Direct Line Group

2023 Results

21 March 2024

Today's agenda

Introduction: Adam Winslow, CEO

2023 financial results: Neil Manser, CFO

Our path forward: Adam Winslow, CEO

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Adam Winslow, CEO

2023 financial results:
Neil Manser, CFO

Key messages

1. **Confident we have taken the required actions but this is not reflected in 2023 earnings**

2. **Delivered against our three priorities:**

   - ✓ **Improve Motor:** Significant improvement in written profitability to above 10%; in line with net insurance margin ambition for majority of second half of 2023
   - ✓ **Maintain performance of the rest of the business:** Good performance across Home, Commercial and Rescue; non-motor net insurance margin of 12.2%
   - ✓ **Restore solvency:** Capital resilience restored, strong solvency capital ratio of 201% pre dividend

3. **4 pence dividend reflecting strong capital position and good underlying progress. Update on future dividend policy in July**

See appendix for notes and glossary of terms

2023 performance affected by earn through of below target margins in Motor, other businesses performed well

Direct Line Group

Results summary

	2023 £m	2022 £m	Change
In-force policies[1] (000's)	**9,442**	9,397	0.5%
Gross written premium and associated fees[1]	**3,106**	2,444	27.1%
Insurance service result[1]	**(212)**	**(24)**	**(188)**
Ongoing operating loss[1]	**(190)**	**(6)**	**(183)**
Group operating (loss) / profit	**(191)**	46	(237)
Gain on disposal of business	**444**	-	-
Profit / (loss) before tax	**277**	(302)	579
Profit / (loss) after tax	**223**	(232)	455
Key metrics %	**2023**	**2022**	**Change**
Net insurance margin (NIM)[1]	**(8.3%)**	(0.9%)	(7.4pts)
NIM normalised for weather[1]	**(9.6%)**	1.7%	(11.3pts)
Operating return on tangible equity (RoTE)	**(14.9%)**	(2.7%)	(12.2pts)
Combined operating ratio[1]	**108.3%**	100.9%	(7.4pts)
Solvency capital ratio pre dividend[2]	**201%**	147%	54pts
Solvency capital ratio post dividend[2]	**197%**	147%	50pts

	2023		2022	
Segmental performance	**Operating profit / (loss) £m**	**NIM**	**Operating profit / (loss) £m**	**NIM**
Motor	**(320)**	**(21.1%)**	(65)	(4.8%)
Non Motor	**130**	**12.2%**	58	4.7%
Total ongoing[1]	**(190)**	**(8.3%)**	(6)	(0.9%)

	H1 2023 £m	H2 2023 £m
Current year ongoing operating (loss) / profit	**(49)**	**6**

- GWP driven by rating action in Motor, new Motability partnership, and growth in Home and Commercial
- Ongoing operating loss of £190m. Loss in Motor partly offset by operating profit of £130m in non-motor
- Ongoing current year profit of £6m in H2 2023
- NIM of minus 8.3% due to Motor, non-motor NIM of 12.2%
- Profit before tax includes gain on sale of Commercial broker (NIG)
- Solvency ratio of 197% after dividend, above the risk appetite range

1. Ongoing operations (Group excluding run-off Rescue and Travel partnerships and brokered commercial business)
2. Estimates based on the Group's Solvency II partial internal model

See appendix for notes and glossary of terms

Motor: Improved outlook following pricing actions and stabilisation of claims inflation

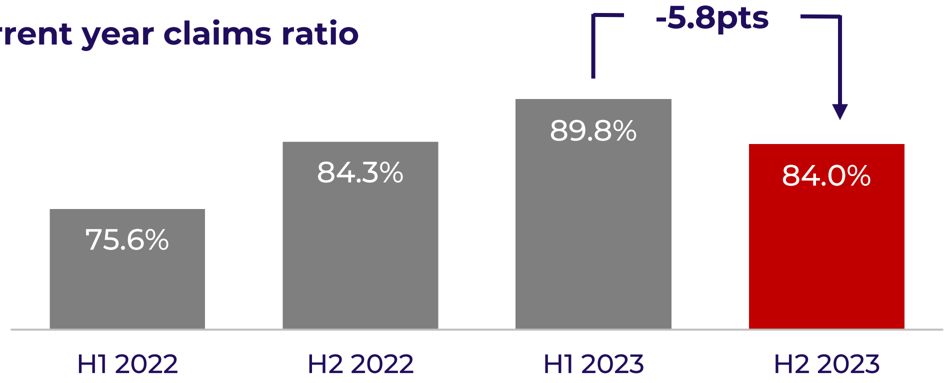
1. Pricing: Actions delivered a significant increase in average written premiums and improved written margins to 10% in H2
2. Policy count: Growth delivered through new partnership with Motability, whilst own brand performance reflects repricing
3. Inflation: Key indicators started to stabilise
4. Remediation: Concluded on the financial effect of past business reviews
5. 2024 outlook: Higher average premiums should mechanically lead to a 12pt improvement in current year NIM compared to H2 2023

Motor: Result driven by earn through of below target margin business and prior year reserve movements; current year loss ratio improved in H2

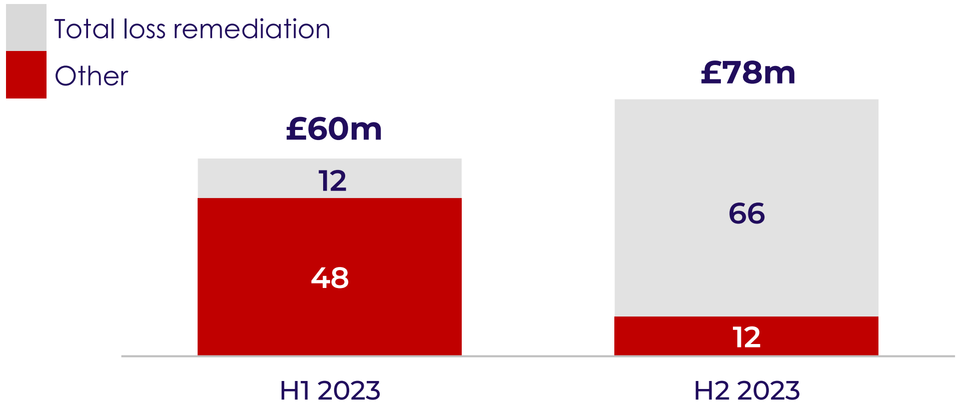
Metrics

	2023	2022	Change
In-force policies 000's	**4,181**	3,836	9.0%
Of which direct own brands 000's	**3,373**	3,756	(10.2%)
Gross written premium and associated fees £m	**2,048**	1,433	42.9%
Insurance service result £m	**(332)**	(71)	(261)
Operating loss £m	**(320)**	(65)	(255)
Net insurance margin	**(21.1%)**	(4.8%)	(16.3pts)
Current year net insurance margin	**(12.3%)**	(5.1%)	(7.2pts)

Current year claims ratio



Prior year reserve strengthening £m



- Policy count growth reflects Motability, own brand policy count reduced by 10% due to pricing actions
- Prior year reserve strengthening includes £78m total loss remediation and adverse inflation on 2022 damage claims in H1 2023
- Operating loss does not reflect the level of profitability being achieved on business written through the second half of 2023

See appendix for notes and glossary of terms

Motor claims: Inflation stabilised during the year

Drivers of repair inflation

Repair costs: Indicators stabilised in H2

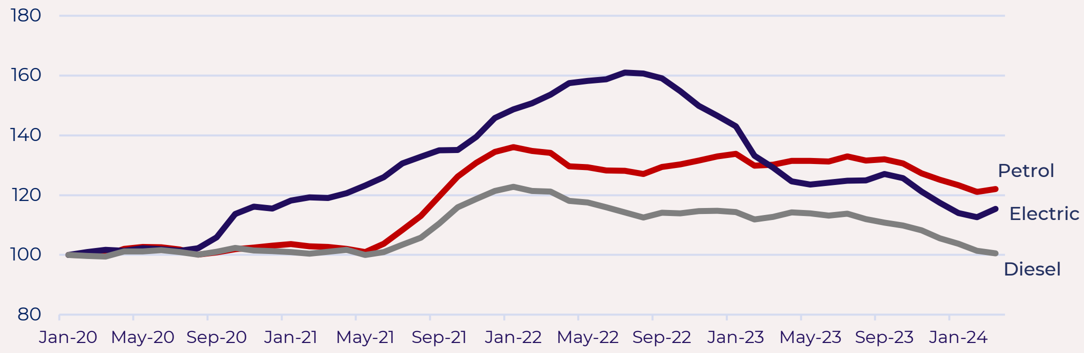
Cycle times:

- ✓ 23rd DLG Auto Services centre opened
- ✓ 9% increase in number of DLGAS repair technicians
- ✓ 10% reduction in cycle times across DLGAS in H2 vs H1
- ✓ 6% reduction in cycle times across externally managed network in H2 vs H1

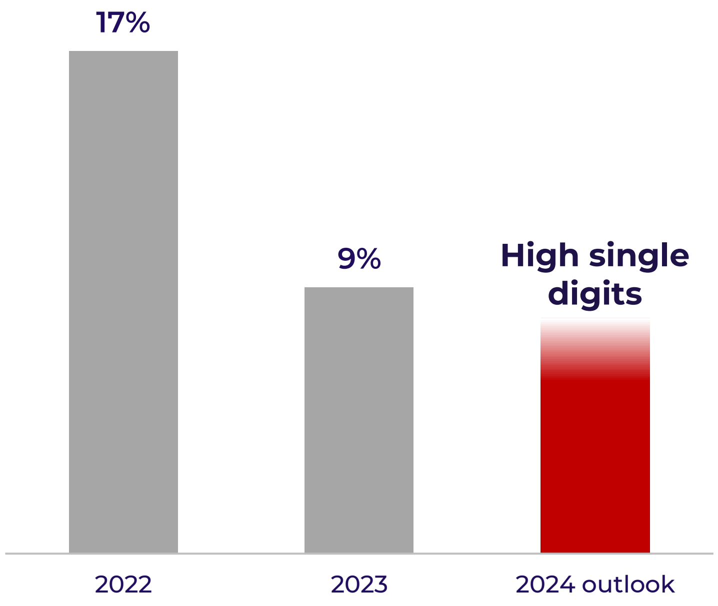
Parts and labour:

- X 15% labour cost inflation[1]
- X 14% parts inflation[1]

2nd hand car prices[2]: Deflation observed in H2



Attritional claims inflation[3]



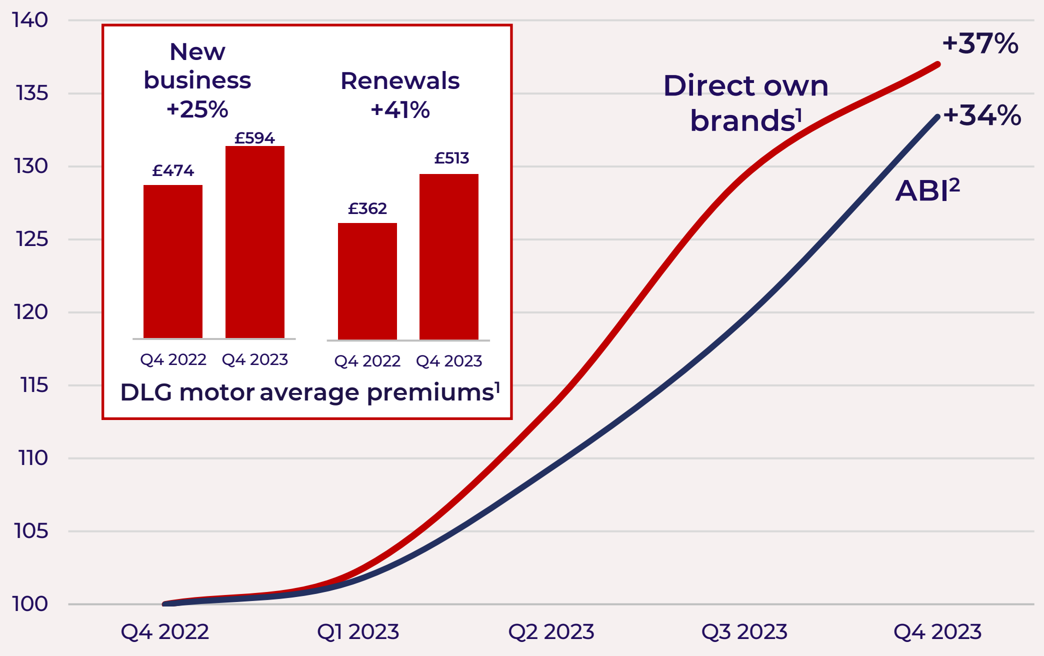
1. DLG Auto Services
2. Auto Trader UK Retail Price Index, indexed to January 2020
3. Pricing view of claims severity excluding large BI

See appendix for notes and glossary of terms

Motor: Significant rating action has improved our estimated written loss ratio, consistent with a 10% NIM for the majority of H2

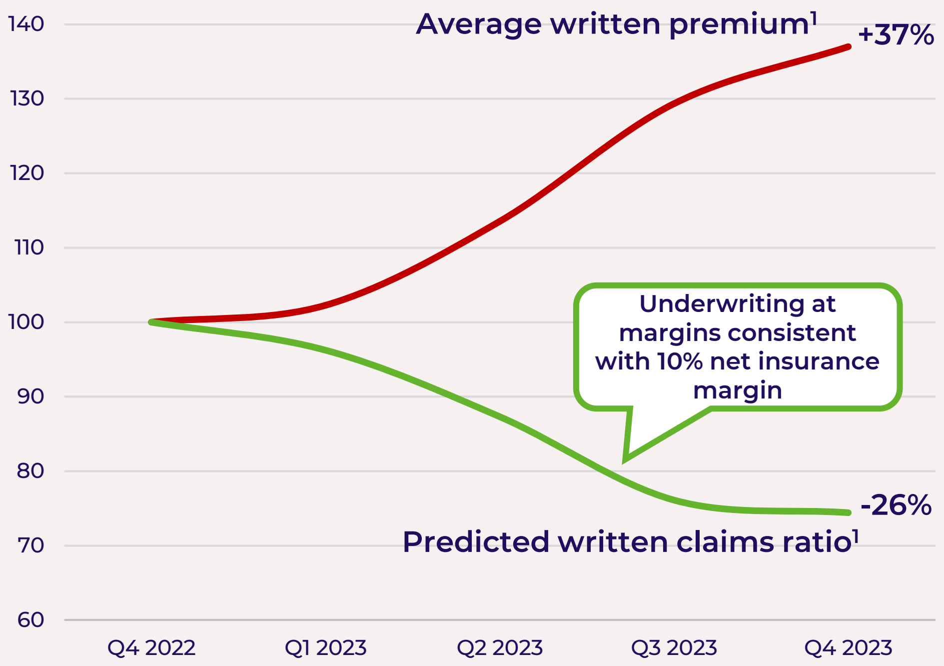
Average premiums versus market

Strong rating action over 2023



Margin development

Delivered a material improvement in written claims ratios

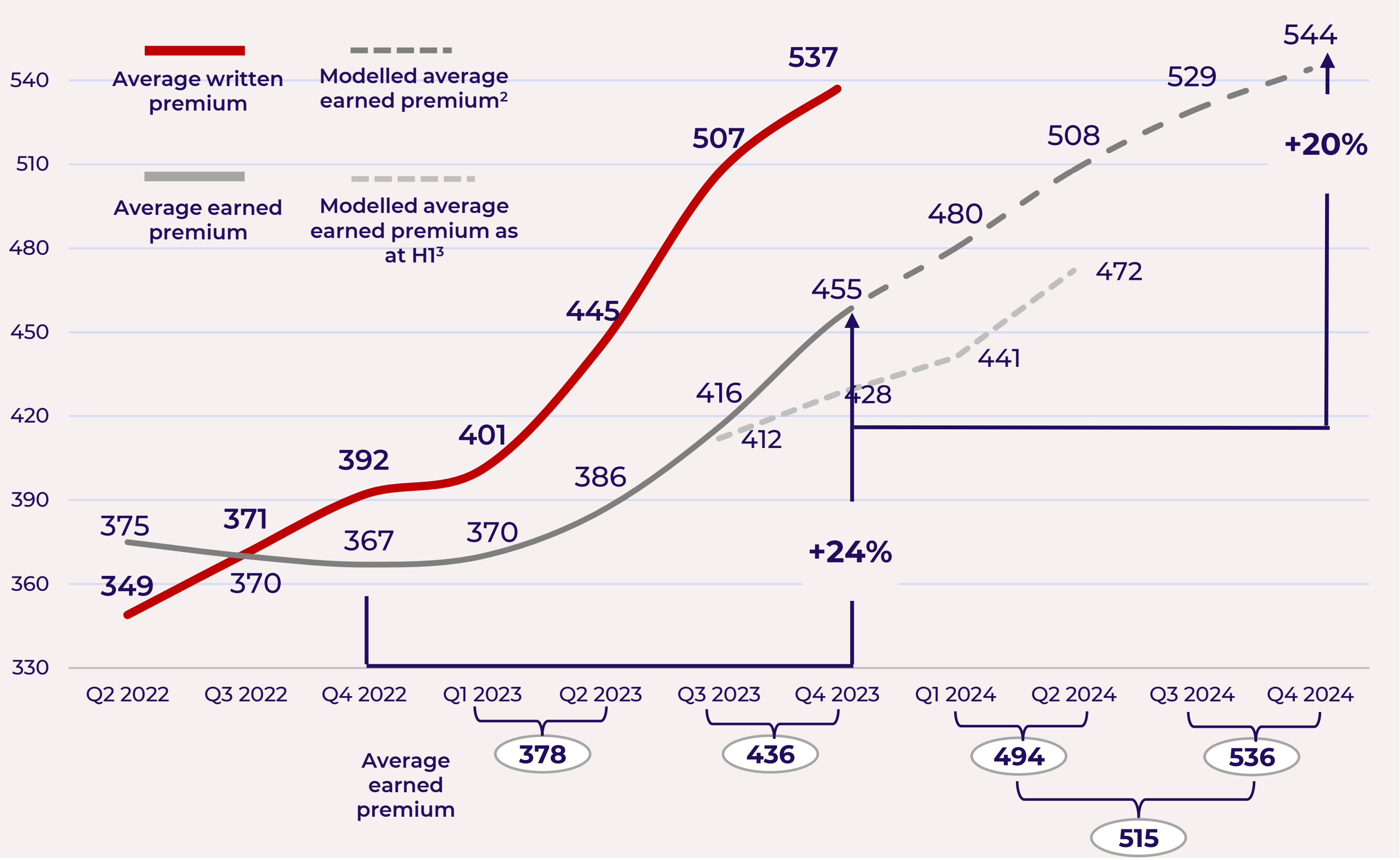


1. Direct own brands excluding By Miles
2. ABI Motor premium tracker as at Q4 2023

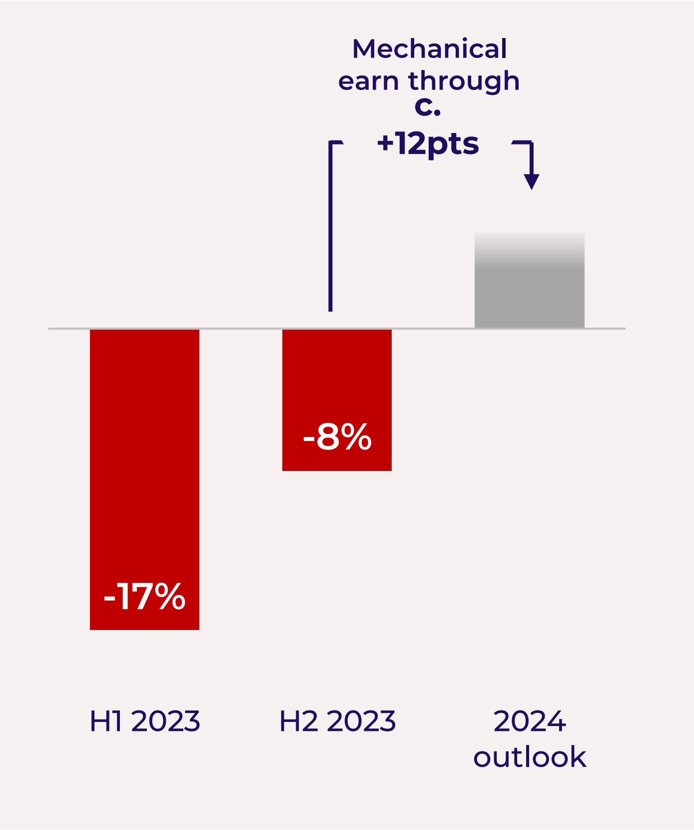
See appendix for notes and glossary of terms

Motor: Pricing action is reflected in higher earned premiums which will earn through in 2024

Written vs earned average premium[1,2] £



Current year net insurance margin[4]

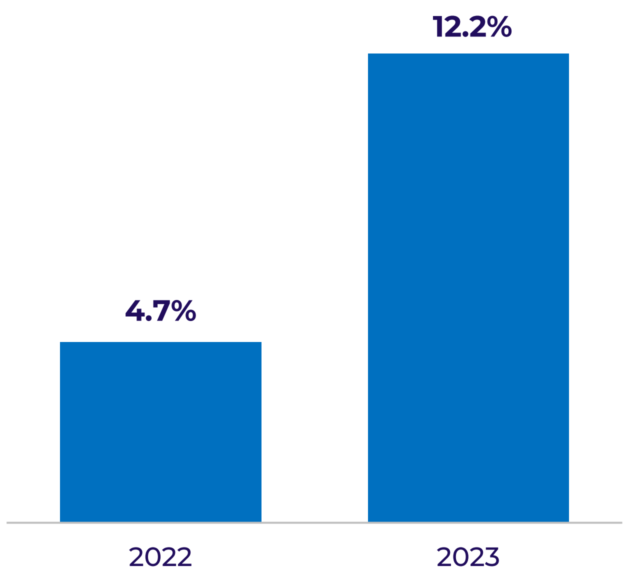


1. Direct own brands excluding By Miles. Average earned premium excludes adjustments and cancellations
2. Modelled view of future earned premium using business written premium up to the end of December 2023. Q4 2024 earned premium is above Q4 2023 written premium due to increased weighting of higher written premium
3. Modelled view of future earned premium using business written premium up to the end of July 2023
4. Total Motor including Motability

See appendix for notes and glossary of terms

Non-motor: Good trading across all segments

Non-motor net insurance margin



Non motor in-force policies	Non motor operating profit
5.3m	£130m

Home

- 2.4m customers
- 10.0% NIM
- £52m operating profit

✓ Increased new business market share
✓ Retention rate above 85%
✓ Supported over 3,000 customers through floods and storms

Rescue

- 2m customers
- 29% NIM
- £48m operating profit

✓ Diversifying revenue stream through Green Flag patrol service
✓ Green Flag recognised as the top rescue service by the UKCSI[1]
✓ Upgraded pricing capability

Commercial

- 645k customers
- 13.1% NIM
- £30m operating profit

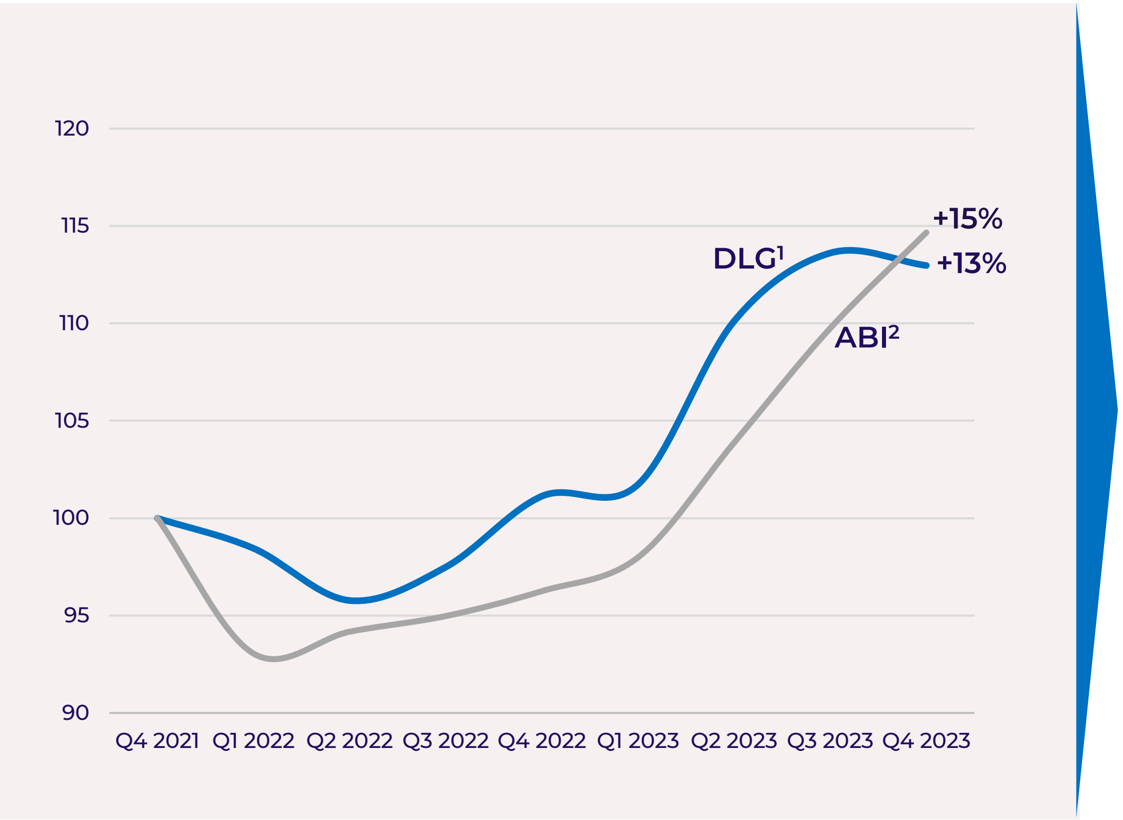
✓ Compound annual premium growth of 13% since 2019
✓ Direct Line continues to win in the direct channel as Churchill grows through PCW
✓ Churchill premium income has tripled since 2020

1. UK Customer Service Index

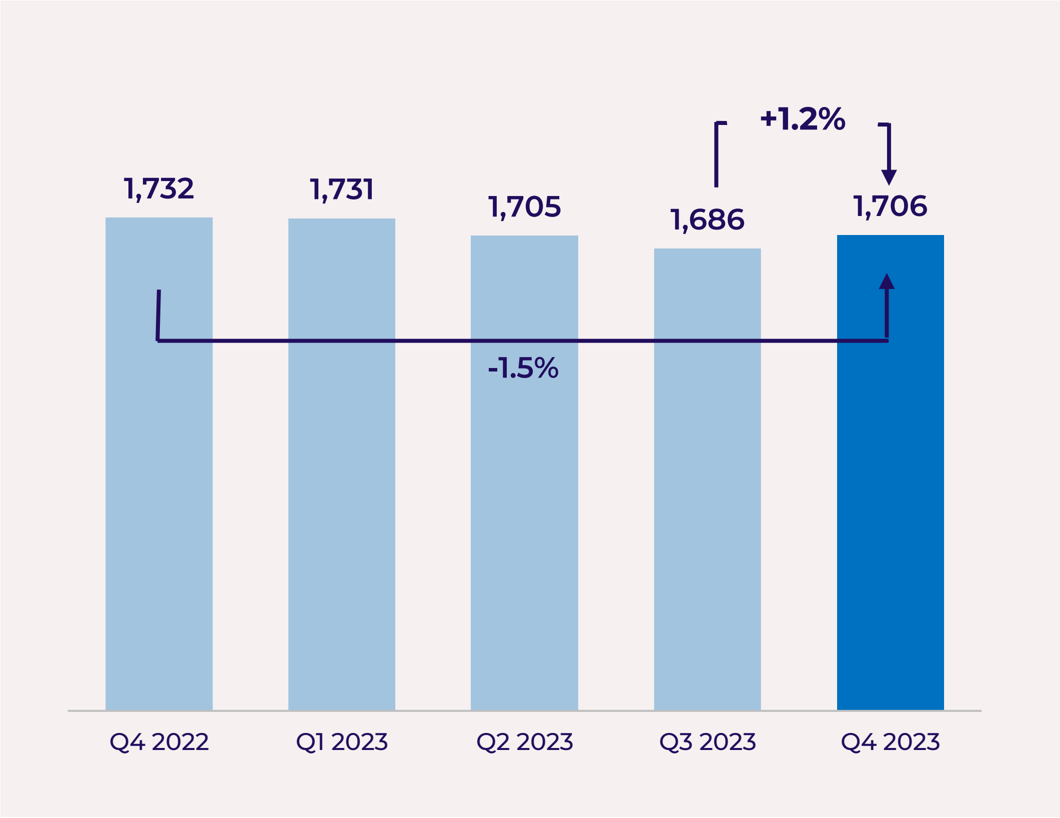
See appendix for notes and glossary of terms

Home: Rated ahead of the market in 2022, now seeing modest policy count growth as competitiveness improves

Average premiums[1] versus market[2]



In-force policies[1] 000's

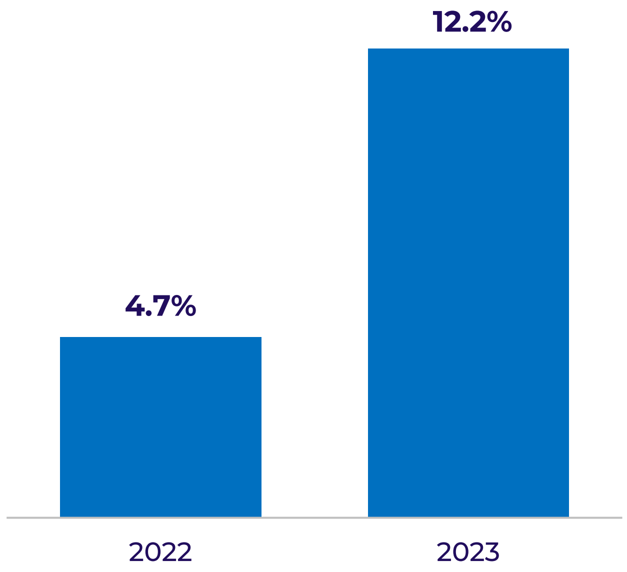


1. Direct own brands
2. ABI Household premium tracker, 2023 Q4

See appendix for notes and glossary of terms

Non-Motor: Good trading across all segments

Non-motor net insurance margin



Non motor in-force policies	Non motor operating profit
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Home

2.4m customers

10.0% NIM

£52m operating profit

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- ✓ Compound annual premium growth of 13% since 2019
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1. UK Customer Service Index

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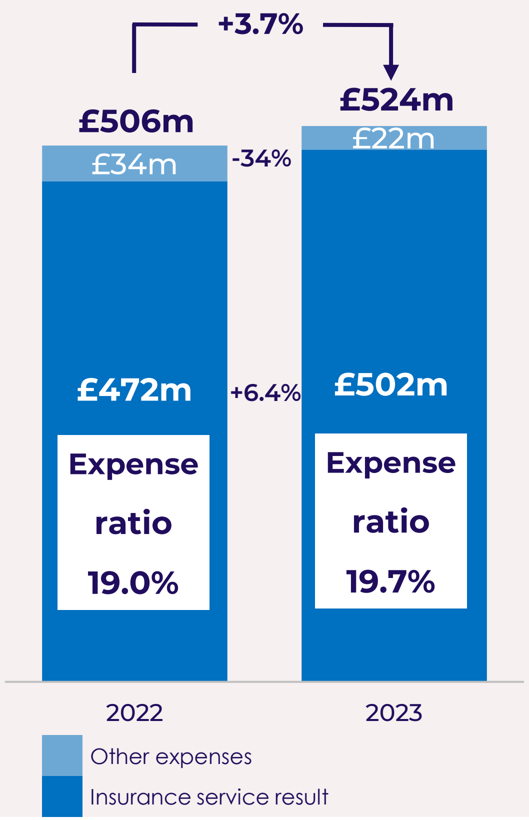
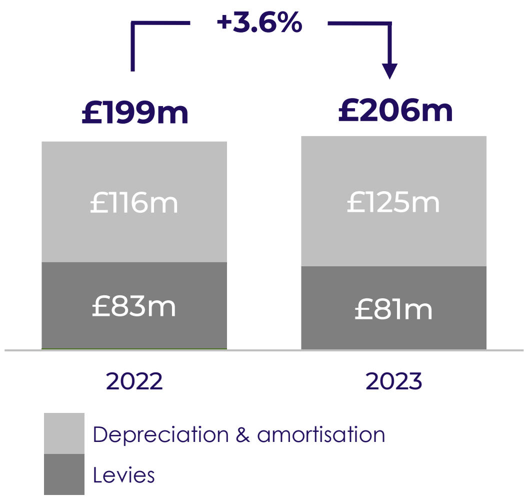
Operating expenses: Increase reflects inflationary environment and onboarding of Motability. Significant cost actions to follow

Total operating expenses[1]



Controllable operating expenses[1]

Non-controllable operating expenses[1]



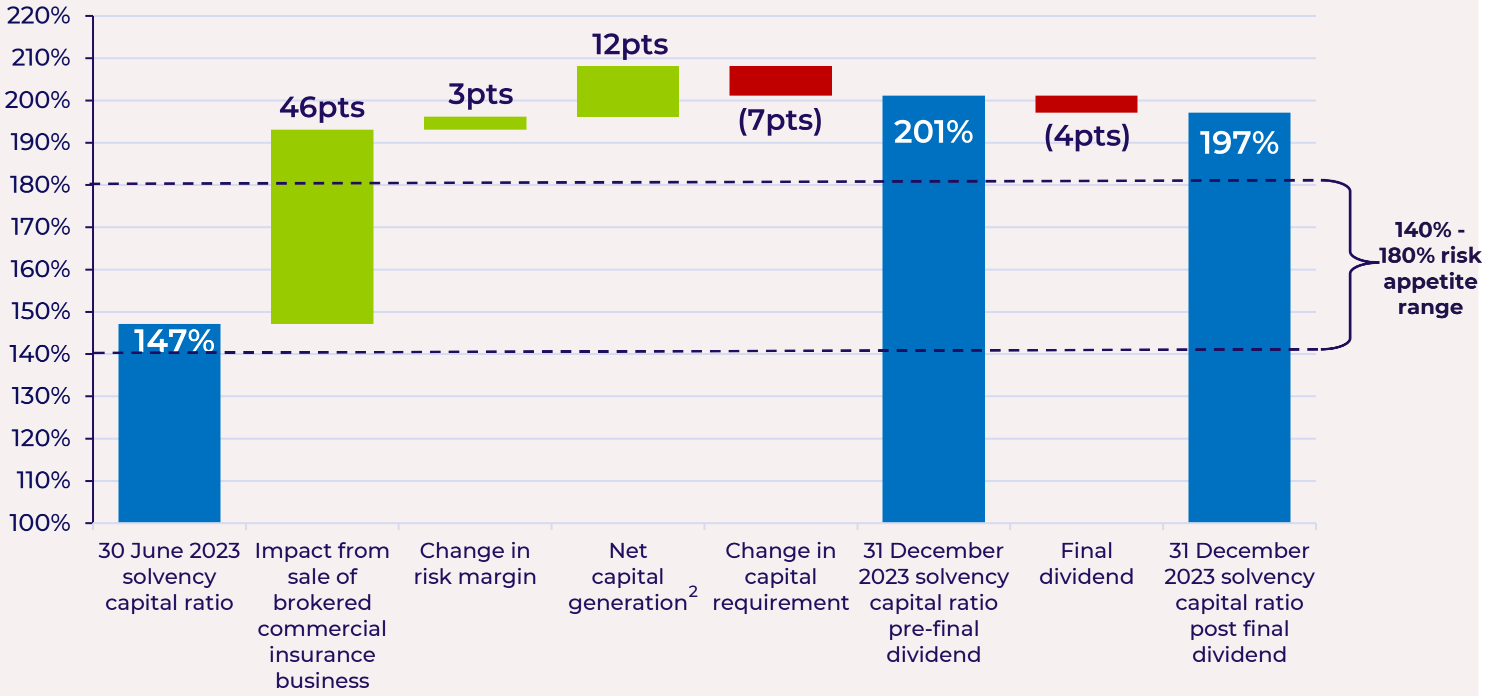
- Total ongoing operating expenses increased by 3.7% reflecting:
  - inflation in controllable cost base including costs associated with Motability
  - increased amortisation
- **2024 outlook:** Additional costs from full year of Motability and amortisation of c. £50m. Expense ratio expected to be broadly stable

1. Ongoing operations

See appendix for notes and glossary of terms

Capital and balance sheet management: Solvency ratio of 201% pre dividend, above risk appetite, 4.0 pence per share dividend for 2023

Solvency ratio walk[1]



Dividend

£52m

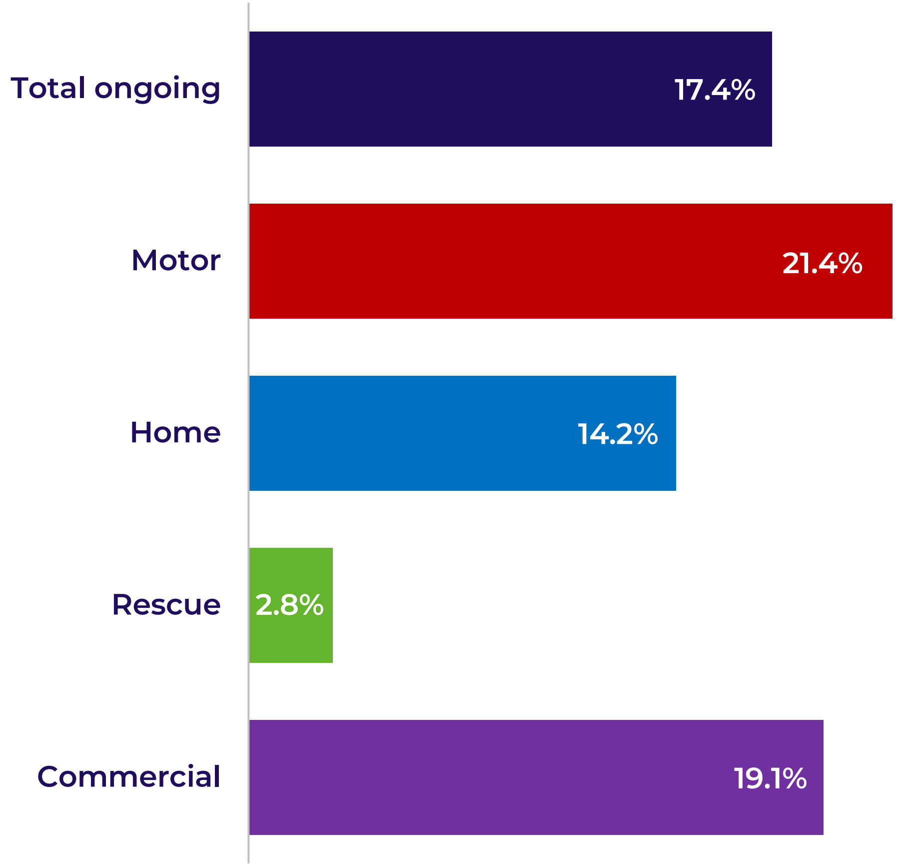
- **4.0 pence per share dividend for 2023**
- **Strong capital position and good performance in Home, Rescue and Commercial**
- **Update on changes to dividend policy, alongside conditions previously set to consider restarting dividends, in July**

1. Figures estimated and based on partial internal model (PIM) output as at 31 December 2023
2. Includes organic capital generation, market movements, capital expenditure and change in ineligible tier 3

See appendix for notes and glossary of terms

Q1 trading to date: A positive start to 2024

Gross written premium: February year to date versus prior year



- 17% gross written premium growth for ongoing operations
- Motor: Strong premium growth of 21%, policy count 1.6% lower[1]
- Home: 14% premium growth, modest policy count growth in own brands[1]
- Weather: Home event weather to date of £22m, within normal expectations[2]
- Positive start to 2024

1. Policy count change compared to 31 December 2023
2. 2024 weather expectation of £54m in Home and £8m in Commercial

See appendix for notes and glossary of terms

Direct Line Group

Our path forward:
Adam Winslow, CEO

My initial reflections: We have strong foundations and there is significant opportunity to drive improved performance

1

DLG has strong foundations

2

Our motor business has turned the corner

3

There are immediate actions we are taking to create value in 2024

4

Refreshed strategy to be announced at capital markets day in July

1 DLG has strong foundations

Our foundations

Management actions in the last 12 months

Leading personal lines franchise

Strongest brand recognition and product suite

9m+ policies

churchill · Direct Line · Darwin · Privilege · By Miles. · GreenFlag · Motability Operations Ltd

Repricing of our Motor book to get margins back on track

10% Written NIM in H2 2023

Scaled market positions

One of the largest personal lines portfolios in the UK

Top 2 in Motor

Top 3 in Rescue

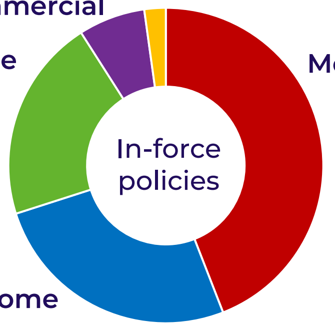
Top 4 in Home

Integration of Motability

700k+ New customers added in September 2023

Diversified and complementary portfolio

Broad suite of products; strength in Motor with the largest owned repair network, complemented by Home, Rescue and Commercial



Sale of brokered commercial business, new product innovation

197% 31 Dec 2023 solvency ratio[1] improvement from 147% 1 Jan 2023

DIRECT LINE ESSENTIALS · By Miles.

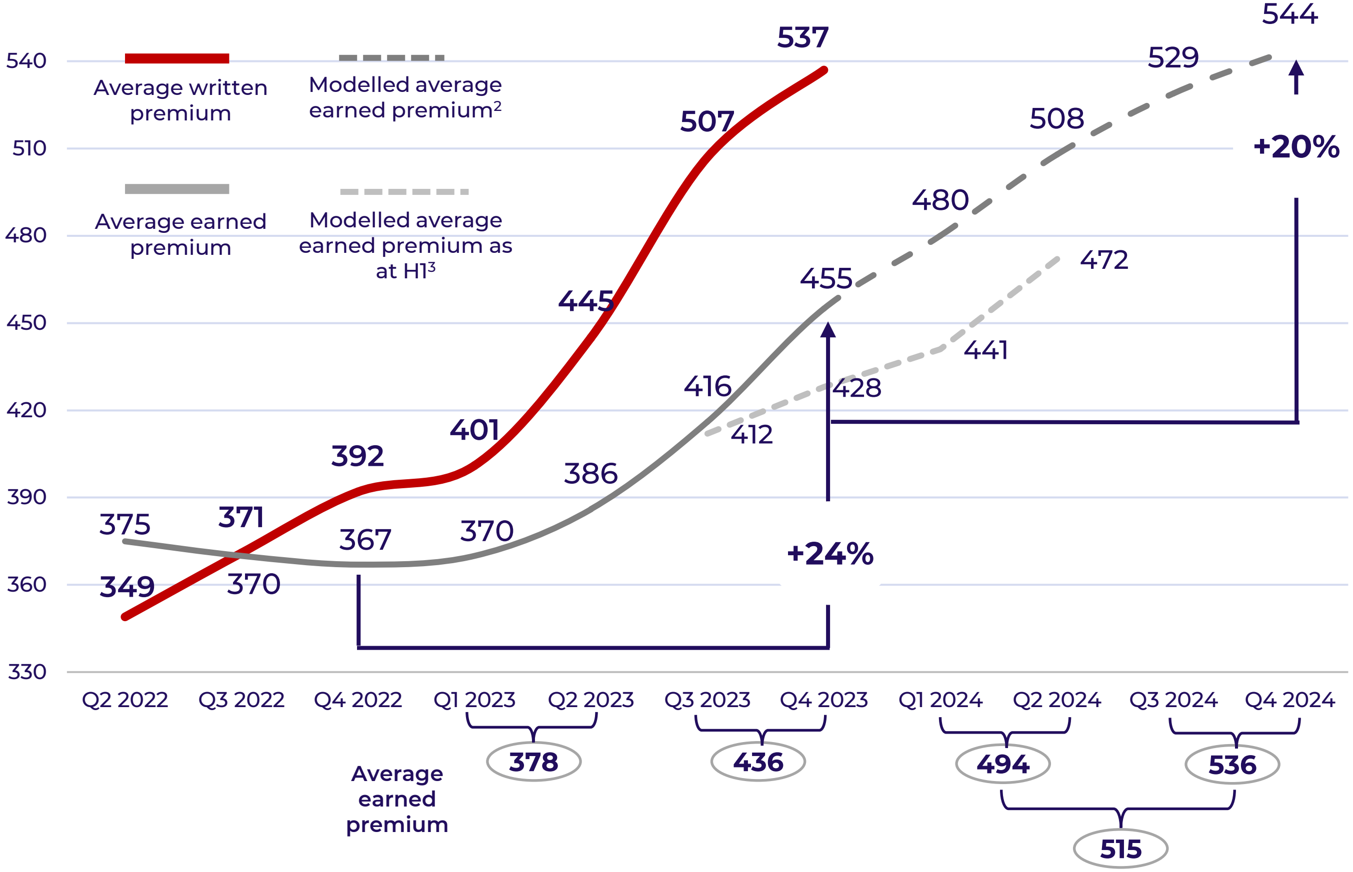
Launch of Direct Line Essentials as well as acquisition of ByMiles

1. Post dividend

2 Our motor business has turned the corner

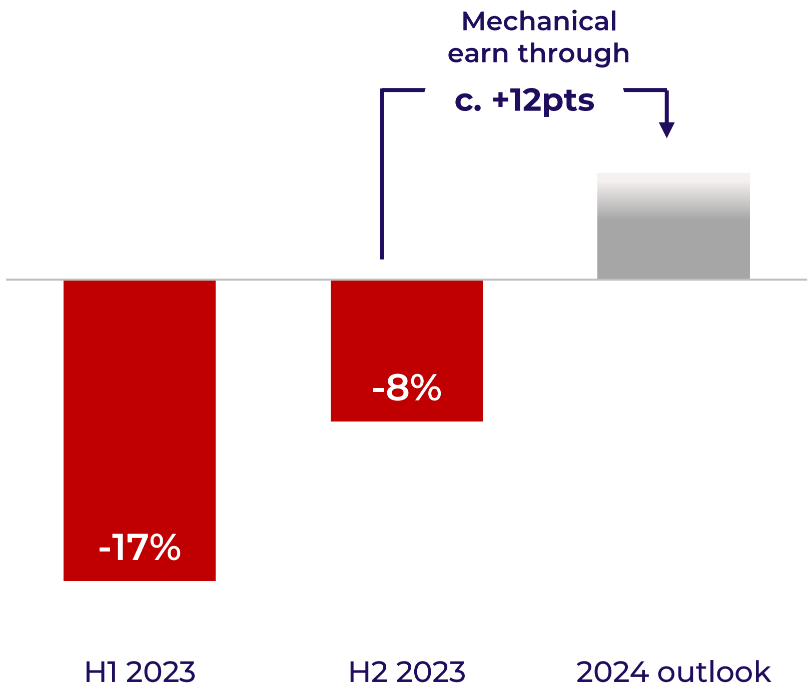
Earned premium development expected to drive ~12pts improvement in claims ratio vs. H2 calendar year

Written vs earned average premium[1,2] £



2024 expected to be a transition year for motor NIM performance

Current year NIM[4] %



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4. Total Motor including Motability

See appendix for notes and glossary of terms

3 There are immediate actions we can take in 2024 to create value

A **Execute on reducing our cost baseline;** stopping non-mandatory change, tightening discretionary and marketing spend and developing self-serve functionality

B **Improve claims performance;** optimise routing and 3rd party capture, build on existing counter fraud efforts

C **Optimise pricing;** develop next-gen models leveraging enriched data sources, simplify pricing algorithm

D **Increase market coverage;** improve Motor PCW quotability and create a clear customer segmentation strategy and value proposition across our brand portfolio

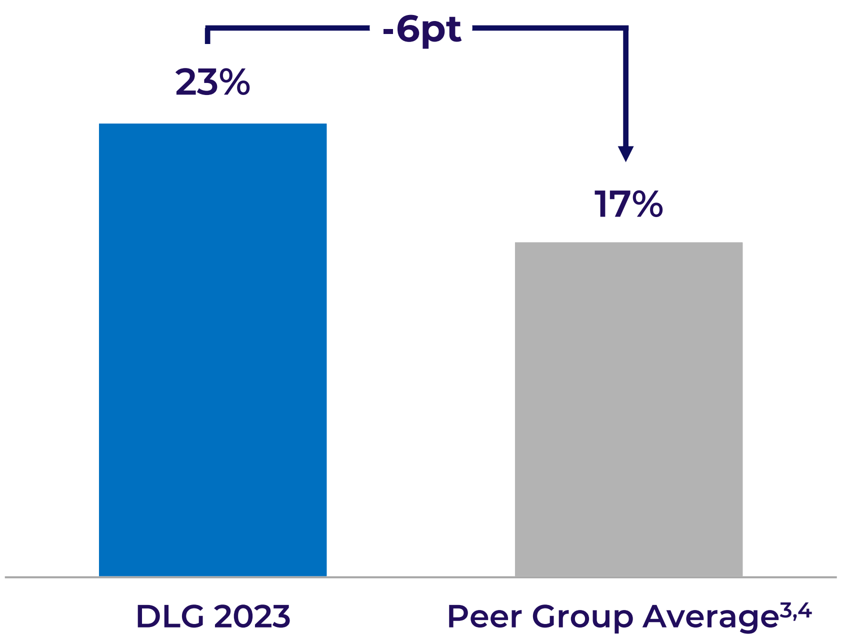
Expect to start driving improvement in H2 2024

3a Cost saving target of at least £100m by exit 2025, actions underway

Substantial opportunity to reduce our total cost base

DLG total cost base[1]

Gross admin expense ratio[2]



Key drivers of this gap include:

- Duplicative technology stack
- Complex org structure
- Underperformance in digital (e.g., 60%+ more service calls vs. best in class)

'Quick wins' to be delivered in 2024 include:

- Stop non-mandatory change and tighten discretionary spend
- Reduce marketing spend to be in line with peer average
- Build out self-serve functionality leveraging Caha! app

Exit 2025 run-rate target:

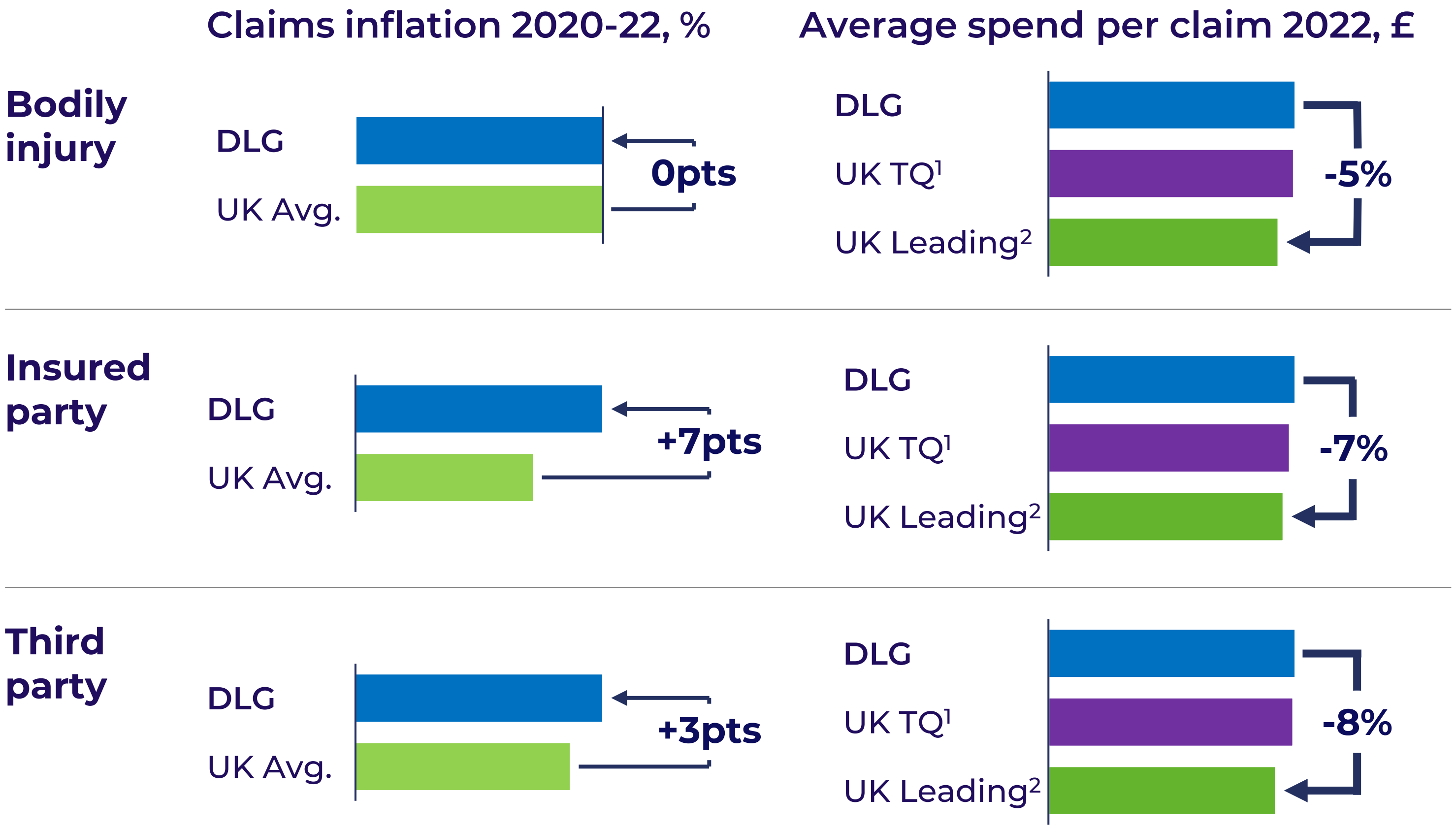
- Deliver at least £100 million of cost savings

1. Total operating expenses including claims handling costs and marketing spend. See slide 33 in appendix
2. Total cost base excluding levies, depreciation and amortisation, as a proportion of gross written premium
3. General insurance FY22
4. Peer group: Pure direct players / direct operations that are part of larger groups

Source: Management estimate based on market benchmark data

3b Build on strong foundations in claims, narrowing the gap to leading peers in 2024

Focus on regaining market leadership in claims



DLG builds on a strong foundation in claims:

- UK's largest insurer-owned repair network
- Strong counter-fraud starting point

'Quick wins' to be delivered in 2024 include:

- Improve routing and third-party capture to further leverage DLGAS[3] advantage
- Build on existing counter-fraud efforts, introduce device ID at policy stage
- Increase speed and effectiveness of recoveries
- Maximise benefits from in-train initiatives (e.g., fully apply ABP[4] rate)

1. Top quartile
2. Top-2 performing peers. Not risk mix adjusted
3. DLG Auto Services
4. Auto body professionals

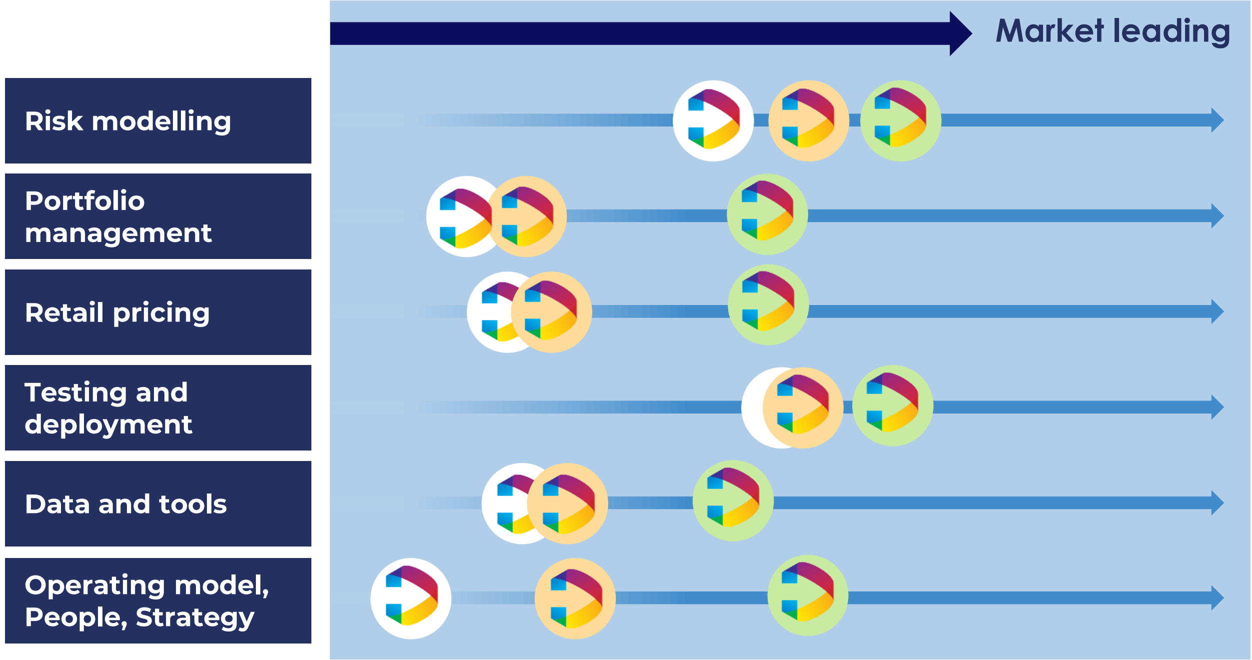
Source: DLG management assessment of WTW and Finalta benchmarking

3c Accelerate the ongoing pricing transformation in 2024

Progress made with pricing capabilities but further development required

Assessment of DLG's pricing capabilities starting point vs. recent improvements against market peers

- Assessment conducted in Q3 2023
- DLG management assessment of recent developments Q1 2024
- DLG planned progress during 2024



Full transformation effort underway, established in H2 2023

Deliverables from H2 23 included:

- Upgrades of core pricing models
- New product pricing (Essentials and Darwin Tiers)
- Organisational simplification to increase accountability

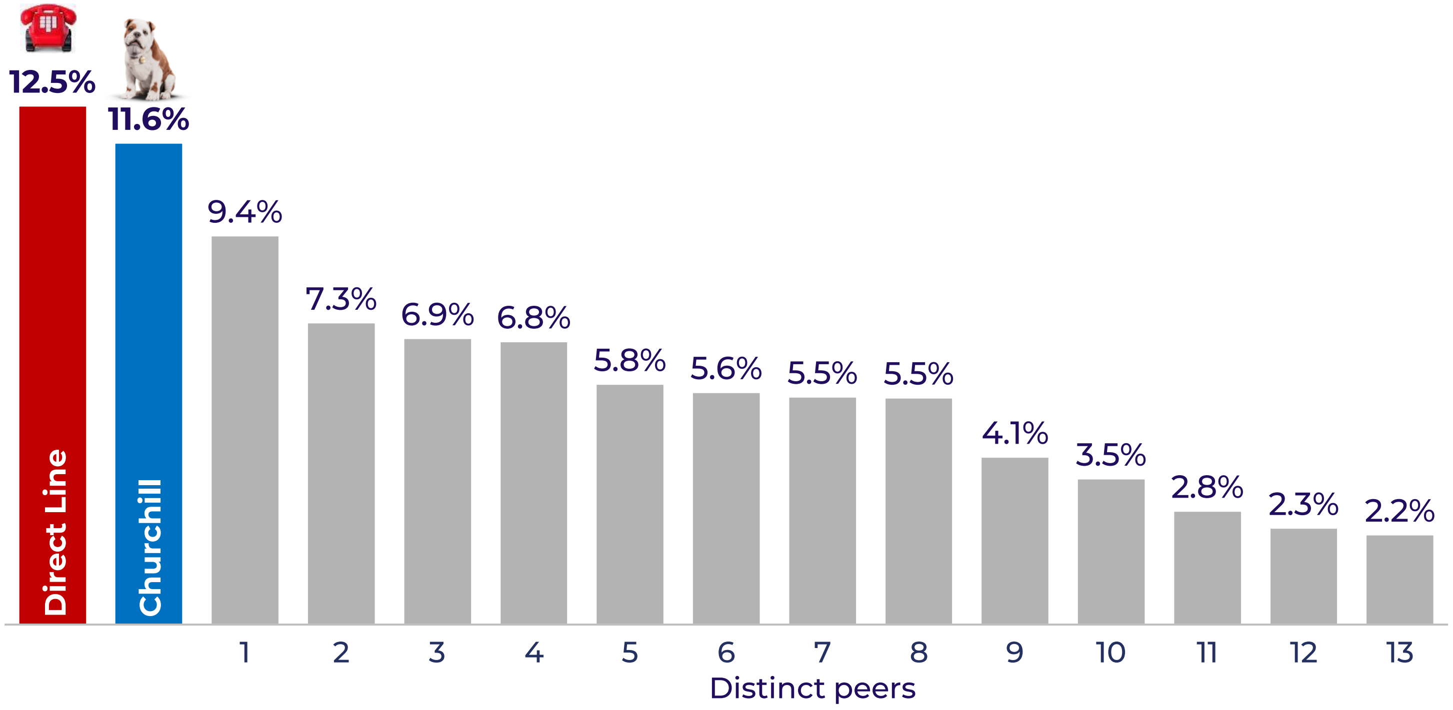
'Quick wins' to be delivered in 2024 include:

- Develop next generation technical pricing models
- Enrich models with new internal and external data sources
- Simplify pricing algorithm

3d Broaden our market coverage and return to customer growth

Utilising the full power of our brand portfolio and evaluating PCW move as part of Direct Line's go-to-market strategy

Brand preference in a price agnostic scenario[1]



Direct Line and Churchill exhibit considerable brand strength

- We do not leverage their full strength as we often don't quote
- Churchill and Privilege have quotability levels of <60% while leading peers have >70%, in line with our historical performance

'Quick wins' to be delivered in 2024 include:

- Create a clear customer segmentation strategy and value proposition across our brand portfolio
- Commence the controlled return of our PCW brands' quotability to previous +70%

1. Conjoint analysis for attribute importance shows which motor brands are most preferred if all brands were priced the same

Source: Consumer intelligence, DLG online market survey with 4000+ respondents, August 2023

4 Capital markets day will outline a refreshed strategy to deliver higher returns

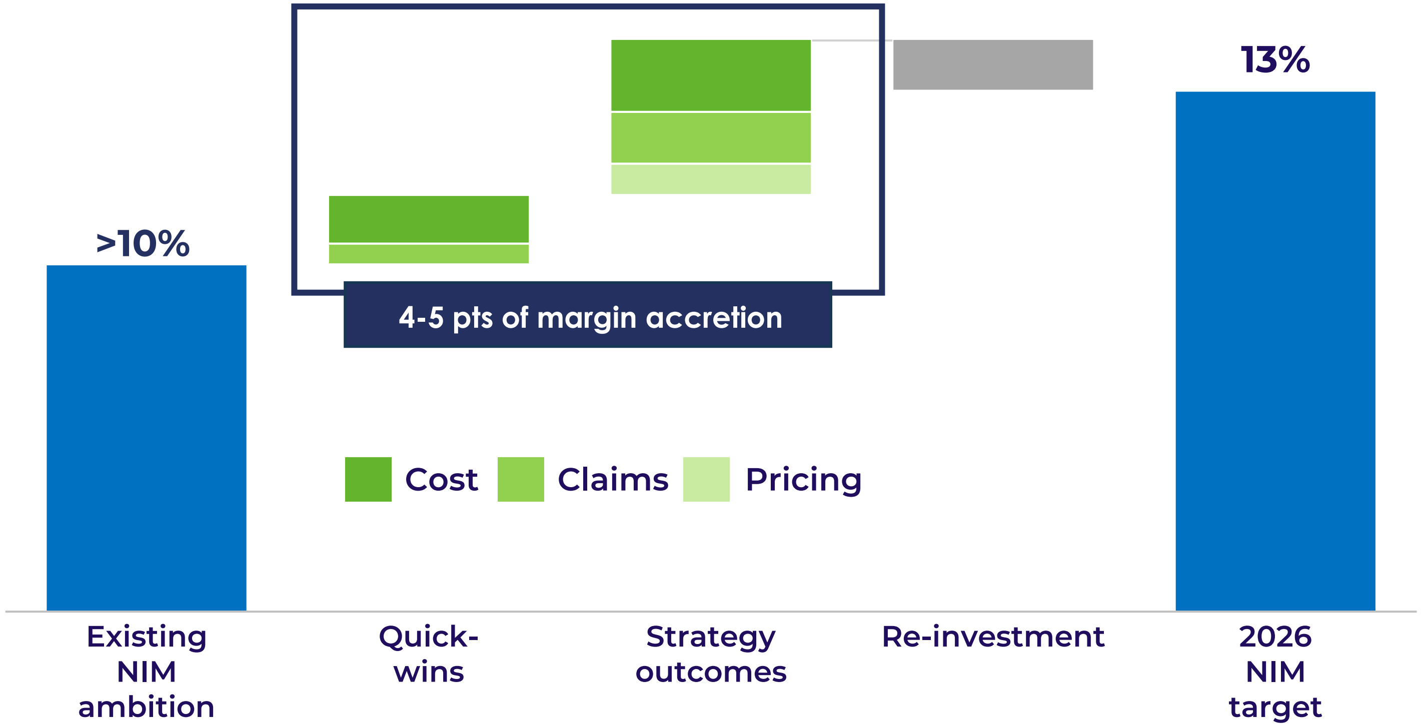
- Customer, brand and proposition
- Enhanced pricing and underwriting
- Claims, service and supply chain expertise
- Simplified operating model and tech

C. 4-5pts of additional margin through combination of quick wins and refreshed strategy

Quick wins and strategic opportunities increase our NIM target to 13%

Executing on a refreshed strategy expected to significantly contribute to NIM

Net insurance margin[1]



- **C. 4-5 pts of margin accretion above our existing NIM ambition of >10%[1]** through combination of quick wins activities and refreshed strategy
- **We have increased our NIM target to 13%[1] and aim to deliver this in 2026**
- **Any margin improvement above this level reinvested** into policy volume, technology or wider operating model

1. NIM normalised for weather

Summary

1

DLG has strong foundations

2

Our motor business has turned the corner

3

There are immediate actions we can take in 2024 to create value

4

Refreshed strategy to be announced at capital markets day in July

Q&A

Appendix

Notes to financial disclosures

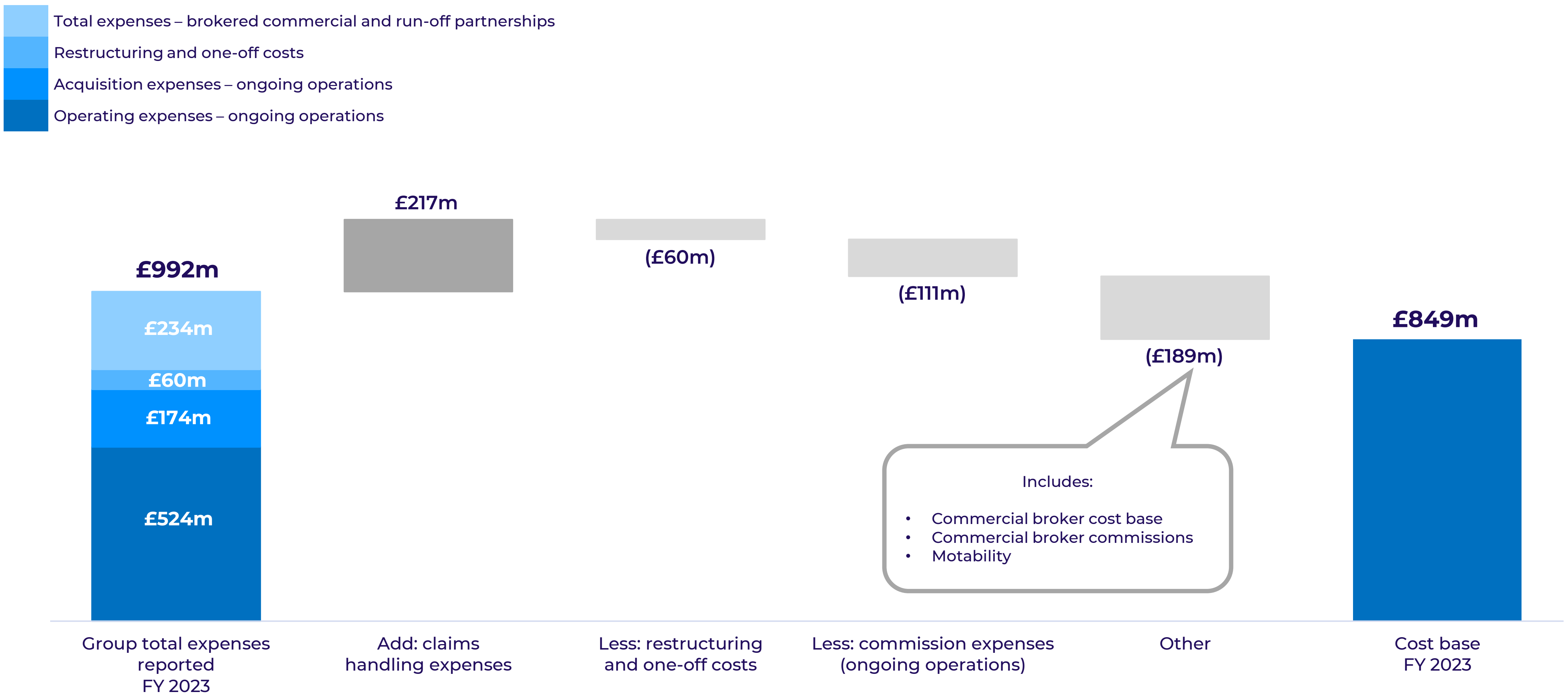
1. Ongoing operations – the Group's ongoing operations result excludes the results of the brokered commercial business, that it sold to RSA Insurance Limited in 2023, and the Rescue and other personal lines partnerships that the Group first excluded from its 2022 results. Relevant prior-year data has been restated accordingly.

2. Direct own brands include Motor in-force policies under the Direct Line, Churchill, Darwin, Privilege and By Miles brands, Home in-force policies under the Direct Line and Churchill brands and Commercial in-force policies under the Direct Line for Business and Churchill brands.

3. See slide 56 for a summary glossary. A full glossary of terms can be found within the Group's 2023 preliminary announcement[1]

1. Available at: https://www.directlinegroup.co.uk/en/investors/results-reports-and-events.html

Reconciliation of total Group expenses to FY23 cost base



See notes and glossary of terms

Net insurance margin normalised for weather

£m	2023 Ongoing operations	2023 Home	2023 Commer-cial	2022 Ongoing operations	2022 Home	2022 Commer-cial
Expected event weather claims	(59)	(54)	(6)	(56)	(52)	(5)
Actual event weather claims incurred	(27)	(25)	(2)	(124)	(119)	(5)
Event weather normalisation	(33)	(29)	(4)	68	68	0
Net insurance margin (NIM)	**(8.3%)**	**10.0%**	**13.1%**	**(0.9%)**	**(0.8%)**	**(2.7%)**
Effect of weather – net claims ratio	(1.3%)	(5.8%)	(1.7%)	2.8%	12.6%	0.3%
Effect of weather – net acquisition ratio	-	-	-	(0.2%)	(0.8%)	-
Net insurance margin (NIM) normalised for weather	**(9.6%)**	**4.2%**	**11.4%**	**1.7%**	**11.0%**	**(2.4%)**

2024 event weather assumptions

- Home £54m
- Ongoing Commercial £8m
- Total ongoing operations £62m

Reconciliation of ongoing operating profit to Group profit after tax

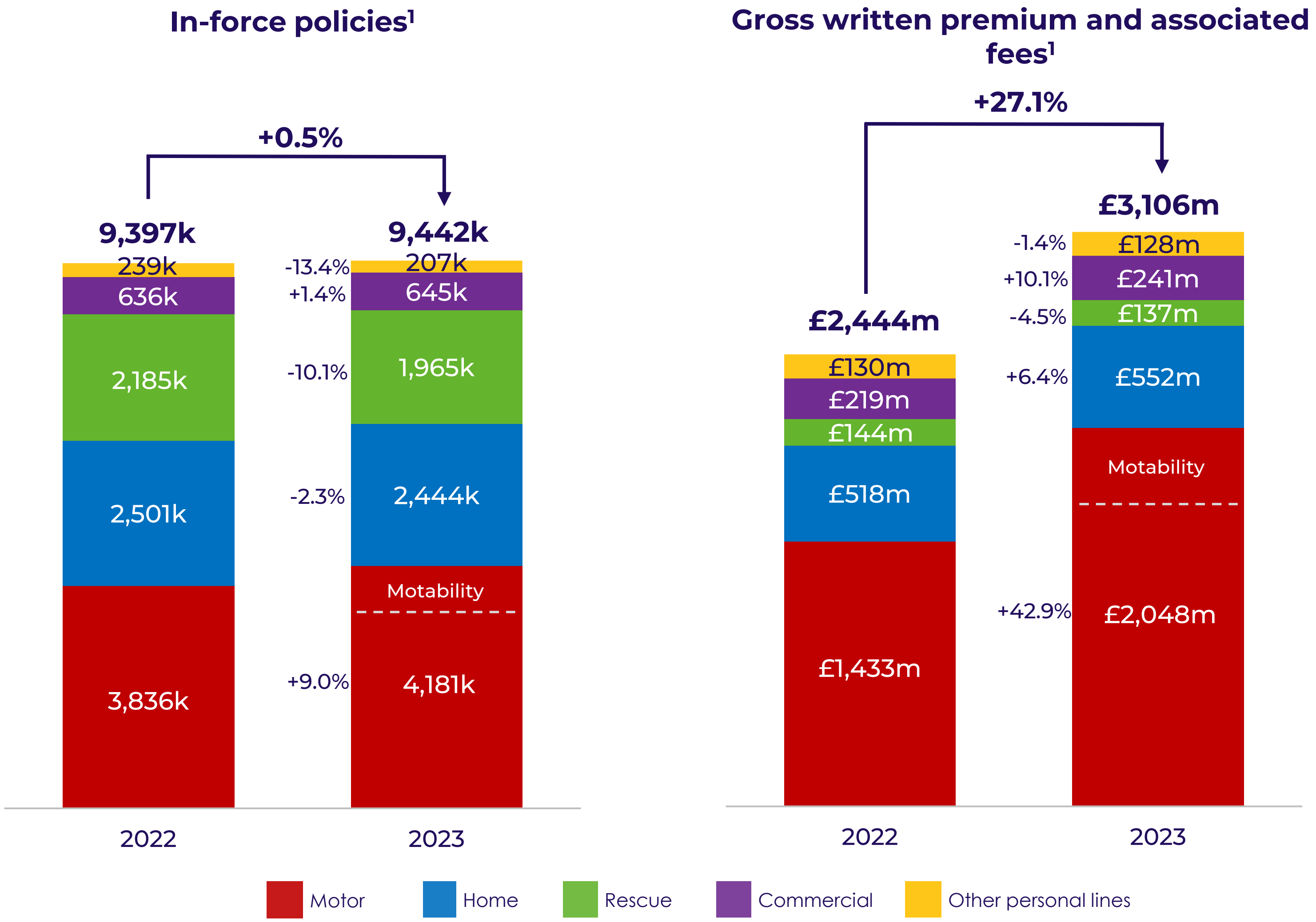
£m	2023	2022
Motor	(320)	(65)
Home	52	1
Rescue and other personal lines	48	60
Commercial	30	(3)
Operating loss from ongoing operations[1]	**(190)**	**(6)**
Brokered commercial business	28	63
Run-off partnerships	(30)	(11)
Operating (loss) / profit	**(191)**	**46**
FV gains / (losses)	124	(343)
Effect of change in yield curve	(26)	61
Restructuring and one-off costs £469m	(60)	(45)
Other finance costs	(15)	(20)
Gain on disposal of business	444	-
Profit / (loss) before tax	**277**	**(302)**
Tax (charge) / credit	(55)	70
Profit / (loss) after tax	**223**	**(232)**
Earnings / (loss) per share (pence)	**15.9**	**(19.1)**

- Fair value gains improvement reflects reduced market volatility with both interest rates and credit spreads tightening during 2023
- Effect of change in yield curve of (£26m), reflects changes in discounting from movements in interest rates on claims previously recognised
- Restructuring and one-off costs were £60m, driven by expenses incurred in relation to past business reviews, cost efficiency initiatives and impairments
- Other finance costs reduced following the redemption of £250m Tier 2 subordinated notes on 27 April 2022
- Gain on disposal relates to proceeds from sale of brokered commercial business, net of transaction costs, and assets written-off and impaired as part of the disposal
- The effective tax rate was 19.6% in 2023, lower than the standard UK corporation rate of 23.5%
- EPS increased significantly to 15.9p gain in 2023

1. Ongoing operations (Group excluding run-off Rescue and Travel partnerships and brokered commercial business)

See notes and glossary of terms

Gross written premium grew 27%, driven by Motor, Home and Commercial



- Motor average premium increased 28%, reflecting rate increases to support margin recovery, driving GWP growth of 43% including Motability partnership
- Home average premium increased 12% and IFPs 2.3% lower, reflecting early 2023 policy loss and remediation costs
- Rescue policy count reduced, primarily driven by lower Motor volumes where Rescue is sold alongside a Motor policy
- Commercial continued to grow policies, premium growth reflects pricing in Van

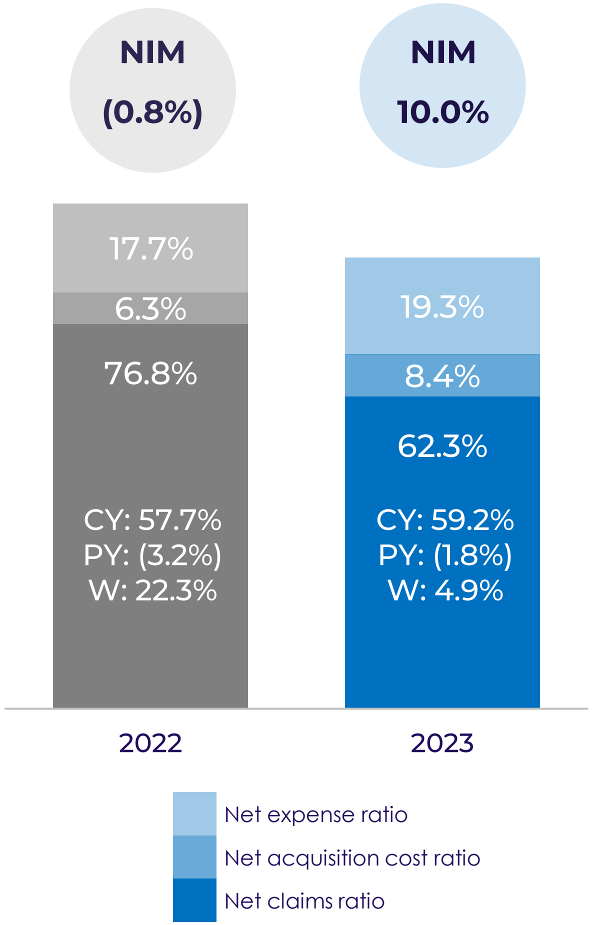
1. Ongoing operations (Group excluding run-off Rescue and Travel partnerships and brokered commercial business)
See notes and glossary of terms

Home trading

Metrics

	2023	2022	Change
In-force policies 000's	**2,444**	2,501	(2.3%)
Average premium[1] £	**242**	216	12.0%
Gross written premium and associated fees £m	**552**	518	6.4%
Net insurance revenue £m	**504**	534	(5.7%)
Insurance service result £m	**50**	(4)	54
Of which prior year £m	***9***	*17*	*(8)*
Of which weather £m	***(25)***	*(119)*	94
Operating profit £m	**52**	1	51
NIM normalised for weather[2]	**4.2%**	11.0%	(6.8pts)
NIM adjusted for pricing remediation	**12.1%**	0.3%	11.8pts

Ratios[1]



- GWP grew 8% prior to PPR-related remediation due to higher average premiums
- Underlying claims trends for 2023 remain in line with expectations
- Net claims ratio improved 15pts, as lower weather claims more than offset lower prior year reserve releases

1. Direct own brands
2. 2023 event weather expectation £52m, 2024 expectation is £54m

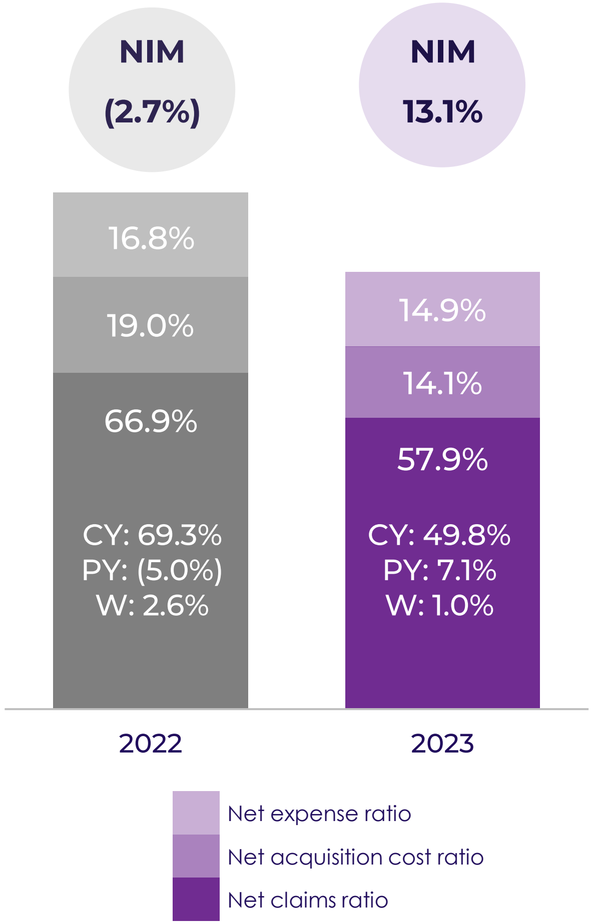
See notes and glossary of terms

Commercial direct trading

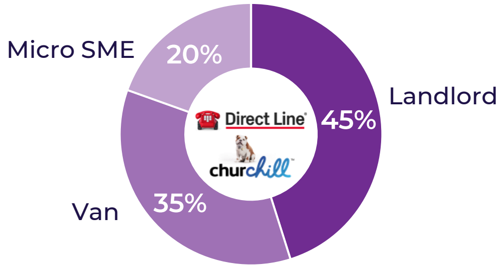
Metrics

	2023	2022	Change
In-force policies 000's	**645**	636	1.4%
Gross written premium and associated fees £m	**241**	219	10.1%
Net insurance revenue £m	**210**	190	10.6%
Insurance service result £m	**28**	(5)	33
Of which prior year £m	***(15)***	*10*	*(25)*
Of which weather £m	***(2)***	*(5)*	3
Operating profit / (loss) £m	**30**	(3)	33
NIM normalised for weather	**11.4%**	(2.4%)	13.8pts

Ratios[1]



Business mix by gross written premium



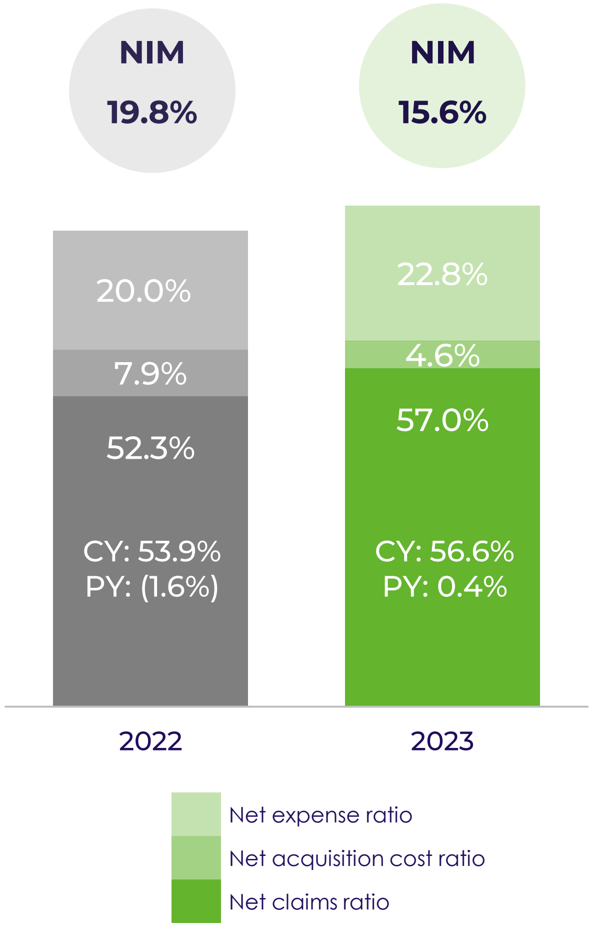
- GWP growth of 10%, supported by policy count growth and rating action in Van
- Prior year strengthening of £15m, due to elevated claims inflation in Van
- Net claims ratio improved as better weather and attritional claims experience more than offset prior year strengthening

Rescue and other personal lines

Metrics

	2023	2022	Change
In-force policies 000's	**2,172**	2,424	(10.4%)
Gross written premium and associated fees £m	**266**	274	(3.0%)
Net insurance revenue £m	**269**	280	(3.8%)
Insurance service result £m	**42**	56	(14)
Of which prior year £m	***(1)***	*5*	*(6)*
Operating profit £m	**48**	60	(12)
Of which Rescue £m	***48***	*54*	(6)
Rescue NIM	**29.0%**	32.3%	(3.3pts)

Ratios[1]



- IFP reduction driven by lower Rescue linked sales and Pet volumes
- Modest inflation in Green Flag, with increases in claims frequency offset by actions across managed network
- Attractive NIM of 29.0% in Rescue
- Operating profit of £0.4m in other personal lines

Motability

Overview	The Motability scheme enables people to exchange their qualifying mobility allowance for a brand new car, wheelchair accessible vehicle, scooter or powered wheelchair. Vehicles come with insurance cover which DLG provides. If a customer has an accident, they contact Direct Line Motability to arrange repair.
Pricing and premiums	Fleet policy, entire portfolio is repriced every six months Majority of gross written premiums recognised in April and October (A) 80% is reinsured back to Motability (B)
Claims and costs	We fulfil 100% of the claims (C) Higher claims frequency than our other brands Call centre operation drives higher expenses although fully recovered through an operating expenses element of premiums (D)
Operating profit	Finance income generated on reserves (E)
Capital	Minimal regulatory capital Low capital consumption

Motability income statement[1]: key line items

A	Gross written premium and associated fees
	Insurance revenue
B	Expenses from reinsurance contracts held
	Net insurance revenue
C	Incurred claims
C	Insurance claims recoverable from reinsurers
	Net insurance claims
	Acquisition costs
D	Operating expenses
	Other directly attributable expenses
	Insurance service result
E	Net investment income
	Unwind of discounting of claims
	Other operating income and expenses
	Operating profit

1. Management view. For presentational purposes

See notes and glossary of terms

Motor and Home results

Motor	2023	2022
In-force policies (000s)	**4,181**	**3,836**
Own brand in-force policies (000s)	3,373	3,756
Partnerships in-force policies (000s)	808	80
Gross written premium and associated fees £m	**2,048**	**1,433**
Net insurance revenue £m	1,565	1,478
Net insurance margin	**(21.1%)**	**(4.8%)**
Net insurance claims ratio – current year	86.7%	79.9%
Net insurance claims ratio – prior years	8.8%	(0.3%)
Net insurance claims ratio	95.5%	79.6%
Net acquisition costs ratio	5.7%	5.6%
Net expense ratio	19.9%	19.6%
Insurance service result £m	**(332)**	**(71)**
Of which prior year development £m	*(138)*	*4*
Investment income £m	108	73
Unwind of discounting on claims £m	(94)	(39)
Other operating income and expenses £m	(1)	(28)
Operating loss £m	**(320)**	**(65)**

Home	2023	2022
In-force policies (000s)	**2,444**	**2,501**
Own brand in-force policies (000s)	1,706	1,732
Partnerships in-force policies (000s)	738	769
Gross written premium and associated fees £m	**552**	**518**
Net insurance revenue £m	504	534
Net insurance margin	**10.0%**	**(0.8%)**
Net insurance margin normalised for weather	4.2%	11.0%
Net insurance claims ratio – current year	59.2%	57.7%
Net insurance claims ratio – prior years	(1.8%)	(3.2%)
Net insurance claims ratio – major weather events	4.9%	22.3%
Net insurance claims ratio	62.3%	76.8%
Net acquisition costs ratio	8.4%	6.3%
Net expense ratio	19.3%	17.7%
Insurance service result £m	**50**	**(4)**
Of which prior year development £m	*9*	*17*
Investment income £m	21	14
Unwind of discounting on claims £m	(16)	(7)
Other operating income and expenses £m	(3)	(2)
Operating profit £m	**52**	**1**

See notes and glossary of terms

Rescue and other personal lines results – ongoing operations

Rescue and other personal lines - ongoing operations	2023	2022
In-force policies (000s)	**2,172**	**2,424**
Rescue (000s)	1,965	2,185
Pet (000s)	112	128
Other personal lines (000s)	95	111
Gross written premium and associated fees £m	**266**	**274**
Net insurance revenue £m	269	280
Net insurance margin	**15.6%**	**19.8%**
Net insurance claims ratio – current year	56.6%	53.9%
Net insurance claims ratio – prior years	0.4%	(1.6%)
Net insurance claims ratio	57.0%	52.3%
Net acquisition costs ratio	4.6%	7.9%
Net expense ratio	22.8%	20.0%
Insurance service result £m	**42**	**56**
Of which prior year development £m	*(1)*	*5*
Investment income £m	6	4
Unwind of discounting on claims £m	(2)	(2)
Other operating income and expenses £m	3	3
Operating profit £m	**48**	**60**

Rescue – ongoing operations	2023	2022
In-force policies (000s)	**1,965**	**2,185**
Of which Green Flag (000s)	1,048	1,106
Gross written premium and associated fees £m	**137**	**144**
Of which Green Flag £m	85	88
Net insurance margin	**29.0%**	**32.3%**
Operating profit £m	**48**	**54**

Commercial broker and run-off partnerships results

Commercial broker

	2023	2022	Change
In-force policies 000's	**286**	277	3.2%
Gross written premium and associated fees £m	**666**	530	25.5%
Net insurance revenue £m	**437**	460	(4.8%)
Insurance service result £m	**14**	48	(71.3%)
Of which prior year £m	***32***	*39*	*(16.6%)*
Operating profit £m	**28**	63	(56.1%)

- 2023 result reflects business written up until the risk transfer date (1 October 2023)
- Back book is retained, driving prior year reserve movements

Run-off partnerships

	2023	2022	Change
In-force policies 000's	**2,224**	2,188	1.6%
Gross written premium and associated fees £m	**150**	124	20.7%
Net insurance revenue £m	**147**	122	20.1%
Insurance service result £m	**(29)**	(11)	(170.8%)
Of which prior year £m	***(11)***	*24*	*(144.5%)*
Operating loss £m	**(30)**	(11)	(173.1%)

- Packaged bank account business
- Rescue: Contract with NatWest ended in December 2022 and has fully run-off
- Travel: Two partnerships c. 2.2m policies in total:
  - NatWest contract c. 64% of IFPs ends 31 Jan 2024 and all existing business is transferred to new provider
  - Nationwide contract ends 30 April 2024, the Group will continue to underwrite policy upgrades until 30 April 2025

Group consolidated balance sheet

Group balance sheet £m	31 Dec 2023	31 Dec 2022
Goodwill and other intangible assets	**819**	822
Insurance contract assets	**5**	17
Reinsurance contract assets	**1,346**	1,075
Financial investments and cash	**5,464**	4,700
Other assets	**783**	810
Total Assets	**8,417**	**7,424**
Insurance contract liabilities	**5,239**	4,626
Reinsurance contract liabilities	**117**	14
Other liabilities	**657**	592
Total Liabilities	**6,013**	**5,232**
Shareholders' equity	**2,058**	1,845
Tier 1 notes	**347**	347
Total Equity	**2,405**	**2,192**

See notes and glossary of terms

Reinsurance arrangements

Quota share (whole account)

- **Cover Incepted on 1 January 2023 for 3 years**
- Cover applies on an individual accident year basis
- Structured quota share with a profit sharing mechanism
- Excludes Motability
- 10% cession with the benefit of all other existing reinsurance contracts
- Placed with 2 reinsurers who are both AA-rated
- Placed on a funds-withheld basis with notional investment income credit

Motability

- **Motor excess of loss reinsurance purchased and incepted on 1 September 2023**
  - Retained £5m deductible (indexed), cover up to an unlimited amount
- **Policies are 80% quota share reinsured back to Motability**

Excess of loss (Motor)

Accident year	Deductible £m
2024	5[1]
2023	5[1]
2022	5[1]
2021	1[2]
2020	1
2019	1
2018	1[3]
2017	1
2016	1
2015	1
2014	1
2013	3
2012	3
2011	3

- **Cover renewed on 1 January 2024**
- Retained £5m deductible (indexed) up to £10m
  - £37.5m aggregate deductible for layers above £10m
  - All layers placed 100%
- Cover is unlimited in size and has an unlimited amount of cover reinstatements
- Placed on an uncapitalised basis
- Placed with a panel of reinsurers, the majority of which are at least 'A+' rated

Property catastrophe (Home & Commercial)

Accident year	Limit[4] £m	Deductible £m
2024	**1,000**	**100**
1/7 – 31/12 2023	1,450	150
2022/23	1,350	150
2021/22	1,150	150
2020/21	1,125	130
2019/20	c. 1,132	c. 132
2018/19	c. 1,205	c. 139
2017/18	c. 1,275	c. 150
2016/17	1,250	c. 150

- **Cover renewed on 1 January 2024**
- The limit and retention was reduced in line with the reduction in exposure following the sale of the brokered commercial business
- The cover has one full reinstatement for the whole programme and one additional reinstatement up to £400m
- Placed with a panel of reinsurers who are all at least 'A-' rated

1. Layers >£10m have an additional £37.5m aggregate deductible
2. Partial placement on all layers up to £10m. 25% retained in layers <£10m and layers >£10m have an additional £37.5m aggregate deductible
3. Partial placement on lower layers. For 2018 90% of the first layer (£2m excess £1m) was placed with 10% retained
4. From ground up

Following the Group's sale of its brokered commercial business to RSA Insurance Limited, quota share reinsurance between the two parties incepted on 1 October 2023, on an earned basis, covering 100% of all premiums earned and claims incurred after this date

Investment portfolio

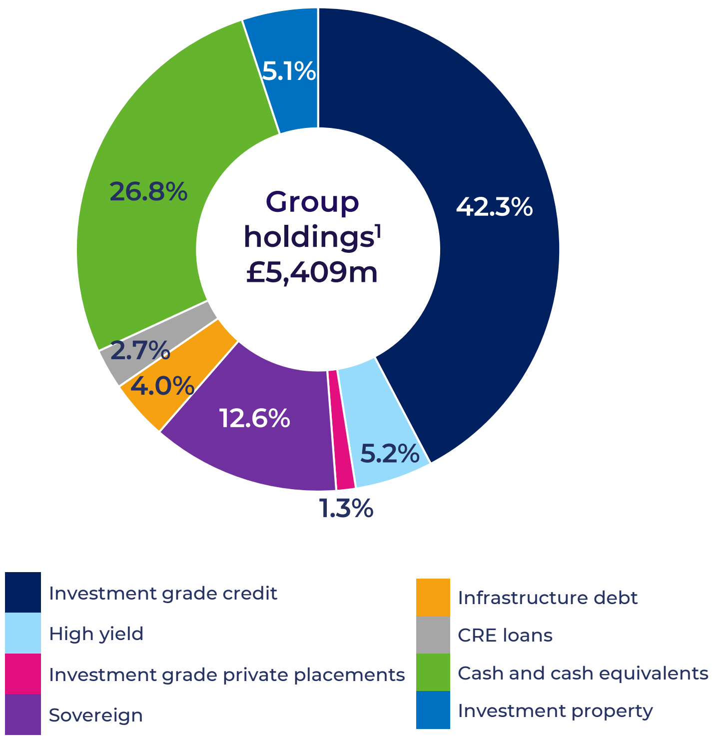
As at 31 Dec 2023	U K Insurance target allocation	U K Insurance current holding	Total Group income yield[1]	Total Group interest rate duration (years)
Investment grade (incl private placements)	60.0%	45.2%	2.2%	2.3
High yield	6.0%	5.4%	5.9%	1.8
Total credit	**66.0%**	**50.6%**	**2.6%**	**2.3**
Sovereign	10.0%	13.1%	1.4%	1.3
Total debt securities	**76.0%**	**63.7%**	**2.4%**	**2.1**
Infrastructure debt	4.0%	4.1%	6.6%	0.1
Commercial real estate loans	6.5%	2.8%	7.5%	0.1
Investment property	5.5%	5.3%	5.8%	-
Cash and cash equivalents	8.0%	24.1%	5.5%	-
Total	**100.0%**	**100.0%**	**3.5%**	**1.3**

1. Gross investment income yield

See notes and glossary of terms

Investment income and yield

Assets under management



Financials

Group £m	2023	2022
Investment income	**188**	125
Investment fees	**(9)**	(10)
Net investment income[2]	**179**	115
Investment income yield	**3.5%**	2.1%
Net FV gains / (losses)[2]	**124**	(343)
Of which financial assets held at FV	*127*	*(303)*
Of which investment property	*(2)*	*(39)*
Of which credit impairment losses	*(1)*	*1*
Net investment return[3]	**303**	(227)

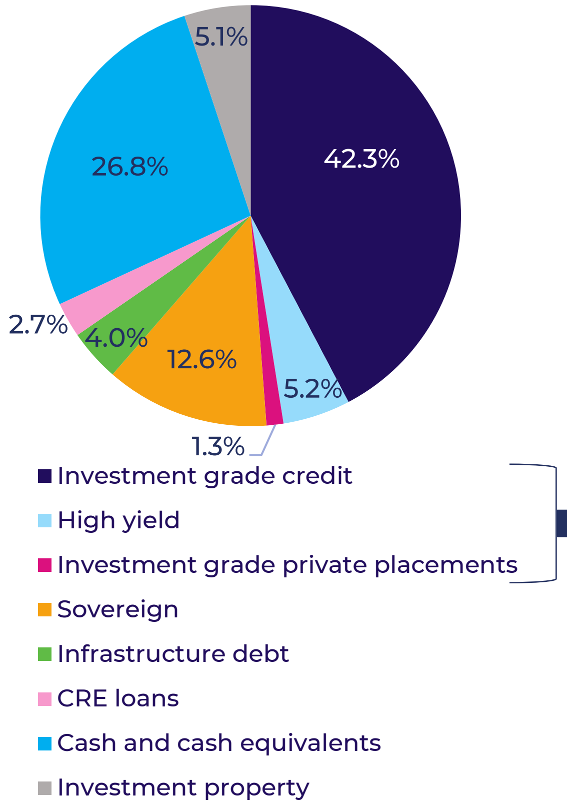
- Net investment income increased by £64m primarily driven by variable rate asset classes benefiting from a rising interest rate environment, delivering an income yield of 3.5%
- Net FV gains of £124m due to tightening credit spreads and pull to par effect
- Net investment return of £303m, resulting in a £530m improvement when compared to 2022
- **Outlook:** Investment income yield expected to be c.3.8% in 2024 and c.3.9% in 2025

1. Excludes £241.8m funds withheld asset held in association with quota share reinsurance contracts that have funds withheld features and equity investments of £19.7m
2. Management view
3. Statutory view

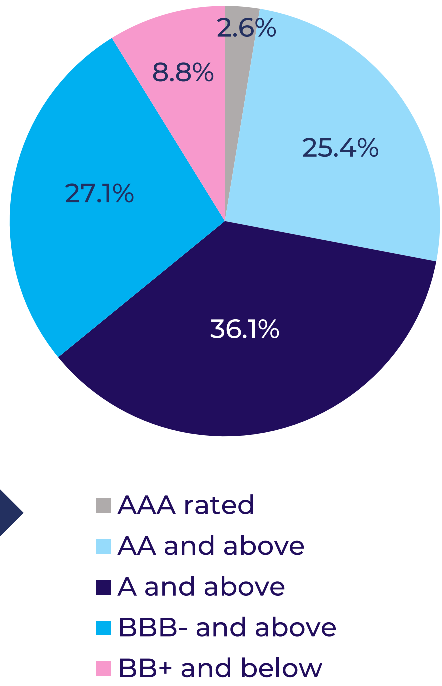
See appendix for notes and glossary of terms

Investment portfolio analysis

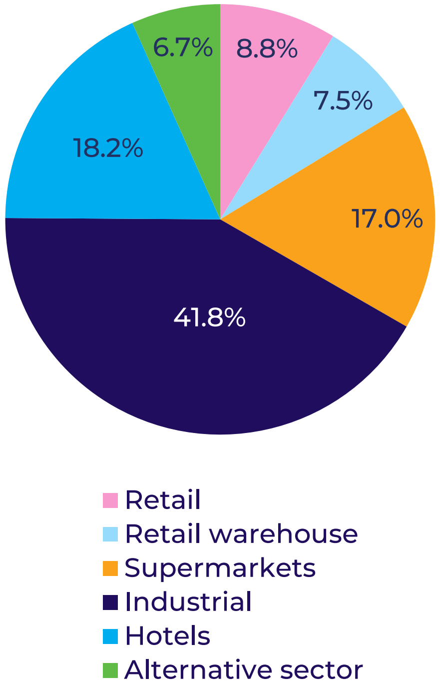
Group holdings[1] £5,409m



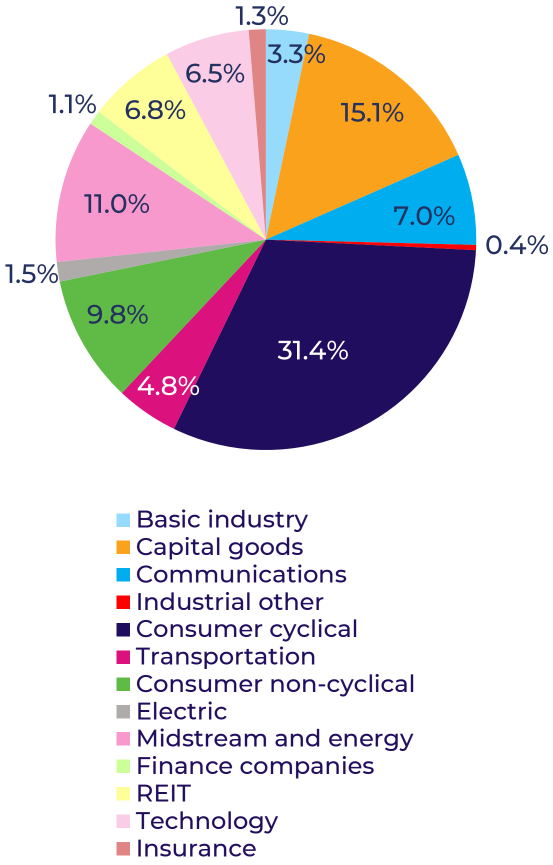
Debt securities credit quality



Property by sector[2] £277.2m



High yield by sector £281.2m

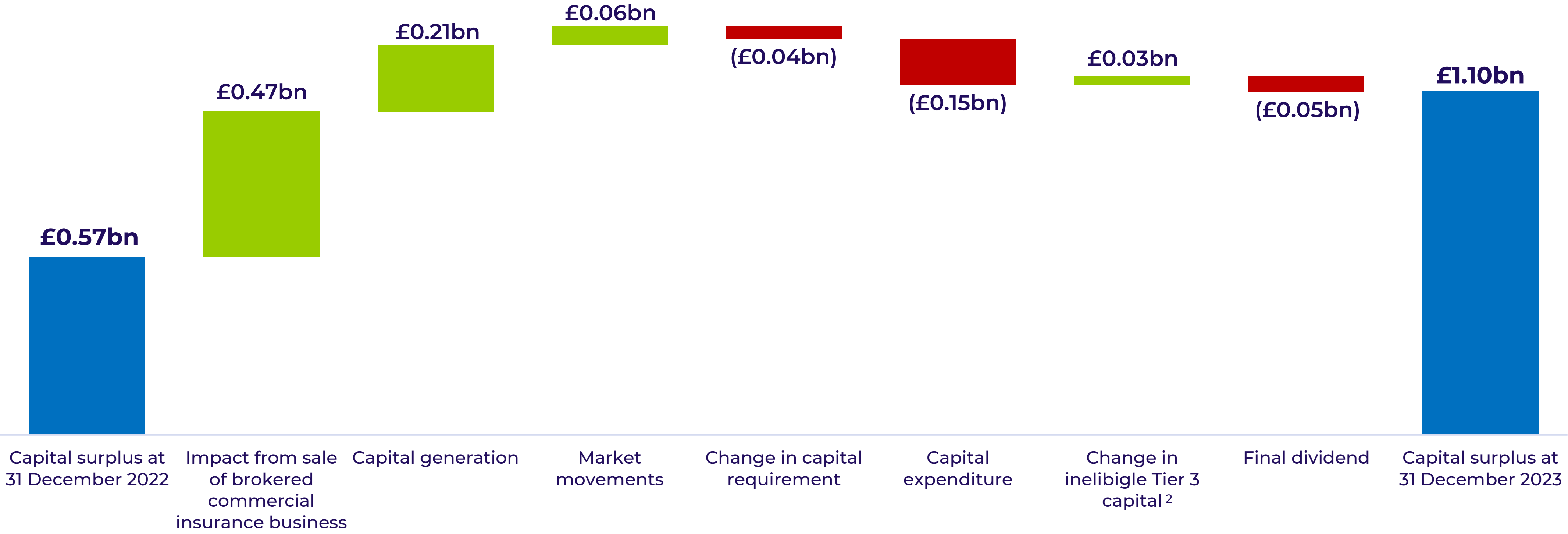


1. Excludes £241.8m funds withheld asset held in association with quota share reinsurance contracts that have funds withheld features and equity investments of £19.7m
2. Investment property by sector based on capital cost (excludes in-house properties owned by Direct Line Group Insurance Services)

See notes and glossary of terms

Movement in surplus capital

Surplus capital walk[1]

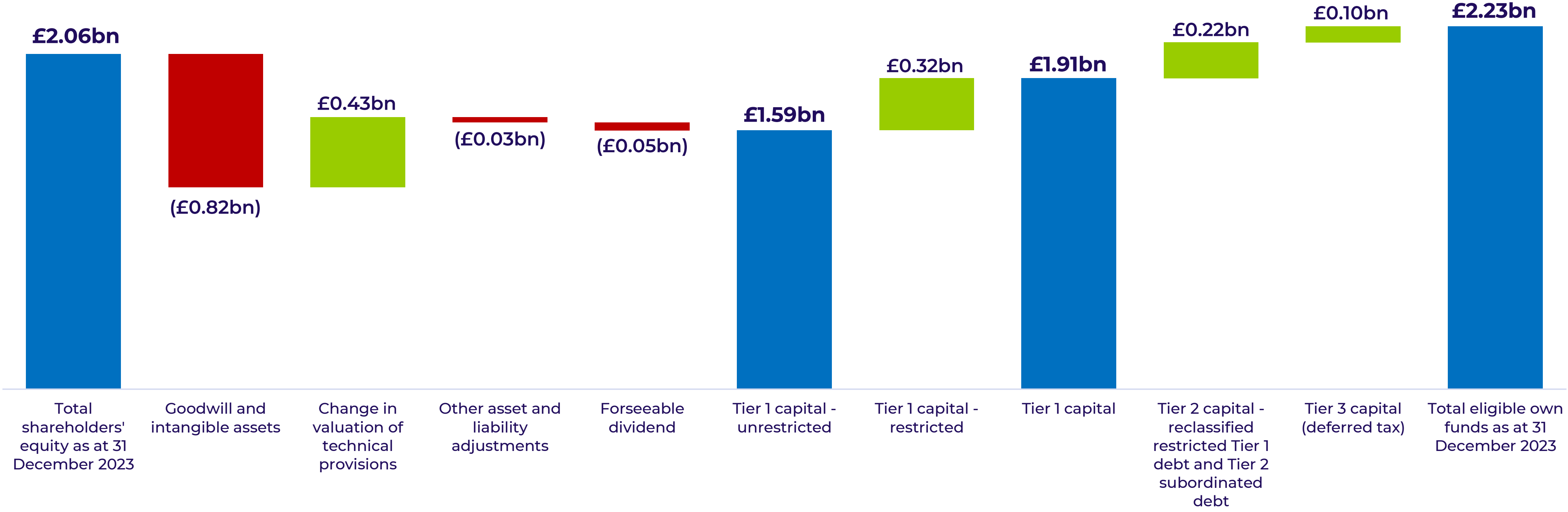


1. Figures estimated and based on partial internal model (PIM) output as at 31 December 2023
2. At 31 December 2023, no ineligible Tier 3 capital arose as the amount of Tier 3 capital was under the amount permitted under the Solvency II regulations (15% of the Group's SCR). At 31 December 2022, ineligible Tier 3 capital arose as the amount of Tier 2 and Tier 3 capital permitted under the Solvency II regulations.

See notes and glossary of terms

IFRS to Solvency II bridge

Reconciliation of IFRS shareholders' equity to solvency II own funds[1,2,3]



1. Figures estimated and based on partial internal model (PIM) output as at 31 December 2023
2. As at 31 December 2023, none (31 December 2022: £51 million) of the Group's restricted Tier 1 capital was reclassified as Tier 2 due to Solvency II tiering restrictions
3. At 31 December 2023, no ineligible Tier 3 capital arose as the Group's available Tier 3 capital was under the amount of Tier 3 capital permitted under the Solvency II regulations (15% of the Group's SCR). At 31 December 2022, ineligible Tier 3 capital arose as the Group's Tier 3 capital was above the amount permitted under the Solvency II regulations

See notes and glossary of terms

Solvency scenario and sensitivity analysis[1]

Solvency sensitivity: Impact on solvency capital ratio

Deterioration of small bodily injury motor claims equivalent to accident years 2008 and 2009	(5pts)
One-off catastrophe loss equivalent to the 1990 storm 'Daria'	(9pts)
One-off catastrophe loss based on extensive flooding of the River Thames	(7pts)
Increase in Solvency II inflation assumptions for PPOs by 100 bps[2]	(15pts)
100 bps increase in credit spreads[3]	(5pts)
100 bps decrease in interest rates with no change in the PPO discount rate[4]	(6pts)

1. Sensitivities are calculated under the assumption full tax benefits can be realised
2. The PPO inflation assumption used is an actuarial judgement which is based on a range of factors including the economic outlook for wage inflation relative to the PRA discount rate curve excluding any change in discount rate
3. Includes only the impact on assets held at FVTPL (excludes assets held at amortised cost) and assumes no change to the SCR
4. Scenario updated to latest PPO inflation assumptions and to include change in expected investment return on cash holdings. The 2022 sensitivity has been restated on a like for like basis.

Book value and TNAV

Movement in tangible net asset value

	31 Dec 2023	31 Dec 2022
Net asset value per share (pence)	158.6	142.1
Tangible net asset value per share (pence)	95.5	78.8

See notes and glossary of terms

Operating return on tangible equity and earnings / (loss) per share

Operating RoTE

	2023 £m	2022 £m
Operating loss – ongoing operations	(189.5)	(6.4)
Other finance costs	(14.5)	(20.4)
Coupon payments in respect of Tier 1 notes	(16.6)	(16.6)
Adjusted operating loss before tax – ongoing operations	**(220.6)**	**(43.4)**
Tax credit (2023 UK standard tax rate of 23.5%, 2022 UK standard tax rate of 19.0%)	51.8	8.2
Adjusted operating loss after tax – ongoing operations	**(168.8)**	**(35.2)**
Opening shareholders tangible equity	1,023.1	1,628.1
Closing shareholders' tangible equity	1,239.6	1,023.1
Average shareholders' tangible equity	**1,131.4**	**1,325.6**
Operating RoTE	**(14.9%)**	**(2.7%)**

Earnings / (loss) per share

	2023 £m	2022 £m
Profit / (loss) after tax	222.9	(231.9)
Coupon payments in respect of Tier 1 notes	(16.6)	(16.6)
Profit / (loss) for the calculation of EPS	**206.3**	**(248.5)**
Weighted average number of shares (millions)	1,299.0	1,304.3
Earnings / (loss) per share (pence)	**15.9**	**(19.1)**

2023 segmental results

Income statement (management view) £m	Motor	Home	RoPL	Commercial	Total ongoing operations	Brokered commercial	Run-off partnerships	Total Group
Gross written premium and associated fees	2,048	552	266	241	3,106	666	150	3,922
Instalment income	66	16	3	6	91	2	-	93
Movement in liability for remaining coverage	(309)	(28)	5	(12)	(344)	(67)	(2)	(413)
Insurance revenue	**1,805**	**540**	**273**	**235**	**2,853**	**601**	**148**	**3,602**
Expenses from reinsurance contracts held	(241)	(36)	(4)	(25)	(305)	(163)	(1)	(470)
Net insurance revenue	**1,565**	**504**	**269**	**210**	**2,548**	**437**	**147**	**3,132**
Incurred claims	(1,744)	(338)	(156)	(127)	(2,364)	(357)	(153)	(2,874)
Insurance claims recoverable from reinsurers	249	24	2	5	280	141	2	423
Net insurance claims	**(1,495)**	**(314)**	**(153)**	**(122)**	**(2,083)**	**(216)**	**(151)**	**(2,450)**
Of which prior-year reserves development	*(138)*	*9*	*(1)*	*(15)*	*(146)*	*32*	*(11)*	*(124)*
Acquisition costs	(90)	(42)	(12)	(30)	(174)	(116)	(2)	(292)
Operating expenses	(312)	(97)	(61)	(31)	(502)	(91)	(22)	(616)
Other directly attributable expenses	**(402)**	**(140)**	**(74)**	**(61)**	**(676)**	**(208)**	**(25)**	**(908)**
Insurance service result	**(332)**	**50**	**42**	**28**	**(212)**	**14**	**(29)**	**(227)**
Investment income	108	21	6	7	142	35	2	179
Unwind of discounting of claims	(94)	(16)	(2)	(6)	(119)	(20)	(2)	(140)
Other operating income and expenses	(1)	(3)	3	1	(1)	(1)	(1)	(3)
Operating (loss) / profit	**(320)**	**52**	**48**	**30**	**(190)**	**28**	**(30)**	**(191)**
Net insurance margin	**(21.1%)**	**10.0%**	**15.6%**	**13.1%**	**(8.3%)**	**n/a**	**n/a**	**(7.2%)**
Net insurance margin normalised for weather	**n/a**	**4.2%**	**n/a**	**11.4%**	**(9.6%)**	**n/a**	**n/a**	**(8.8%)**
Net expense ratio	19.9%	19.3%	22.8%	14.9%	19.7%	n/a	n/a	19.7%
Net acquisition costs ratio	5.7%	8.4%	4.6%	14.1%	6.8%	n/a	n/a	9.3%
Net insurance claims ratio	**95.5%**	**62.3%**	**57.0%**	**57.9%**	**81.8%**	**n/a**	**n/a**	**78.2%**
– current-year attritional	*86.7%*	*59.2%*	*56.6%*	*49.8%*	*75.1%*	*n/a*	*n/a*	*73.3%*
– prior-year reserves development	*8.8%*	*(1.8%)*	*0.4%*	*7.1%*	*5.7%*	*n/a*	*n/a*	*4.0%*
– major weather events	*n/a*	*4.9%*	*n/a*	*1.0%*	*1.0%*	*n/a*	*n/a*	*0.9%*

See notes and glossary of terms

2022 segmental results

Income statement (management view) £m	Motor	Home	RoPL	Commercial	Total ongoing operations	Brokered commercial	Run-off partnerships	Total Group
Gross written premium and associated fees	1,433	518	274	219	2,444	530	124	3,098
Instalment income	66	17	3	6	91	2	-	93
Movement in liability for remaining coverage	57	26	5	(13)	75	(36)	(2)	38
Insurance revenue	**1,555**	**561**	**282**	**212**	**2,610**	**496**	**123**	**3,229**
Expenses from reinsurance contracts held	(77)	(27)	(2)	(22)	(128)	(37)	(1)	(166)
Net insurance revenue	**1,478**	**534**	**280**	**190**	**2,482**	**460**	**122**	**3,063**
Incurred claims	(1,264)	(413)	(146)	(125)	(1,947)	(218)	(110)	(2,275)
Insurance claims recoverable from / (payable to) reinsurers	87	3	(1)	(2)	88	8	-	96
Net insurance claims	**(1,176)**	**(410)**	**(146)**	**(127)**	**(1,859)**	**(209)**	**(110)**	**(2,178)**
Of which prior-year reserves development	*4*	*17*	*5*	*10*	*35*	*39*	*24*	*98*
Acquisition costs	(82)	(33)	(22)	(36)	(174)	(122)	(2)	(298)
Operating expenses	(290)	(94)	(56)	(32)	(472)	(80)	(21)	(574)
Other directly attributable expenses	**(373)**	**(128)**	**(78)**	**(68)**	**(646)**	**(202)**	**(23)**	**(871)**
Insurance service result	**(71)**	**(4)**	**56**	**(5)**	**(24)**	**48**	**(11)**	**14**
Investment income	73	14	4	4	94	20	1	115
Unwind of discounting of claims	(39)	(7)	(2)	(3)	(50)	(9)	(0)	(60)
Other operating income and expenses	(28)	(2)	3	1	(27)	3	(1)	(24)
Operating profit / (loss)	**(65)**	**1**	**60**	**(3)**	**(6)**	**63**	**(11)**	**46**
Net insurance margin	**(4.8%)**	**(0.8%)**	**19.8%**	**(2.7%)**	**(0.9%)**	**n/a**	**n/a**	**0.5%**
Net insurance margin normalised for weather	**n/a**	**11.0%**	**n/a**	**(2.4%)**	**1.7%**	**n/a**	**n/a**	**2.9%**
Net expense ratio	19.6%	17.7%	20.0%	16.8%	19.0%	n/a	n/a	18.7%
Net acquisition costs ratio	5.6%	6.3%	7.9%	19.0%	7.0%	n/a	n/a	9.7%
Net insurance claims ratio	**79.6%**	**76.8%**	**52.3%**	**66.9%**	**74.9%**	**n/a**	**n/a**	**71.1%**
– current-year attritional	*79.9%*	*57.7%*	*53.9%*	*69.3%*	*71.3%*	*n/a*	*n/a*	*69.4%*
– prior-year reserves development	*(0.3%)*	*(3.2%)*	*(1.6%)*	*(5.0%)*	*(1.4%)*	*n/a*	*n/a*	*(3.2%)*
– major weather events	*n/a*	*22.3%*	*n/a*	*2.6%*	*5.0%*	*n/a*	*n/a*	*4.9%*

Glossary of key terms

Term	Definition
Average written premium	The total written premiums at inception, before amendments and cancellations, divided by the number of policies incepted in the period
Gross written premium and associated fees	The total premiums from insurance contracts that were incepted during the period, including the impact of a contractual change to Green Flag premium such that a portion of income that was previously included in gross written premium is now included in service fee income
Net acquisition cost ratio	The ratio of acquisition costs divided by net insurance contract revenue
Net expense ratio	The ratio of operating expenses divided by net insurance contract revenue
Net insurance claims ratio	The ratio of net insurance contract claims divided by net insurance contract revenue
Net insurance margin ("NIM")	The ratio of insurance service result divided by net insurance contract revenues. The normalised net insurance margin adjusts net insurance claims and acquisition costs for weather and changes to the Ogden discount rate, when relevant
Net insurance revenue	The total insurance contract revenue (consisting of gross written premium and associated fees, instalment income and movement in liability for remaining coverage) less expenses from reinsurance contracts held (consisting of reinsurance premium paid and movement in asset for remaining coverage)
Operating profit	The pre-tax profit that the Group's activities generate, including insurance and investment activity, but excluding FV gains/(losses), change in yield curve, other finance costs, restructuring and one-off costs and gain on disposal of business
Operating return on tangible equity	This is adjusted operating profit from ongoing operations divided by the Group's average shareholders' equity less goodwill and other intangible assets. Operating profit after tax is adjusted to include other finance costs and the Tier 1 coupon payments. It is stated after charging tax using the UK standard rate of 23.5% (2022: 19%)

Full glossary of terms can be found on pages 77 to 79 in the Group's 2023 preliminary results, available at: https://www.directlinegroup.co.uk/en/investors/results-reports-and-events.html

Disclaimer

Forward-looking statements disclaimer

Certain information contained in this document, including any information as to the Group's strategy, plans or future financial or operating performance, constitutes "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "aims", "ambition", "anticipates", "aspire", "believes", "continue", "could", "estimates", "expects", "guidance", "intends", "may", "mission", "outlook", "over the medium term", "plans", "predicts", "projects", "propositions", "seeks", "should", "strategy", "targets", "vision", "will" or "would" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They may appear in several places throughout this document and include statements regarding intentions, beliefs or current expectations, including of the Directors, concerning, among other things: the Group's results of operations, statement of financial position, financial condition, prospects, growth, net insurance margin, insurance service result, strategies, the industry in which the Group operates and the Group's approach to climate-related matters. Examples of forward-looking statements include financial targets which are contained in this document with respect to return on tangible equity, solvency capital ratio, combined operating ratio, percentage targets for current-year contribution to operating profit, prior year reserve releases, cost reductions, reduction in expense ratio, investment income yield, net realised and unrealised gains, capital expenditure and risk appetite range; and targets, goals and plans relating to climate and the Group's approach and strategy in connection with climate-related risks and opportunities. By their nature, all forward-looking statements involve risk and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and/or are beyond the Group's control and/or they rely on assumptions that may or may not transpire to be correct. Forward-looking statements are not guaranteeing future performance.

The Group's actual results of operations, financial condition and the development of the business sector in which the Group operates may differ materially from those suggested by the forward-looking statements contained in this document, for example directly or indirectly as a result of, but not limited to:

– United Kingdom ("UK") domestic and global economic business conditions;
– the direct and indirect impacts and implications of the coronavirus Covid-19 pandemic on the economy, nationally and internationally, on the Group, its operations and prospects, and on the Group's customers and their behaviours and expectations;
– the Trade and Cooperation Agreement between the UK and the European Union ("EU") regarding the terms of the trading relationships between the UK and the EU and its implementation, and any subsequent trading and other relationship arrangements between the UK and the EU and their implementation;
– the terms of trading and other relationships between the UK and other countries following Brexit;
– the impact of the FCA's PPR regulations and Consumer Duty regulations and of responses by insurers, customers and other third parties and of interpretations of such rules by any relevant regulatory authority;
– market-related risks such as fluctuations in interest rates, exchange rates and credit spreads, including those created or exacerbated by the war in Ukraine following the Russian invasion and/or the conflict in the middle east involving Israel and Gaza;
– the policies and actions and/or new principles, rules and/or regulations, of regulatory authorities and bodies, and of changes to, or changes to interpretations of, principles, rules and/or regulations (including changes made directly or indirectly as a result of Brexit or related to capital and solvency requirements or related to the Ogden discount rates or made in response to the Covid-19 pandemic and its impact on the economy and customers) and of changes to law and/or understandings of law and/or legal interpretation following the decisions and judgements of courts;
– the impact of competition, currency changes, inflation and deflation;
– the timing, impact and other uncertainties of future acquisitions, disposals, partnership arrangements, joint ventures or combinations within relevant industries; and
– the impact of tax and other legislation and other regulation and of regulator expectations, requirements, interventions, enforcements, fines and requirements and of court, arbitration, regulatory or ombudsman decisions, judgements and awards (including in any of the foregoing in connection with the Covid-19 pandemic) in the jurisdictions in which the Group and its affiliates operate.

In addition, even if the Group's actual results of operations, financial condition and the development of the business sector in which the Group operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.
The forward-looking statements contained in this document reflect knowledge and information available as of the date of preparation of this document. The Group and the Directors expressly disclaim any obligation or undertaking to update or revise publicly any forward-looking statements, whether because of new information, future events or otherwise, unless required to do so by applicable law or regulation. Nothing in this document constitutes or should be construed as a profit forecast.

Neither the content of Direct Line Group's website nor the content of any other website accessible from hyperlinks on the Group's website is incorporated into, or forms part of, this document.

Quantified Financial Benefits Statement

This document contains a quantified financial benefit statement which has been reported on for the purposes of the Takeover Code (see Appendix C of the preliminary results announcement released by the Group on 21 March 2024). The statements of estimated cost savings relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings referred to may not be achieved, or may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.

No profit forecasts or estimates

No statement in this announcement is intended as a profit forecast or estimate for any period.

No post-offer undertakings

No statement in this document constitutes a post offer undertaking for the purposes of Rule 19.5 of the Takeover Code.