokers" can be very persistent and persuasive. Just Group plc shareholders are advised to be extremely wary of such approaches and to only deal with firms authorised by the FCA. You can check whether an enquirer is properly authorised and report scam approaches by contacting the FCA on **www.fca.org.uk/consumers** or by calling the FCA Consumer Helpline on 0800 111 6768.

INVESTOR RELATIONS ENQUIRIES

For all institutional investor relations enquiries, please contact our Investor Relations team whose contact details can be found at **www.justgroupplc.co.uk/contact-us**. Individual shareholders with queries regarding their shareholding in the Company should contact our Registrar, Equiniti Limited.

Shareholders can keep up to date with all the latest Just Group plc news and events by registering with our Alert Service **www.justgroupplc.co.uk/investors/alert-service**. Select the information of interest to you, such as Results, Board changes and AGM and other meetings. You will then be notified by email when this information is available to view on our website.

Digital copies of our Annual Report and Accounts are available at **www.justgroupplc.co.uk/investors/results-reports-and-presentations** and physical copies can be obtained by contacting our Registrar, Equiniti Limited.

CAUTIONARY STATEMENT AND FORWARD-LOOKING STATEMENTS

This Annual 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 Annual Report involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. This Annual 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', 'future', 'outlook', 'potential' 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-19 outbreak or the impact of other infectious diseases, climate change, the conflict in the Middle East, 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 inheritance tax or the costs of social care or climate action, particularly the transition to net zero); the impact of inflation and deflation on both market conditions and customer behaviours; market competition; failure to efficiently and effectively respond to climate change related risks and the transition to a net zero economy; 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 including cybersecurity threats and the rapid pace of technological change (including the role of artificial intelligence and machine learning); 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 Annual 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 Annual 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 Annual Report may not be indicative, and are not an estimate, forecast or projection of, the Group's future results. Nothing in this Annual Report should be construed as a profit forecast.

DIRECTORS AND ADVISERS

The following is unaudited.

DIRECTORS

Non-Executive Directors:

John Hastings-Bass, Chair
Mary Phibbs, Senior Independent Director
Jim Brown
Michelle Cracknell
Mary Kerrigan

Executive Directors:

David Richardson, Group Chief Executive Officer
Mark Godson, Group Chief Financial Officer

GROUP COMPANY SECRETARY

Simon Watson

REGISTERED OFFICE

Just Group plc

Enterprise House
Bancroft Road
Reigate
Surrey RH2 7RP

Website: **www.justgroupplc.co.uk**
Tel: +44 (0)1737 233296

Registered in England and Wales number 08568957

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP

7 More London Riverside
London
SE1 2RT

CORPORATE BROKERS

J.P. Morgan Cazenove

25 Bank Street
Canary Wharf
London
E14 5JP

RBC Capital Markets

100 Bishopsgate
London
EC2N 4AA

CORPORATE LAWYERS

Hogan Lovells International LLP

Atlantic House
Holborn Viaduct
London
EC1A 2FG

GLOSSARY

Acquisition costs	Comprise directly attributable costs incurred in the selling, underwriting and commencing of insurance contracts.
Adjusted operating profit before tax	An APM, this is the sum of underlying operating profit and operating experience and assumption changes. The net underlying CSM increase is added back as the Board considers the value of new business is significant in assessing business performance. As such Adjusted operating profit is reported prior to the deferral of profit in CSM as defined below. Adjusted operating profit before tax is reconciled to IFRS profit before tax in the Business Review.
Adjusted profit/ (loss) before tax	An APM, this is the profit/(loss) before tax before deferral of profit in CSM and represents adjusted operating profit before tax plus the impact from non-operating items (investment and economic movement, strategic expenditure, and any adjustments to IFRS for transactions reported directly in equity).
Alternative performance measure ("APM")	In addition to statutory IFRS performance measures, the Group has presented a number of non-statutory alternative performance measures. The Board believes that the APMs used give a useful insight into the underlying performance of the Group. APMs are identified in this glossary together with a reference to where the APM has been reconciled to its nearest statutory IFRS equivalent. APMs regarding our Solvency position are reconciled to the Solvency II excess own funds. APMs which are also KPIs are indicated as such.
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.
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	A Solvency II APM and represents underlying organic capital generation before the impact of new business strain and development costs and other.
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 yet retired.
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 obtain retirement benefits.
De-risk	An action carried out by the trustees of a pension scheme with the aim of transferring risks such as longevity, investment, inflation, from the sponsoring employer and scheme to a third party such as an insurer.
Development costs	Incurred relating to the generation of incremental value (extending market reach or share) in future years, from developing existing products, markets, or new developments to the Group's technology and modelling capability, and additionally major business transformational projects related to generating incremental value in future years.
Drawdown (sales or products)	Collective term for investment products including Capped Drawdown.
Employee benefits consultant ("EBC")	An adviser offering specialist knowledge to employers on the legal, regulatory and practical issues of rewarding staff, including non-wage compensation such as pensions, health and life insurance and profit sharing.

GLOSSARY continued

Finance costs	Finance costs included within underlying operating profit include coupons paid on the Group's restricted Tier 1 notes, interest payable on the Group's Tier 2 and Tier 3 notes, facility non-utilisation fees and debt repurchase costs when incurred, and amortisation of debt issue and facility arrangement costs capitalised. Finance costs included in underlying organic capital generation include coupons paid on the Group's restricted Tier 1 notes, interest paid on the Group's Tier 2 and Tier 3 notes, and all facility costs when incurred. Debt issue and repurchase costs are excluded from underlying organic capital generation and included within capital actions when incurred.
Guaranteed Income for Life ("GIfL")	Retirement income products which transfer investment and longevity risk and provide the retiree with a guarantee to pay an agreed level of income for as long as the retiree lives. On a "joint-life" basis, the policy will continue to pay a guaranteed income to a surviving spouse/partner. Just provides modern individually underwritten GIfL solutions.
IFRS profit before tax	One of the Group's KPIs, representing the profit before tax attributable to equity holders.
In-force operating profit	An APM and represents profits from the in-force portfolio before investment and insurance experience variances, and assumption changes. It mainly represents expected release of risk adjustment for non-financial 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 movements	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, corporate bond 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 Retirement income sales (shareholder funded), New business profit, Underlying operating profit, IFRS profit before tax, Return on equity, Tangible net asset value per share, New business strain, Underlying organic capital generation and Solvency II capital coverage ratio.
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.
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")	An APM that represents IFRS total equity, net of tax, and excluding equity attributable to Tier 1 noteholders.
New business margin	An APM that is calculated by dividing new business profit by Retirement income sales (shareholder funded). It provides a measure of the profitability of shareholder funded Retirement income sales.
New business profit	An APM and one of the Group's KPIs, representing 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. The net underlying CSM increase from new business is added back as the Board considers the value of new business is significant in assessing business performance. New business profit is reconciled to adjusted profit before tax, which is reconciled to IFRS profit before tax in the Business Review.
New business strain	An APM and one of the Group's KPIs, representing 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 Requirement.
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.
Operating experience and assumption changes	Represents changes to cash flows in the current and future periods valued based on end-of-period economic assumptions. This is reported prior to the deferral of profit in CSM from changes to future cash flows.
Organic capital generation	An APM that is calculated in the same way as underlying organic capital generation, plus the impact of management actions and other 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.
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.
PrognoSys™	The Group's proprietary underwriting engine, 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.
REITs	A Real Estate Investment Trust is a company that owns, operates, or finances income-generating real estate.
Retail	The Group's collective term for GIfL and Care Plan.
Retirement income sales (shareholder funded)	An APM and one of the Group's KPIs and a collective term for GIfL, DB and Care Plan new business sales "Sales" and excludes DB partner premium. Premiums are reported gross of commission paid. Retirement income sales (shareholder funded) are reconciled in note 2 to premiums included in the analysis of movement in insurance liabilities within note 22.
Return on equity	An APM and one of the Group's KPIs. Return on equity is calculated by dividing underlying operating profit after attributed tax for the period by the average tangible net asset value for the period and is expressed as an annualised percentage. Underlying operating profit and tangible net asset value are reconciled respectively to IFRS profit before tax and IFRS total equity in the Business Review.
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	Sets out regulatory requirements for insurance firms and groups, covering financial resources, governance and accountability, risk assessment and management, supervision, reporting and public disclosure.
Solvency UK	Covers the reforms to the Solvency II requirements for the UK and implemented by the PRA.
Solvency capital coverage ratio	One of the Group's KPIs. 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	Are costs that deliver major regulatory change, the implementation of major strategic investment, new product and business lines and other restructuring costs.
Tangible net asset value ("TNAV")	An APM that comprises 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	An APM and one of the Group's KPIs, 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 earnings per share	An APM that is calculated by dividing underlying operating profit after attributed tax by the weighted average number of shares in issue by the Group for the period.
Underlying operating profit	An APM and one of the Group's KPIs representing new business profit, in-force operating profit, other Group companies' operating results, development costs and other, and finance costs. Underlying operating profit is reported prior to deferring new business profit to the CSM as the Board considers the value of new business is significant in assessing business performance. 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 view of the development of the business aligned to growth and future cash release. Underlying operating profit is reconciled to adjusted operating profit before tax, which is reconciled to IFRS profit before tax in the Business Review.
Underlying organic capital generation	An APM and one of the Group's KPIs. Underlying organic capital generation is the net movement in Solvency II excess own funds over the year, generated from in-force surplus, 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. Underlying organic capital generation is reconciled to Solvency II excess own funds, which is reconciled to shareholders' net equity on an IFRS basis in the Business Review.

ABBREVIATIONS

ABI	Association of British Insurers
AGM	Annual General Meeting
APM	alternative performance measure
Articles	Articles of Association
CMI	Continuous Mortality Investigation
Code	UK Corporate Governance Code
CP	Care Plans
CPI	consumer prices index
DB	Defined Benefit De-risking Solutions
DC	defined contribution
DSBP	deferred share bonus plan
EBT	employee benefit trust
EPS	earnings per share
ERM	equity release mortgage
ESG	environment, social and governance
EVT	effective value test
FCA	Financial Conduct Authority
FRC	Financial Reporting Council
GDPR	General Data Protection Regulation
GHG	greenhouse gas
GIfL	Guaranteed Income for Life
GIPA	Guaranteed Income Producing Asset
Hannover	Hannover Life Reassurance Bermuda Ltd
IFRS	International Financial Reporting Standards
IP	intellectual property
ISA	International Standards on Auditing
JRL	Just Retirement Limited
KPI	key performance indicator
LCP	Lane Clark & Peacock LLP
LPI	limited price index
LTIP	Long Term Incentive Plan
LTM	lifetime mortgage
MA	matching adjustment
MAR	Market Abuse Regulation
NAV	net asset value
NNEG	no-negative equity guarantee
ORSA	Own Risk and Solvency Assessment
PAG	Partnership Assurance Group
PLACL	Partnership Life Assurance Company Limited
PPF	Pension Protection Fund
PRA	Prudential Regulation Authority
PRI	United Nations Principles for Responsible Investment
PVIF	purchased value of in-force
PwC	PricewaterhouseCoopers LLP
REIT	Real Estate Investment Trust
RPI	retail price inflation
SAPS	Self-Administered Pension Scheme
SAYE	Save As You Earn
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report
SID	Senior Independent Director
SIP	Share Incentive Plan
SLI	Secure Lifetime Income
SME	small and medium-sized enterprise
STIP	Short Term Incentive Plan
tCO_2e	tonnes of carbon dioxide equivalent
TMTP	transitional measures on technical provisions
TSR	total shareholder return

MIX
Paper | Supporting responsible forestry
FSC® C022913
FSC
www.fsc.org

CARBON BALANCED PAPER
WORLD LAND TRUST™
www.carbonbalancedpaper.com
CBP00019082504183028

Printed by a CarbonNeutral® Company certified to ISO 14001 environmental management system.

Printed on material from well-managed, FSC® certified forests and other controlled sources.

100% of the inks used are HP Indigo ElectroInk which complies with RoHS legislation and meets the chemical requirements of the Nordic Ecolabel (Nordic Swan) for printing companies, 95% of press chemicals are recycled for further use and, on average 99% of any waste associated with this production will be recycled and the remaining 1% used to generate energy.

The paper is Carbon Balanced with World Land Trust, an international conservation charity, who offset carbon emissions through the purchase and preservation of high conservation value land. Through protecting standing forests, under threat of clearance, carbon is locked-in, that would otherwise be released.

Designed and produced by **emperor**
Visit us at **emperor.works**

JUST.

THE RETIREMENT SPECIALIST

Just Group plc

Enterprise House
Bancroft Road
Reigate
Surrey RH2 7RP

JUSTGROUPPLC.CO.UK