

Innovating for the future

Our core strengths

Our core strengths, combined with new technology are designed to deliver sustainable growth.

Insurance customers value strong brands, great service and a claims operation that delivers what it promises. These are the core strengths of Direct Line Group.

> For more information, see page 21 for the CEO's review

In an increasingly digital world, future success requires a relentless focus on customer needs, efficiency and innovation, combined with pricing and claims expertise to deliver an exceptional insurance experience.

Our diversified business model ensures that we remain focused on reaching customers through the four main routes to market: direct, price comparison websites, partnerships and brokers. To read more on our channels and powerful brands, see our business model on page 16.

Customer focus

With customers at the heart of all we do, we are passionate about offering great service, unique customer propositions and a highly efficient claims operation. Our powerful brands enable our customers to choose the right cover for their circumstances in order to protect their homes, cars, holidays, businesses and pets. It's why our customer retention rates are high and our net promoter scores (NPS) are strong.

Pricing sophistication

We are transforming our competitiveness with our new tech platforms enabling greater accuracy in pricing in our chosen markets. Our pricing and underwriting teams now have the systems and sophisticated data techniques designed to get products to market faster and target a broader pool of potential customers.

and capabilities

£581.8m

Operating profit

+1.0%

**Direct own brands
portfolio growth**

2.5%

**Reduction in operating
expenses before
restructuring and one-offs**

Claims expertise

Our vertically integrated claims model differentiates us and adds value giving the business a competitive advantage. We are fully focused on data, artificial intelligence (“AI”) and digital as these are the key capabilities needed to get results. As we further digitalise our claims journey we are aiming for increased simplicity and speed to give our customers peace of mind when they make an insurance claim and need us most.

Efficient cost base

The implementation of our transformation programme is already reducing our cost to serve customers, while at the same time improving customer outcomes. As the business increasingly utilises the new technology we are becoming more efficient, pricing with greater speed and responding to changing market dynamics with greater agility.

Innovating for success

We’re innovating across our business – be it offering attractive customer propositions, introducing green solutions to achieve our net zero ambitions or creating our flagship Motor technology centre that puts us at the forefront of repairing advanced car technology. Customers are already benefiting from our technology transformation, receiving enhanced self-service options.