



Chesnara

CHESNARA

FULL YEAR RESULTS 2025

Driving Strategic Change. Building Future Cashflows.

24 MARCH 2026

AGENDA



01.

**Overview of
strategic delivery**

02.

**Financial
highlights**

03.

**Outlook and
summary**



Steve Murray

Group Chief Executive Officer



Tom Howard

Group Chief Financial Officer

OVERVIEW OF STRATEGIC DELIVERY

Steve Murray
Group Chief
Executive Officer

TRANSFORMATIONAL STRATEGIC DELIVERY



1

DELIVER GOOD OUTCOMES
FOR CUSTOMERS AND
MAXIMISE VALUE FROM
EXISTING BUSINESS

2

ACQUIRE LIFE
AND PENSION
BUSINESSES

3

ENHANCE VALUE
THROUGH PROFITABLE
NEW BUSINESS

BECOMING A SUSTAINABLE CHESNARA

MAJOR STRATEGIC MILESTONES ACHIEVED



2025

2026

JULY

Completion of the Dutch Merger

JULY

Announced acquisition of HSBC Life (UK) and £140m Rights Issue

AUG

£150m RTI bond raise and admission to the FTSE 250

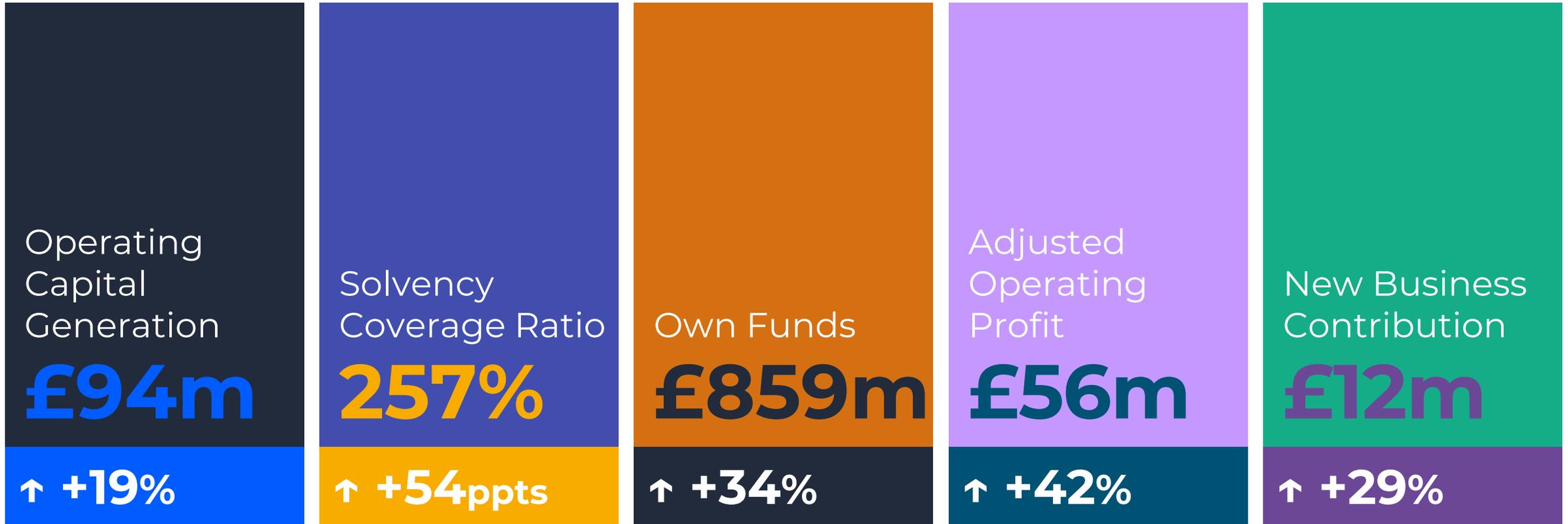
JAN

Completion of HSBC Life (UK), rebranded as Chesnara Life

FEB

Announced acquisition of Scottish Widows Europe SA

STRONG FINANCIAL DELIVERY



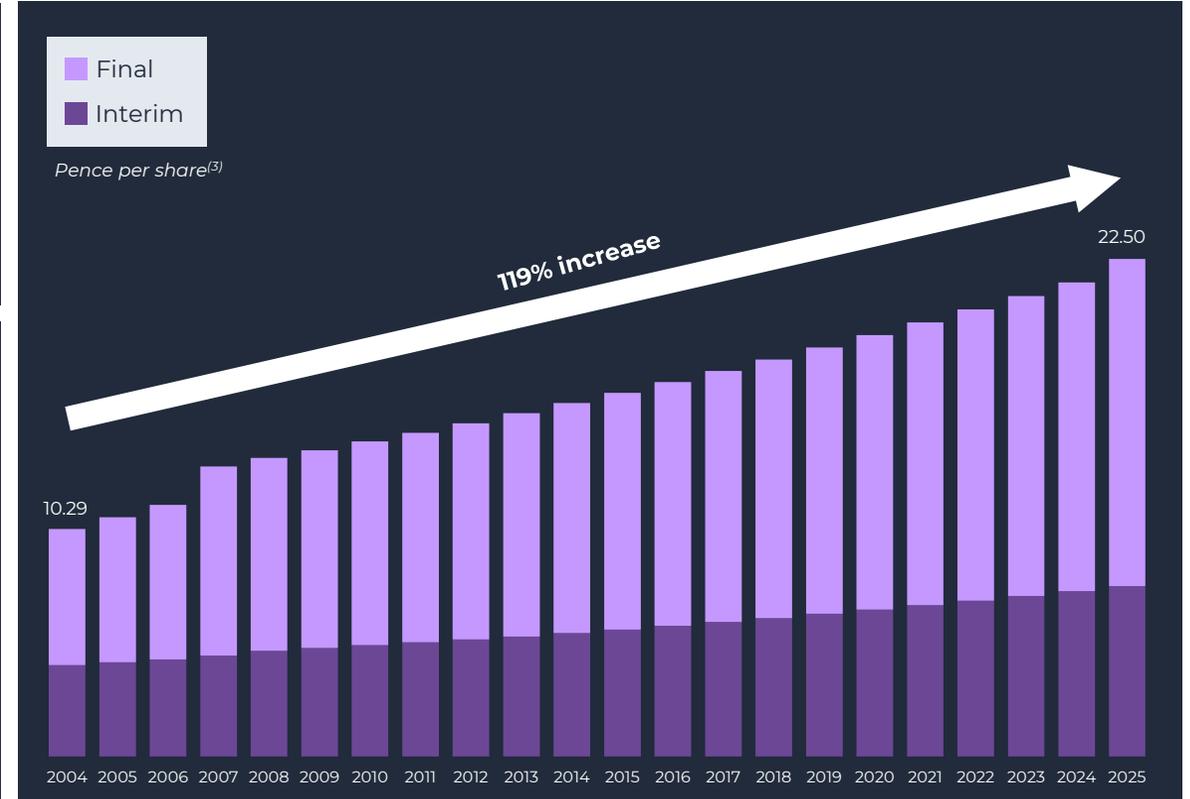
CONTINUING TO DELIVER FOR OUR INVESTORS



Total 2025
Shareholder
Return⁽¹⁾ of **43%**

6% increase in
the final dividend,
with an expected
6% increase to the
interim 2026
dividend

Unrivalled 21-
year track record
of dividend
growth⁽²⁾ in UK &
European
insurance



FINANCIAL HIGHLIGHTS

Tom Howard
Group Chief
Financial Officer

STRONG FINANCIAL DELIVERY



CASH
Operating Capital Generation £94m FY 2024: £79m
Cash Remittances £58m FY 2024: £45m

CAPITAL
Solvency Coverage Ratio 257% FY 2024: 203%
Own Funds £859m FY 2024: £643m

VALUE
AuA ⁽⁴⁾ £15bn FY 2024: £14bn
Adjusted Operating Profit £56m FY 2024: £39m

Final dividend
14.80p per share, **up 6%⁽³⁾** year on year

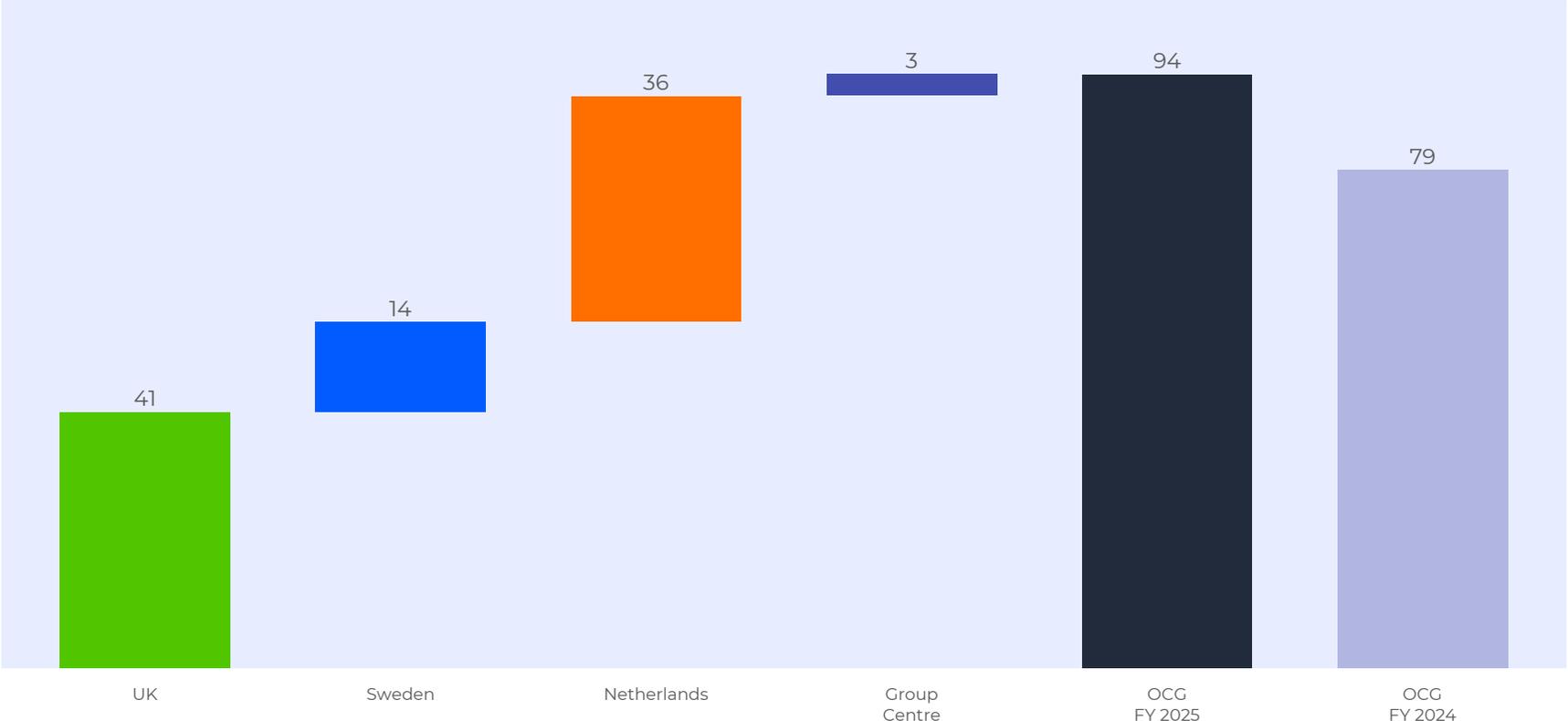
OPERATING CAPITAL GENERATION



↑19%

year on year, driven by:

- Organic capital generation;
- Capital optimisation actions; and
- Dutch merger synergies.

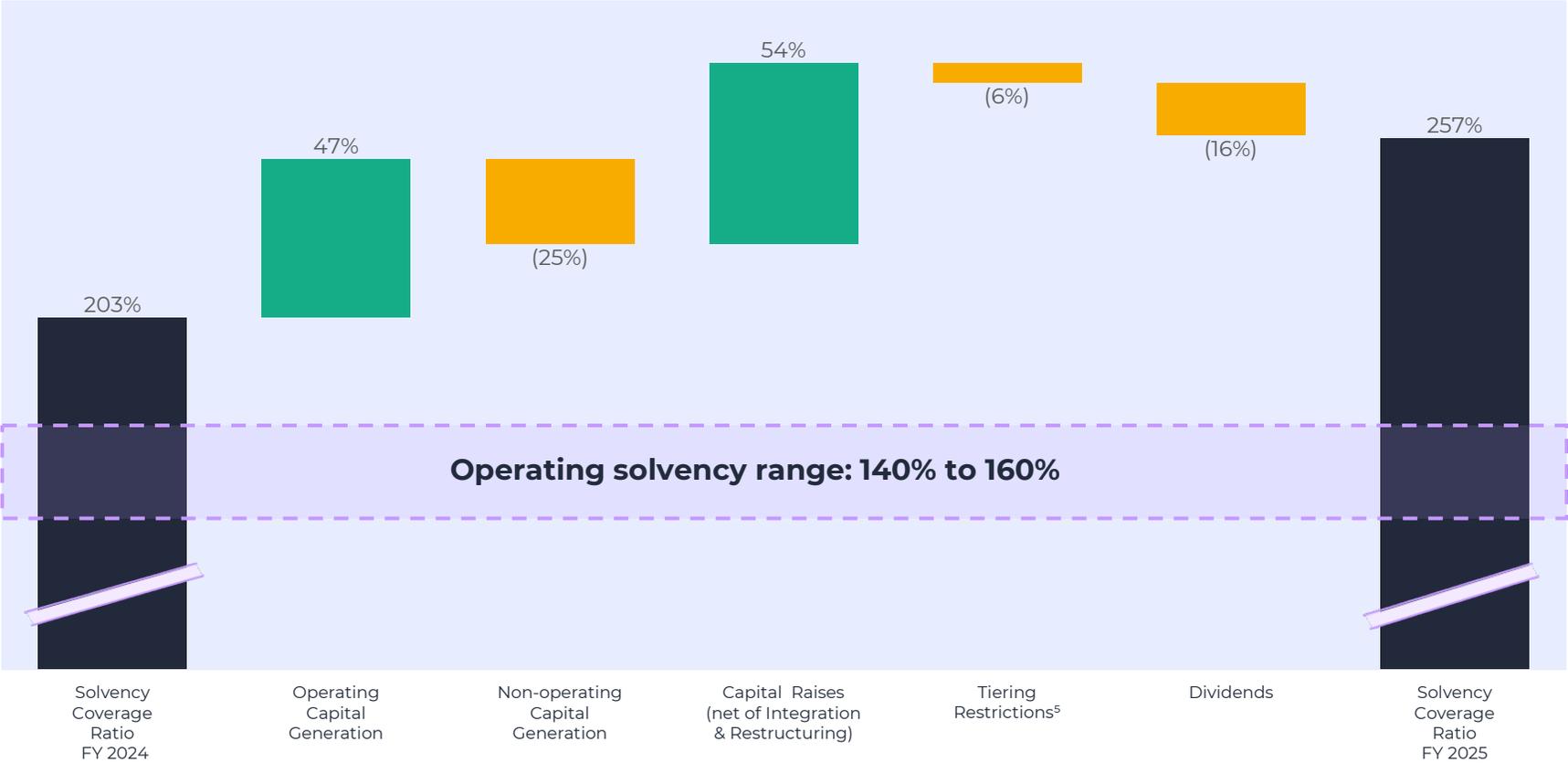


SOLVENCY COVERAGE RATIO



↑54ppts
 year on year, driven by:

- Capital raises;
- Strong operational performance; and
- Capital optimisation actions.



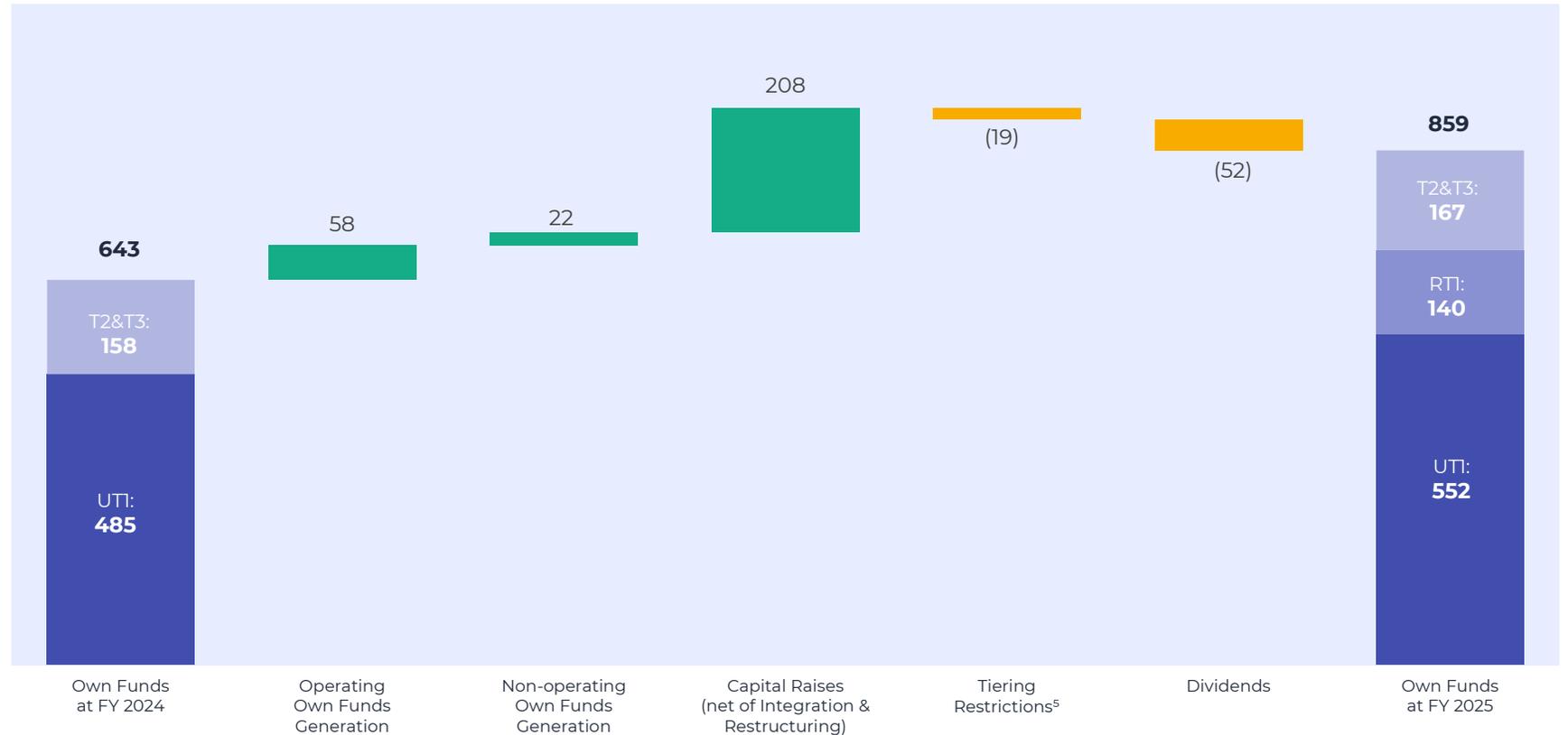
OWN FUNDS



↑ **34%**

year on year, driven by:

- Step change in scale from capital raises & strong operational performance; and
- Over £200m increase in Tier 1 capital.

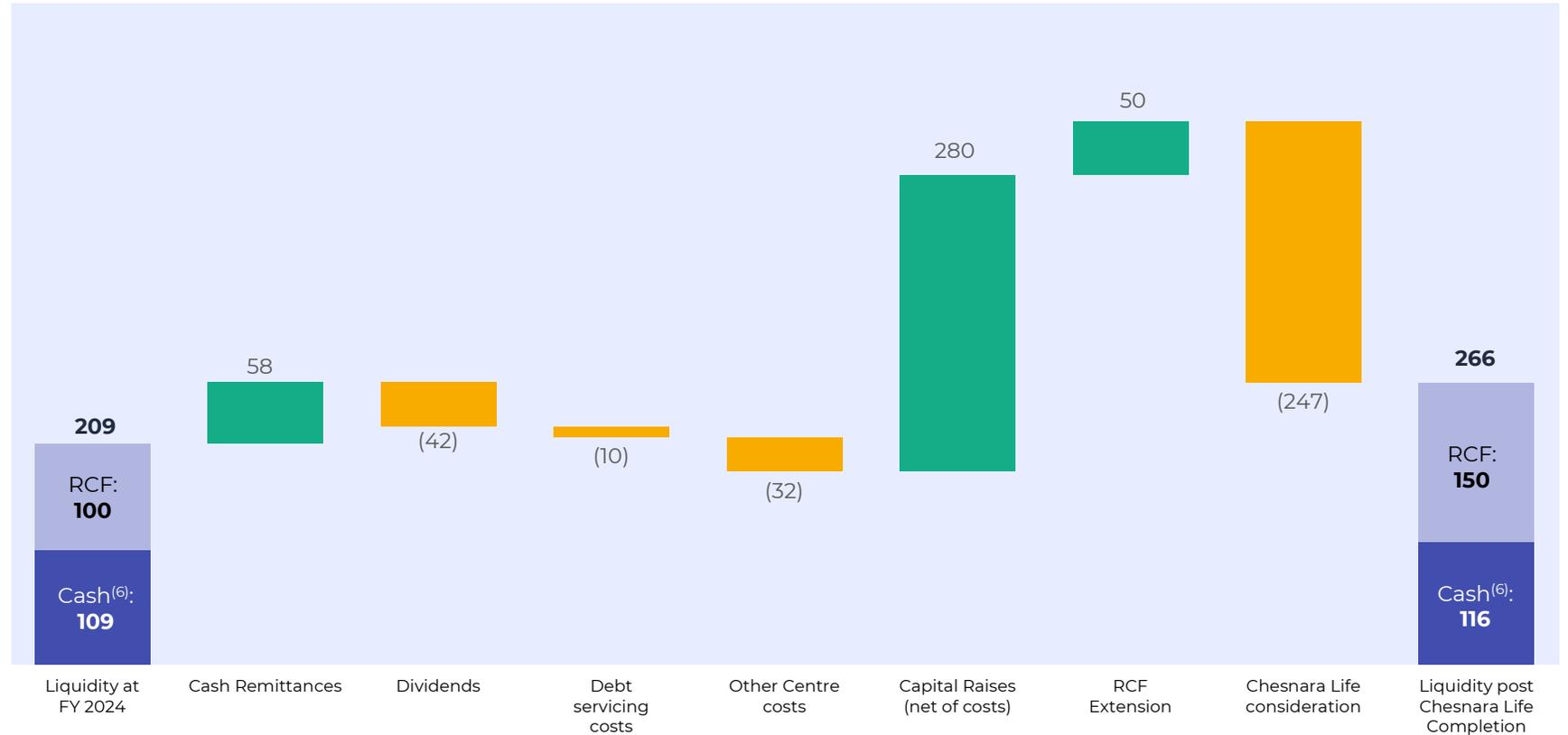


CENTRAL LIQUIDITY



£266m

of available resources post completion of Chesnara Life with headroom to fund further M&A activity.

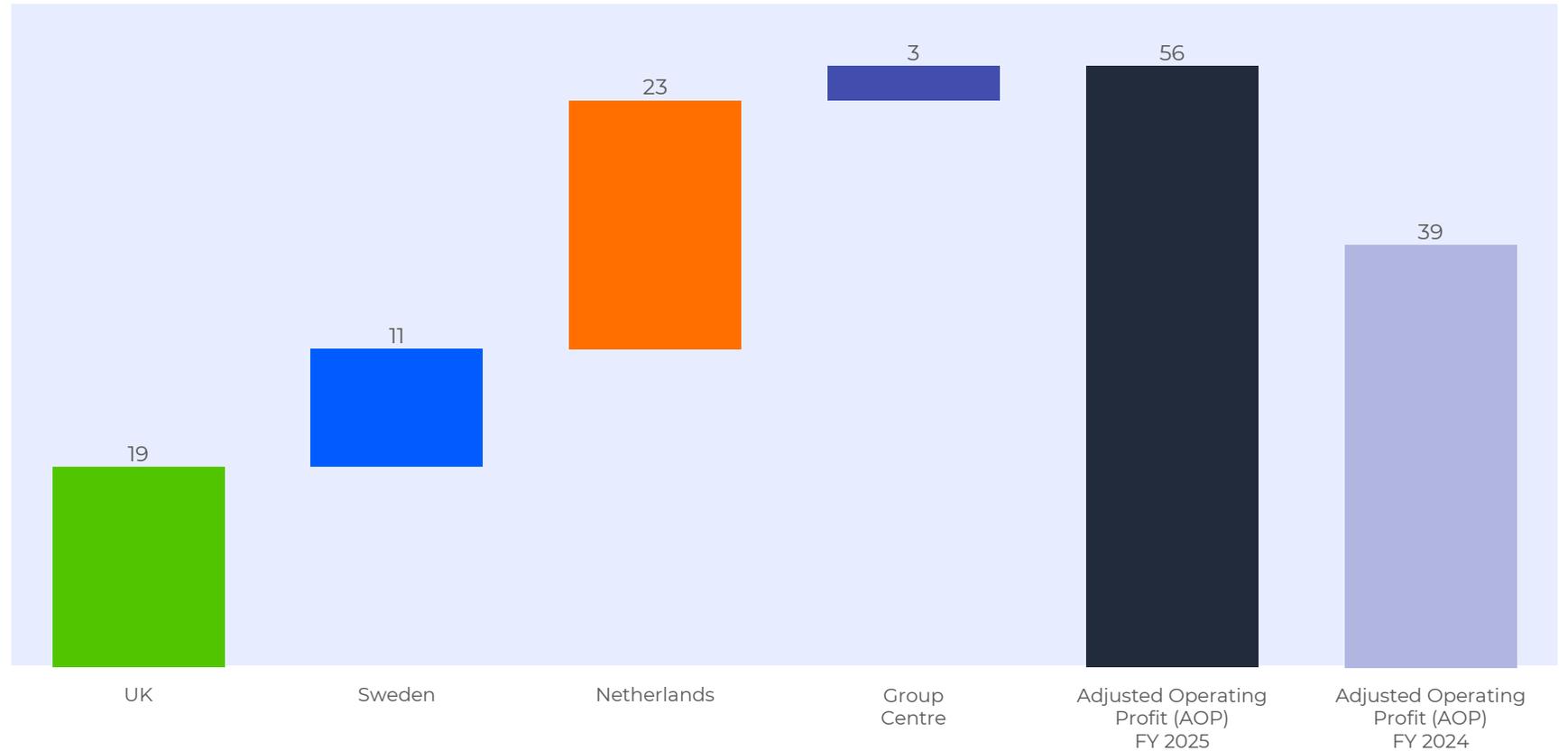


IFRS AOP



↑42%

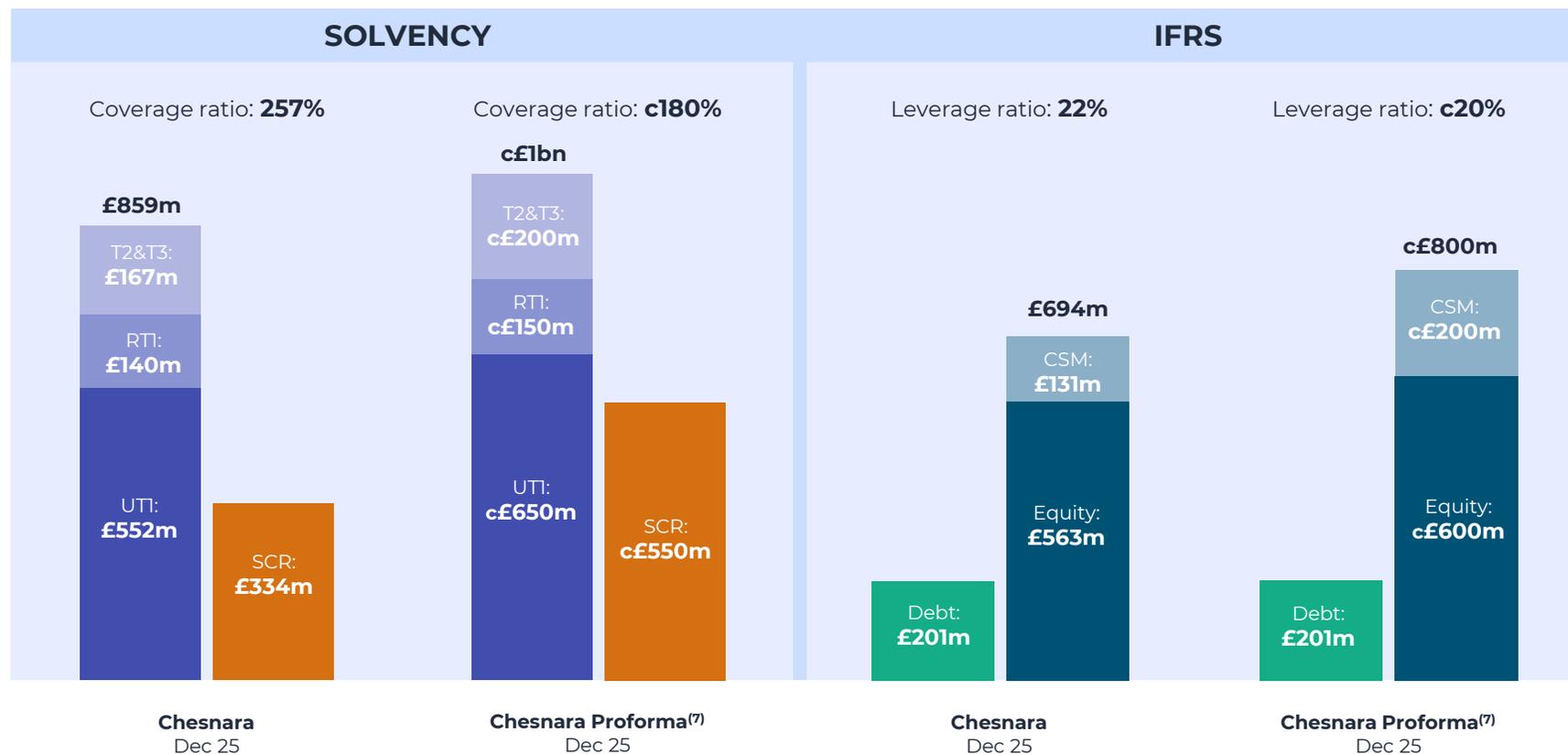
- Robust operating performance in the UK and Netherlands.
- IFRS Capital Base of £694m (FY 2024: £449m).
- Leverage reduced to 22% (FY 2024: 31%).



PROFORMA FINANCIALS: POST CHESNARA LIFE



- **Solvency Ratio** above upper-end of operating range.
- **Leverage** below Group's long-term ambition of 30% or less.
- **Firepower retained** to pursue further M&A opportunities.



OUTLOOK & SUMMARY

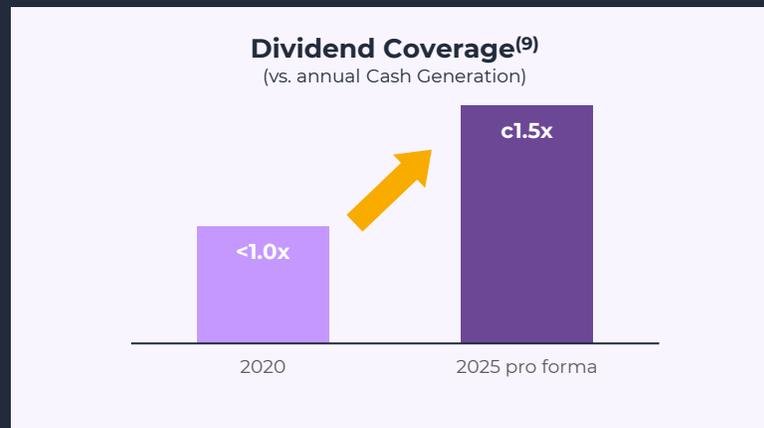
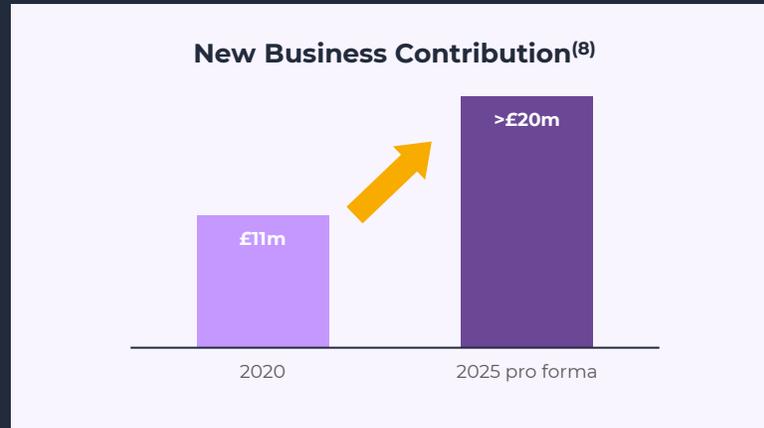
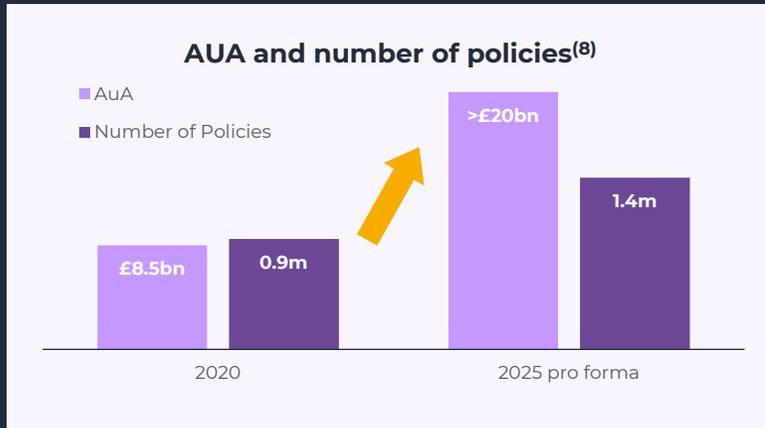
Steve Murray
Group Chief
Executive Officer

SIGNIFICANT PROGRESS OVER THE LAST 5 YEARS



<p>8 acquisitions for c£440m of consideration</p>	<p>New UK operating platform with 4 migrations already completed</p>	<p>New leadership in place across Group and Business Units</p>	<p>Capital optimisation actions delivered</p>
<p>£490m of capital raised</p>	<p>Restructure of Dutch businesses</p>	<p>First net zero ambitions published</p>	<p>New Swedish distribution partnerships</p>

CHESNARA: A ~£700M MARKET CAP FTSE 250 COMPANY



CLEAR AREAS OF FOCUS FOR 2026

1 Integration of
Chesnara Life

2 Change of control for
Scottish Widows Europe SA

3 **Further optimisation**
of the balance sheet including
execution of management actions

4 Evaluation and potential execution of
M&A opportunities

5 **Implement next phase**
of Dutch restructure

6 Deliver decarbonisation activities in line with
our Climate Transition Plan

AN UPDATE ON OUR RECENT M&A DEALS; STRONGLY POSITIONED FOR FUTURE M&A



CHESNARA LIFE

Formerly known as HSBC Life (UK)

DEAL METRICS⁽¹⁰⁾

£5bn

AUA

>450k

Policies

>£800m

Lifetime Cash
Generation

>£140m

Five-year Cash
Generation

ACTIONS COMPLETED

New **brand**
implemented

We have
welcomed **206**
colleagues

Integration
programme
progressing well

NEXT STEPS

Further work
on potential
management actions

Migration of HSBC
systems data due
end 2026

Part VII expected
to **complete in**
2027

SCOTTISH WIDOWS EUROPE SA

DEAL METRICS⁽¹⁰⁾

€1.7bn

AUA

46k

Policies

>€250m

Lifetime Cash
Generation

>€100m

Five-year Cash
Generation

ACTIONS COMPLETED

Agreement
signed to **acquire**

Change in control
work **underway**

Separation &
integration planning
established

NEXT STEPS

Secure **regulatory**
approval

Finalise target
operating
model

Prepare for **legal**
completion &
onboarding

DRIVING STRATEGIC CHANGE. BUILDING FUTURE CASHFLOWS.



Strong financial results, with growing capital and dividend



Transformational acquisition completed



Internal restructuring and capital management activities underway to **realise further synergies**



Announcement of **acquisition of Scottish Widows Europe SA**, with a good pipeline of future opportunities



QUESTIONS



APPENDICES

CHESNARA BACKGROUND



WHO WE ARE

Chesnara plc is a FTSE 250 European life, pensions and investment company with specialist expertise in consolidation.

We now administer c1.4m policies across the Group's business units of Countrywide Assured and Chesnara Life (formerly HSBC Life (UK) Ltd) in the UK, Scildon in the Netherlands and Movestic in Sweden.

Our new business franchises across the Group complement the Group's long-term Operating Capital Generation.

We are committed to becoming a sustainable Chesnara, including decarbonising our operational and financed emissions in line with our published Climate Transition Plan.

KEY FINANCIAL METRICS

31 December 2025
Group Solvency II Ratio: 257%



UK

SWEDEN

NETHERLANDS

OUR STRATEGIC PILLARS

1 MAXIMISE THE VALUE FROM EXISTING BUSINESS

The efficient management of life assurance, investment and pension policies, whilst ensuring good outcomes for customers and policyholders

2 ACQUIRE LIFE AND PENSION BUSINESSES

Disciplined M&A Framework identifies opportunities that enhance value over the long term

3 ENHANCE VALUE THROUGH PROFITABLE NEW BUSINESS

New business franchises in Sweden and the Netherlands and the sale of the Onshore Bond in the UK

Focused on delivering long-term cash flow accretion for the Group

MACRO ENVIRONMENT



EQUITY MARKETS

31 December 2025

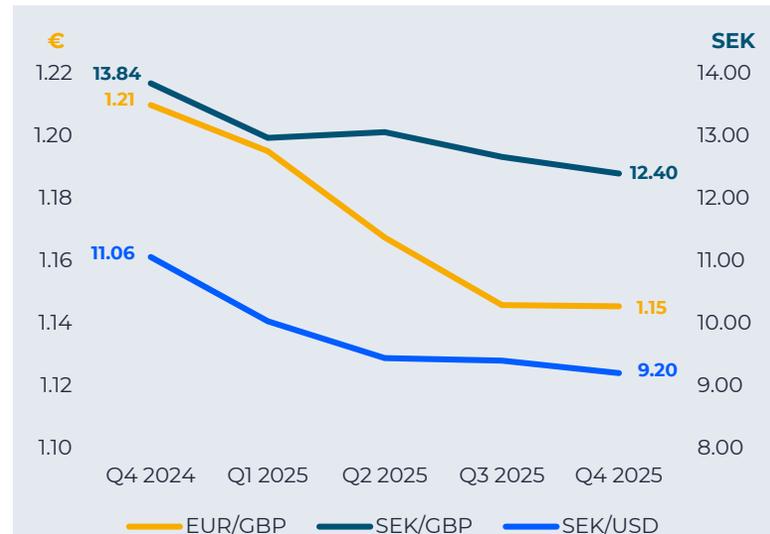


INTEREST RATES (10 YEARS)



Reference is for the end of the quarter, therefore, Q4 2025 is the rate at 31 December 2025 etc.

FX RATES



Reference is for the end of the quarter, therefore, Q4 2025 is the rate at 31 December 2025 etc.

CREDIT SPREADS



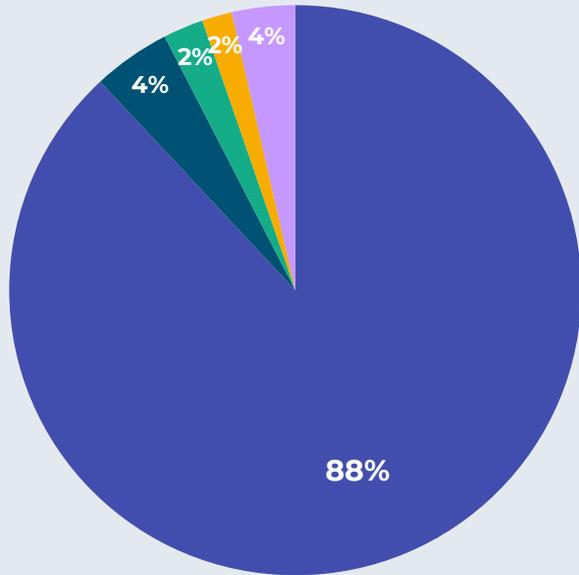
Reference is for the end of the quarter. Metrics relate to UK corporate bond yields and European credit spreads against the EIOPA swap curve.

PRODUCTS



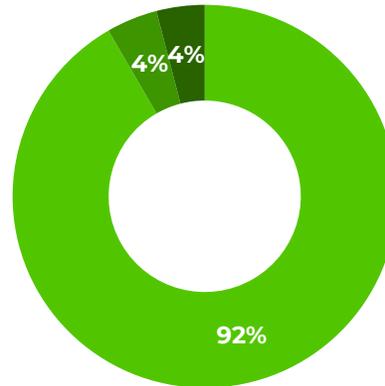
We have an asset risk lite portfolio with limited guarantee exposure

SII BEL⁽¹²⁾ BY PRODUCT



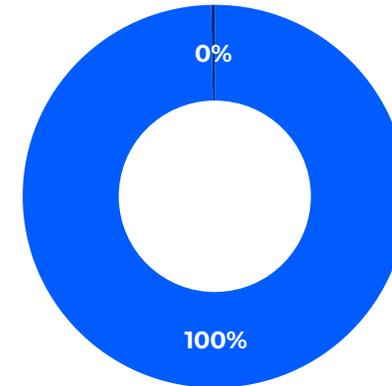
- Unit-linked
- Products with guarantees
- Non-linked savings
- Life risk / protection
- Other

UK



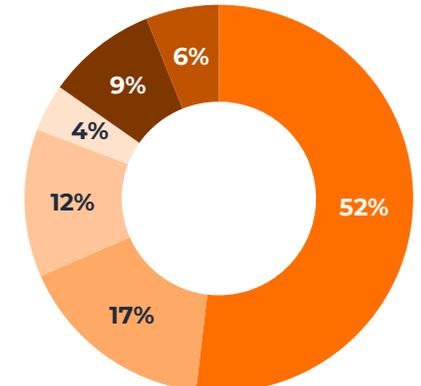
- Unit-linked
- Products with guarantees
- Other

SWEDEN



- Unit-linked
- Other

NETHERLANDS

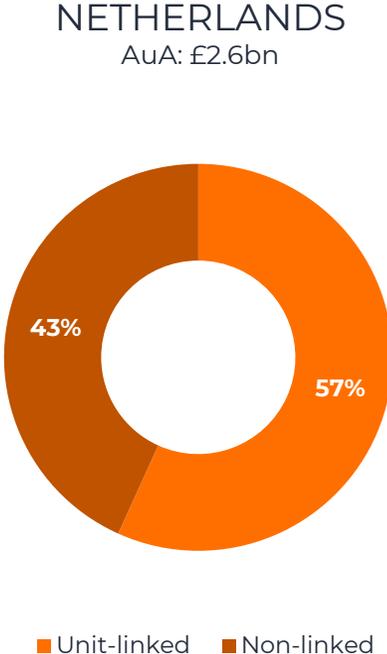
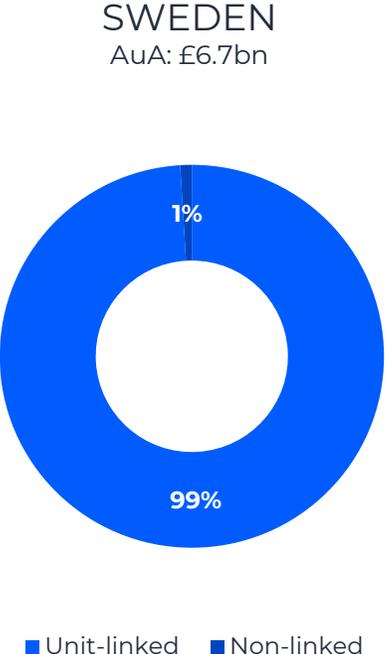
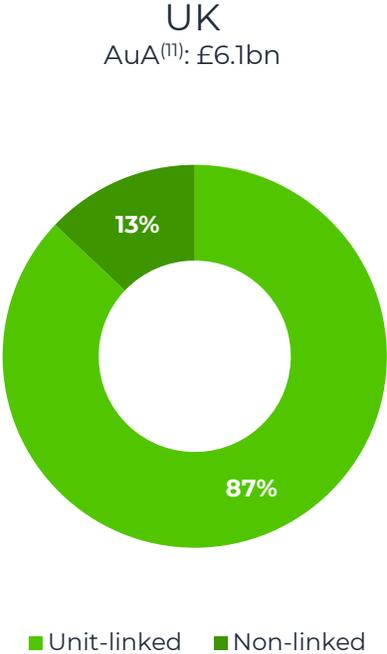
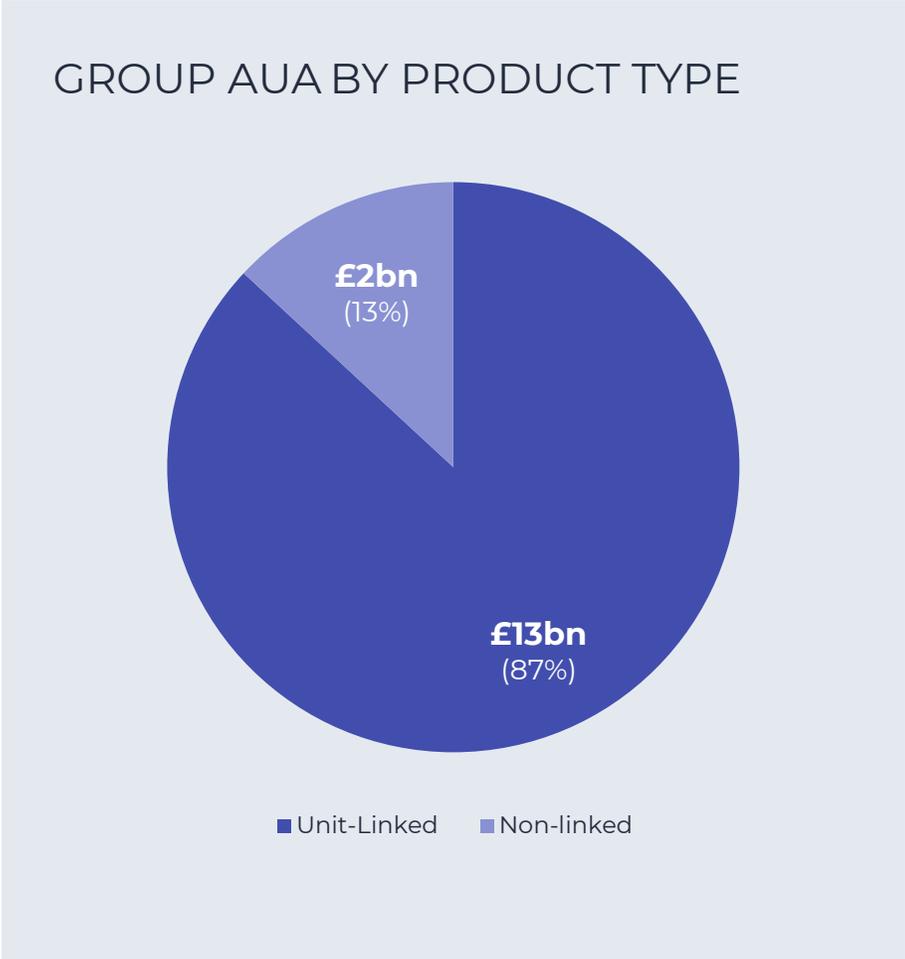


- Unit-linked
- Products with guarantees
- Non-linked savings
- With profits
- Annuities
- Other

ASSETS UNDER ADMINISTRATION



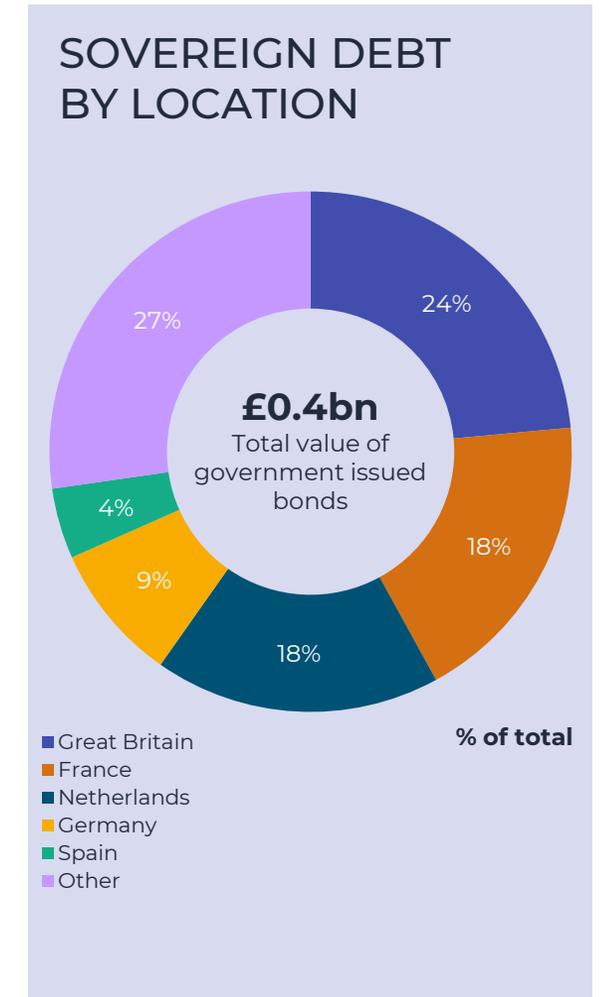
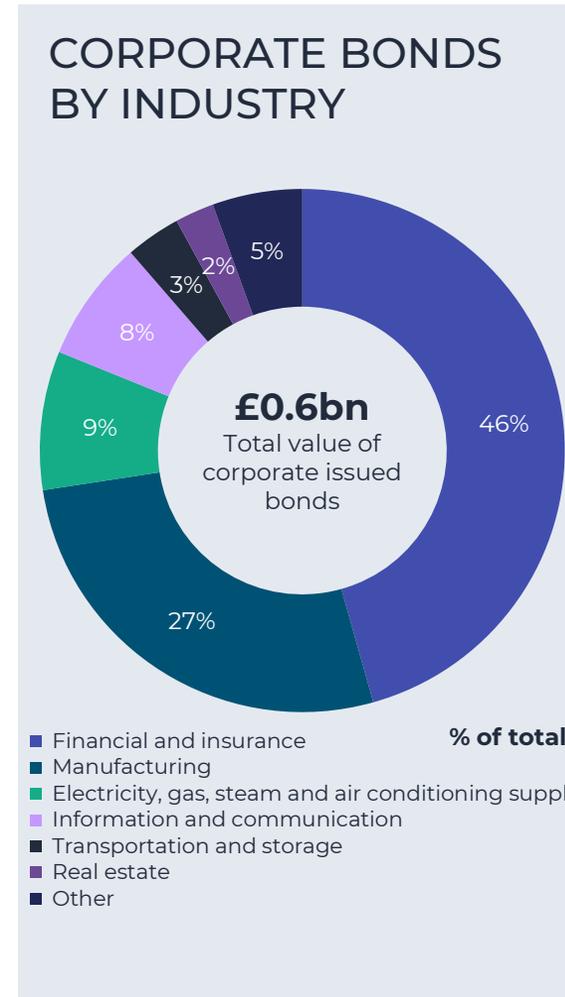
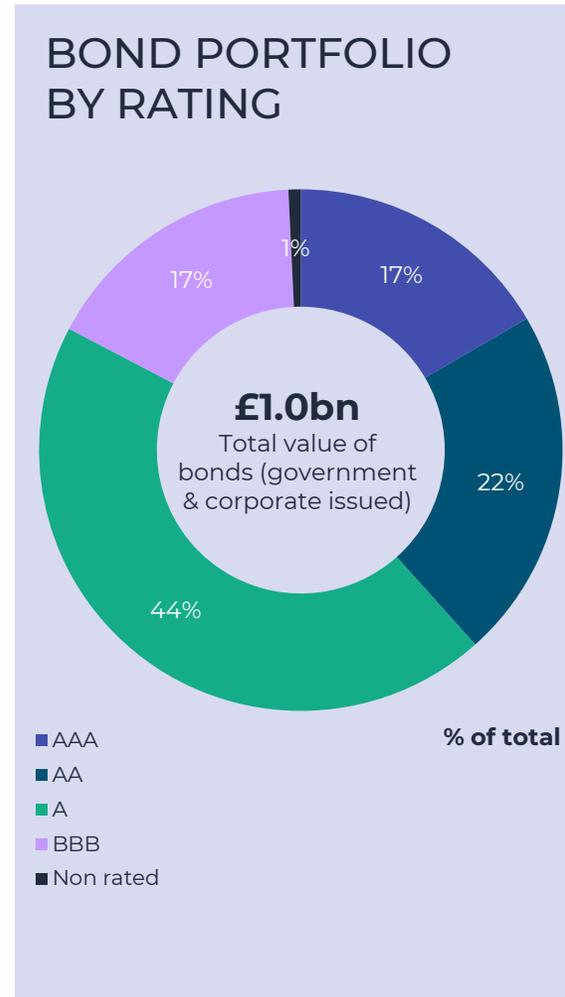
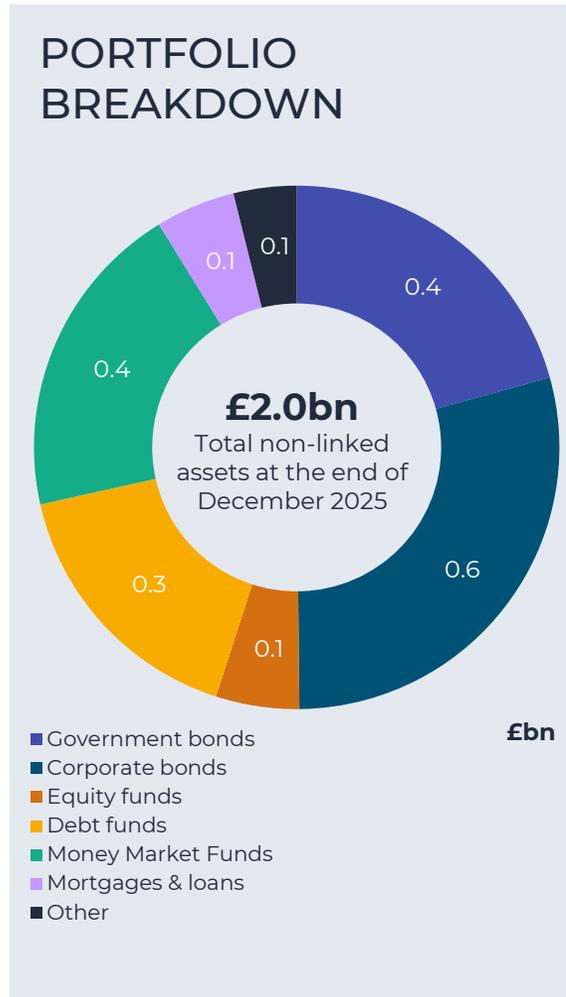
Predominantly asset risk lite: 87% unit-linked investment business



NON-LINKED ASSETS



High quality shareholder asset portfolio; 99% bonds externally-rated at investment grade.



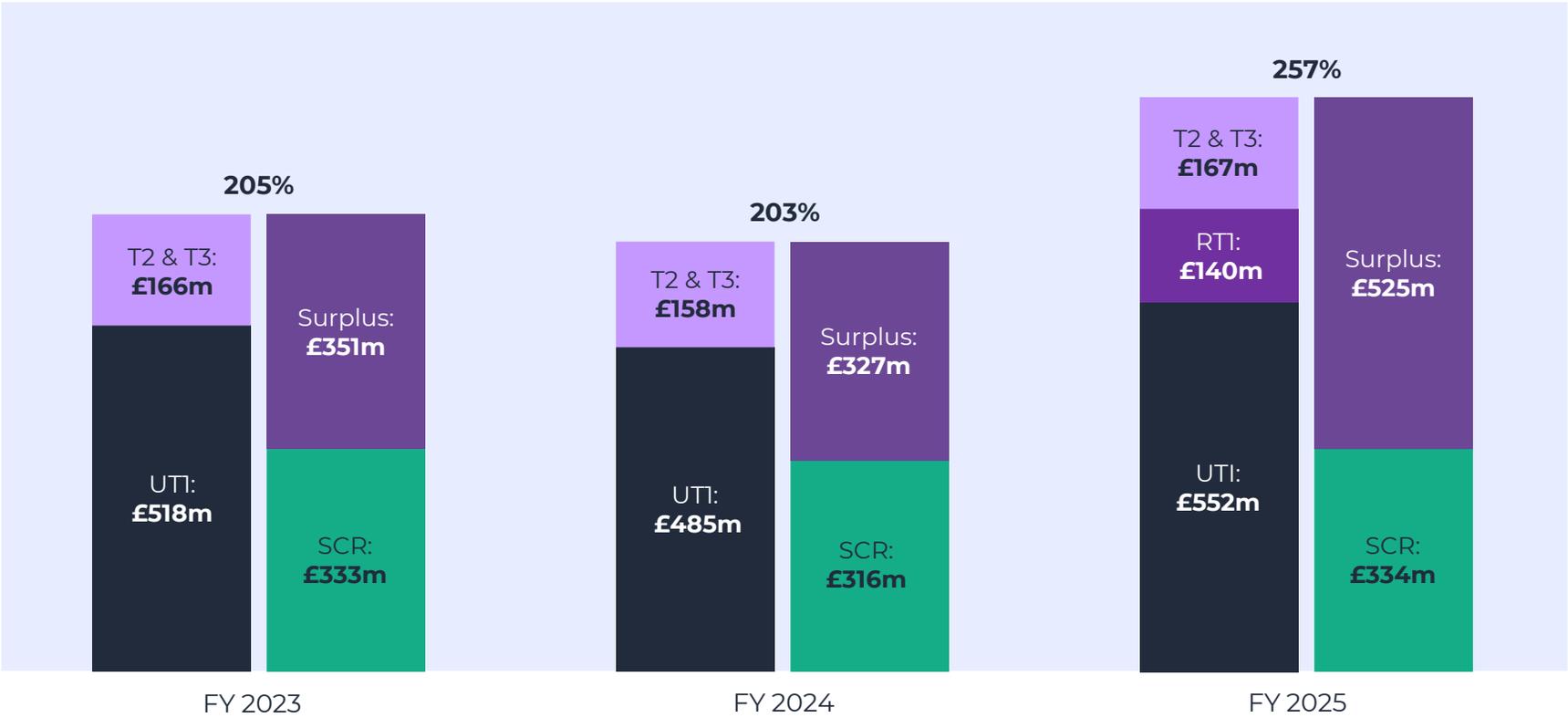
SOLVENCY II



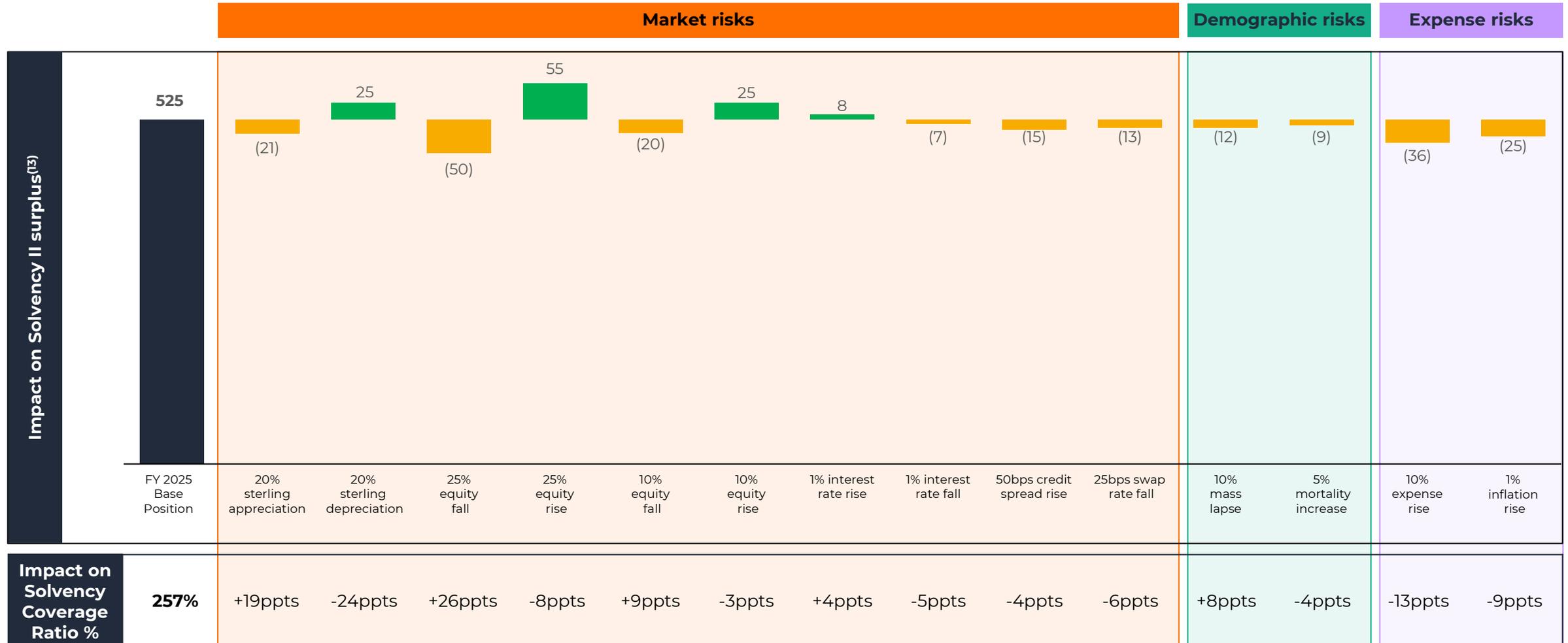
Solvency Coverage Ratio

↑ **54** ppts

to **257%** at the end of December 2025



SOLVENCY II SENSITIVITIES



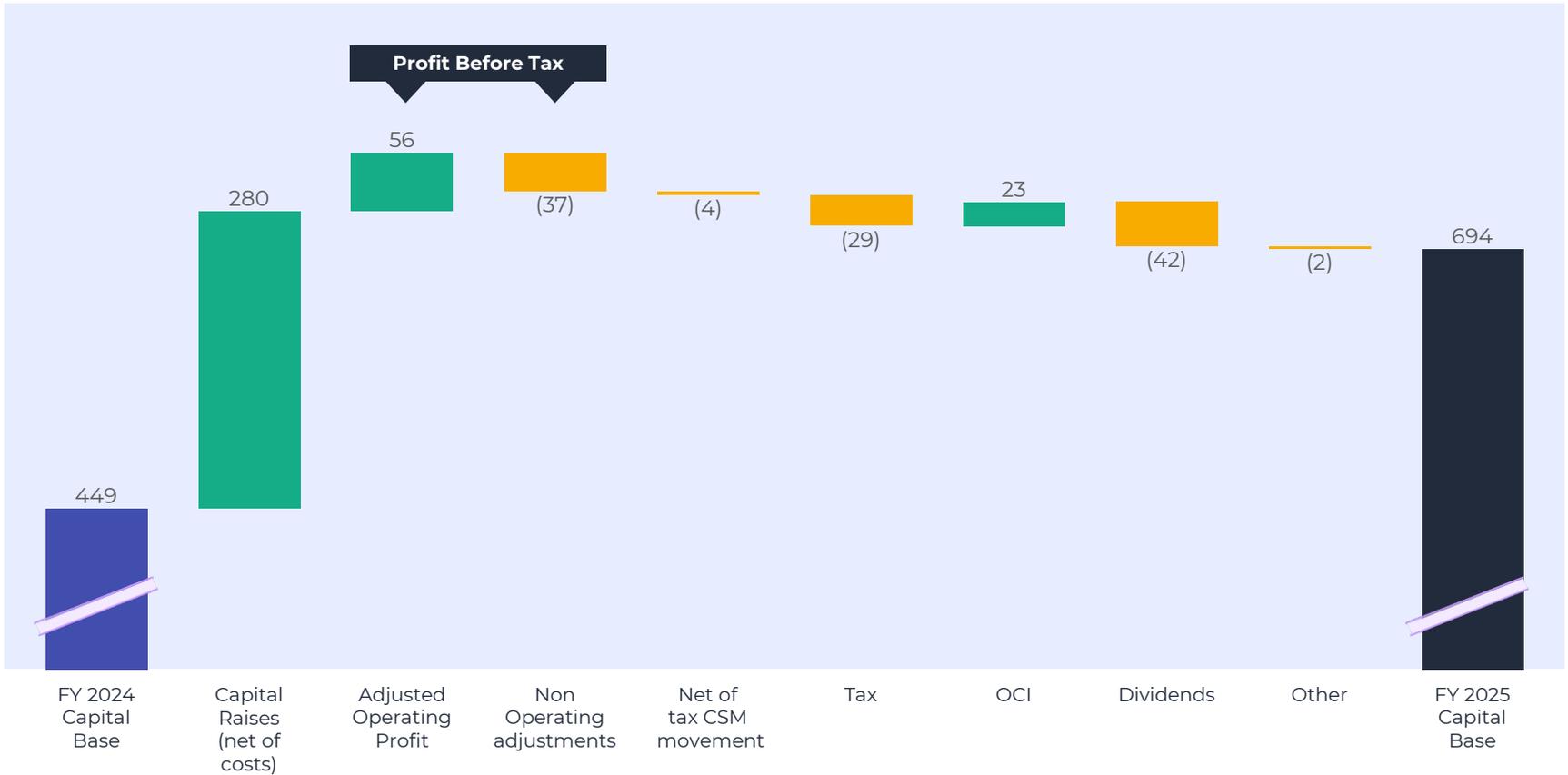
IFRS CAPITAL BASE



Significant increase following the **Capital Raises** completed in July

Adjusted Operating Profit from the **positive insurance result**

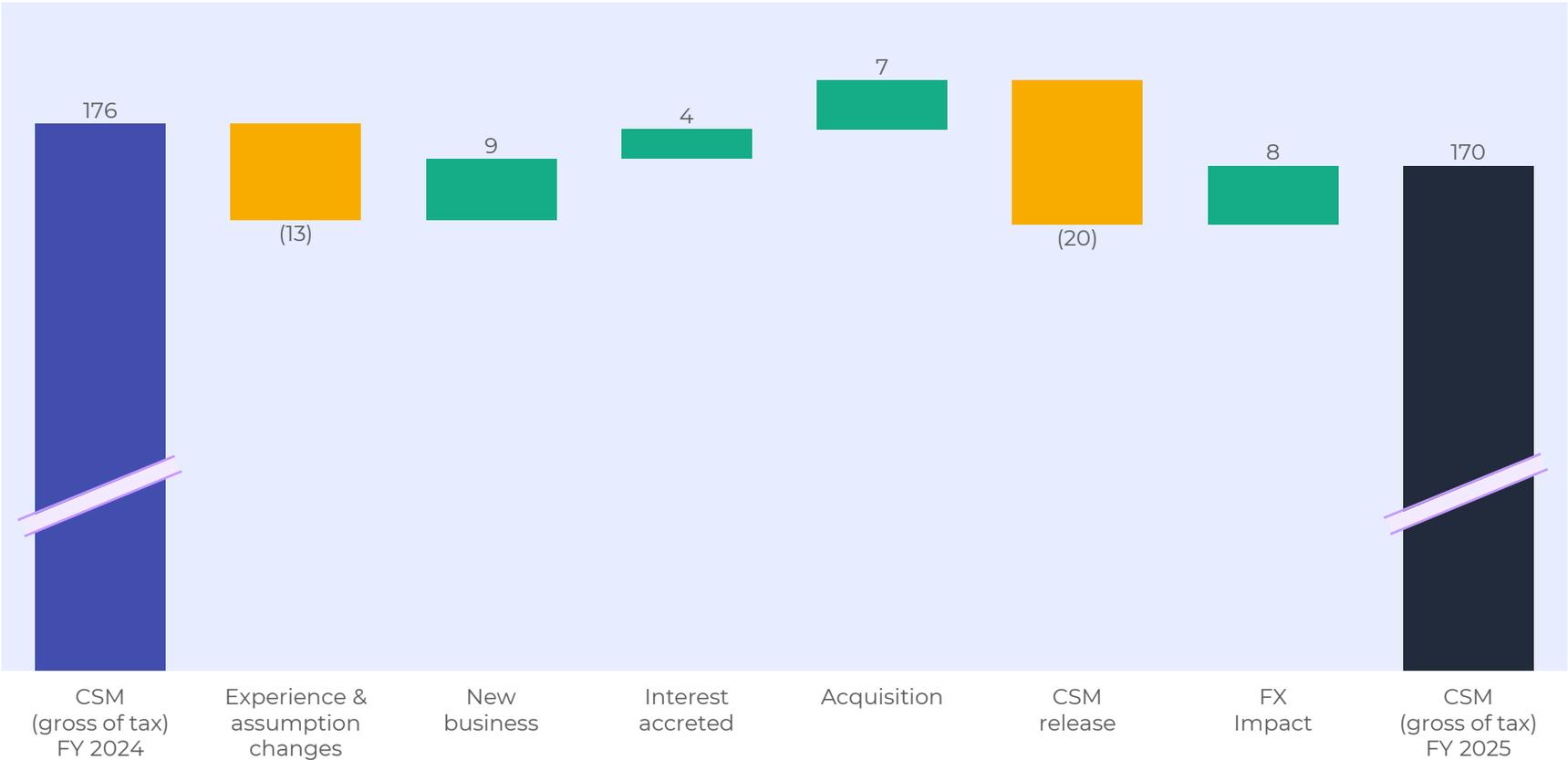
Leverage **reduced to 22%** (FY 2024: 31%)



CSM MOVEMENT



Pre-tax, CSM decreased by
£6m



SUSTAINABILITY COMMITMENTS AND 2025 DELIVERY



Our sustainability strategy underpins our three strategic objectives. We are actively prioritising the management of sustainability-related risks and opportunities.



DEFINITIONS



CASH		
Metric	Definition	Alignment to Simplified Investment Story
Operating Capital Generation (OCG)	<ul style="list-style-type: none"> OCG measures the amount of Solvency II capital that the Group generates from operational activities 	<ul style="list-style-type: none"> Core metric used to assess the ongoing level of the Group's surplus generation Looks through short-term investment volatility and other one-off impacts to inform long term capital and liquidity generation
Cash Remittances	<ul style="list-style-type: none"> Cash paid by our Business Units to Group Centre, primarily consisting of dividends 	<ul style="list-style-type: none"> Measures the effectiveness of the business units in converting capital to cash
CAPITAL		
Metric	Definition	Alignment to Simplified Investment Story
Solvency Coverage Ratio	<ul style="list-style-type: none"> Previously referred to as Solvency II Ratio, calculated as Eligible Own Funds divided by Solvency Capital Requirement 	<ul style="list-style-type: none"> Industry-standard metric to assess the strength of the Group balance sheet
Own Funds	<ul style="list-style-type: none"> Defined as Eligible Own Funds under the Solvency II Regime 	<ul style="list-style-type: none"> Primary metric used to assess the valuation of the business Directly comparable across the peer group
VALUE		
Metric	Definition	Alignment to Simplified Investment Story
Assets under Administration (AuA)	<ul style="list-style-type: none"> AUA reflects the value of the financial assets that the business administers as reported in the IFRS Consolidated Balance Sheet 	<ul style="list-style-type: none"> Effective lead-indicator of future cash generation from our Investment book Easy to explain / understand
Adjusted Operating Profit (AOP)	<ul style="list-style-type: none"> AOP is IFRS profit before tax adjusted for the impacts of economic volatility, amortisation and impairments of intangibles, finance and restructuring costs and other non-operating items which in the Directors' view should be excluded by their nature or incidence to enable a full understanding of financial performance 	<ul style="list-style-type: none"> Looks through the impact of short-term market volatility and capital investment to provide an underlying view of profitability Especially important for businesses with significant IFRS9 business like Chesnara as market volatility can mask the true underlying operational performance Core IFRS metric used by investors, sell-side and the rating agencies

FOOTNOTES



SUMMARY OF FOOTNOTES USED THROUGHOUT THE PRESENTATION

(1)	Total Shareholder Return (TSR) is derived from Bloomberg.
(2)	Verified by RBC research.
(3)	Dividend pence per share has been rebased to reflect the Rights Issue bonus factor of 1.1514x applied to historic dividend per share metrics. The FY 2025 22.50p dividend represents the interim 2025 dividend of 7.70p and the final 2025 proposed dividend of 14.80p.
(4)	Assets under Administration (AuA) includes £1.5bn in respect of the proforma impact of the second Canada Life portfolio acquisition expected to Part VII and migrate during 2026.
(5)	Tiering Restrictions limit how much RT1, Tier 2 and Tier 3 capital can be recognised in the Solvency II Own Funds calculation.
(6)	Defined as 'Cash & Cash equivalents'.
(7)	Proforma includes an estimate of the Chesnara Life impacts based on FY 2025 performance.
(8)	Number of policies, Own Funds and AUA metrics proforma including acquisition of HSBC Life (UK) Ltd, renamed Chesnara Life, and Scottish Widows Europe SA. New Business Contribution includes an estimate of the impact from Chesnara Life.
(9)	Dividend cover compares the expected dividend cost to Cash Generation (also referred to as Commercial Cash Generation – see the Annual Report & Accounts for more information). The proforma impact takes a 'recurring' view of Cash Generation and adds on a proforma estimate of the expected Cash Generation to flow from Chesnara Life on an annual basis.
(10)	Deal metrics taken from the respective regulatory announcement, unless newer information is available.
(11)	Own Funds and AUA UK results include the UK division and Group Centre.
(12)	Based on Group Solvency II Best estimate of Liabilities (BEL) as at 31 December 2025.
(13)	SII sensitivities have been calculated based on the closing 2025 balance sheet and excludes impacts from Chesnara Life and Scottish Widows Europe SA.

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