esure GROUP

2023 Results Update

March 2024

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Headlines & Strategic Priorities

At a glance

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Focused UK personal lines insurer

2.07m
In-force Policies
vPY -10.8%

£970m
Turnover
vPY +16.0%

73%
of group policies that are motor

27%
of group policies that are home

88%
of Turnover

12%
of Turnover

5.8%
Market Share [1]

3.3%
Market Share [1]

Operating under three distinct brands

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Sheilas' Wheels

First Alternative

Specialists in digital distribution with a focus on the customers' channel of choice

esure Distribution Split by Channel (%)

PCW share of market distribution across both lines of business [2]:

- Motor 90%
- Home 70%

Operating on an industry-leading technology and data platform

- Cloud-native
- Event-streaming
- Embedded proprietary data science models
- High levels of automation and customer self-service
- Enhanced marginal unit cost

Definitions: *PCW = price comparison website; (1) average across 2023, source: ebenchmarkers; (2) December 2023, source ebenchmarkers*

The market is emerging from a period of unprecedented volatility

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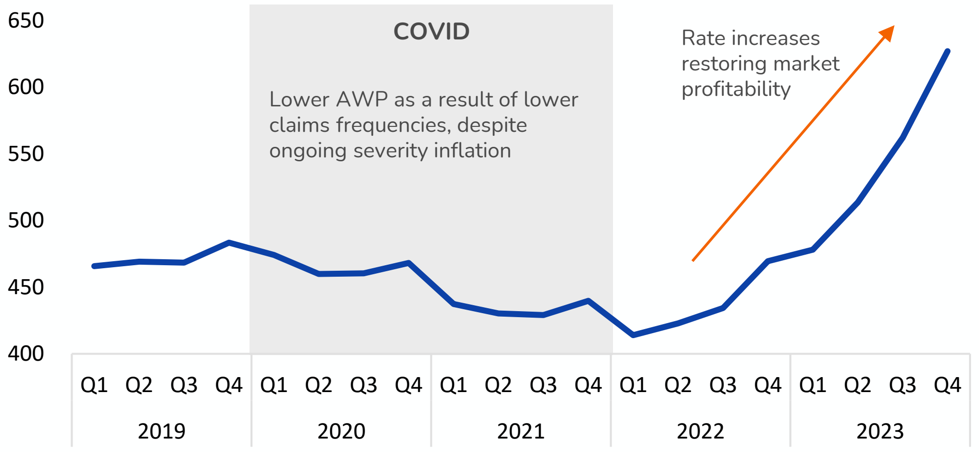
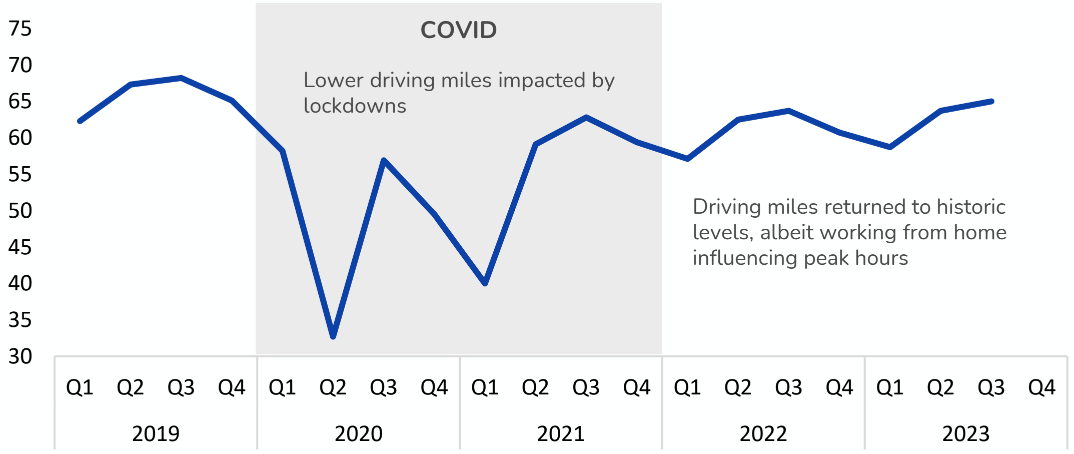
Motor insurance market is beginning to emerge from a period of significant dislocation with more sustainable levels of written profitability:

- Claims frequency has continued to return towards pre-pandemic levels as drivers returned to the roads
- Elevated claims severity inflation was a feature throughout the year driven by second hand car prices, parts inflation and supply chain availability
- Market pricing response was delayed, albeit with average premium paid increasing 25% year on year, and 34% 2023 Q4 vs 2022 Q4

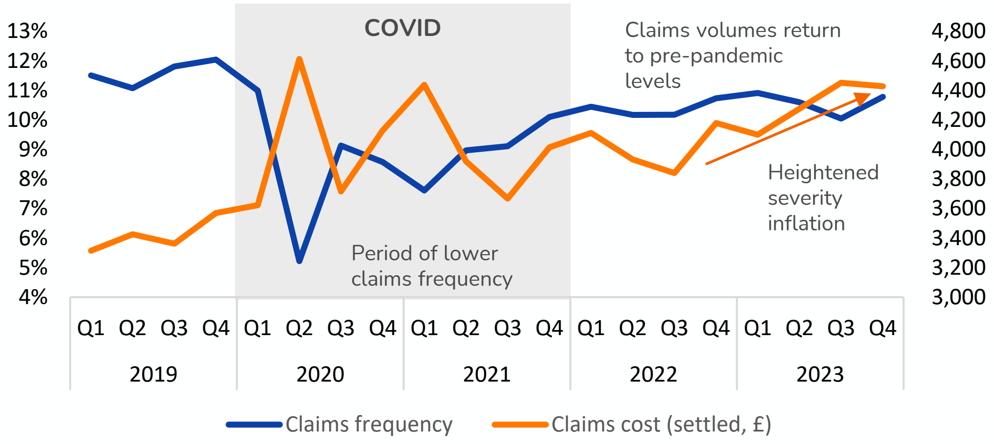
Average premium paid (£) - Motor



Car usage – billions miles



Claims trends - Motor



***Source**: Department for Transport (Q4 data not available at time of writing), ABI statistics*

Significant strategic progress as the market emerges from a challenging period

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Market pricing responded slowly to continued elevated inflation and rising frequency

- High claims inflation persisted across the market – particularly for damage claims
- Frequency continued an upward trend towards pre-pandemic levels
- Market pricing did respond, in H2 in particular

esure maintained strong pricing discipline prioritising long-term profitability over volume

- Underlying rate strength increased ahead of the market driving a 38% increase in average written premium
- Turnover +16.0% to £970m despite lower volume; IFPs -10.8% to 2.07m
- Written loss ratio significantly improved over 2023 with profitability improvement emerging in 2024
- 2023 result reflects higher claims frequency and inflation, reducing PY reserve releases and CY profitability
- Prudent reserving at top end of 80th-90th percentile range
- Stable year-on-year solvency coverage and positive capital outlook

Significant strategic progress with technology platform operating at scale in-year and full customer migration completed in Q1 2024

- Transformation programme complete with investment spend expected to finish in Q2 2024
- All customers supported on new platform enabling:
    - Access to new customer service capability and improved operational efficiency
    - Data platform and data science capability underpinning pricing, underwriting and operational processes
    - Dual running costs to end in Q2 2024 following legacy platform decommissioning
    - Agile development of product and proposition including further scaling of the new Flex products

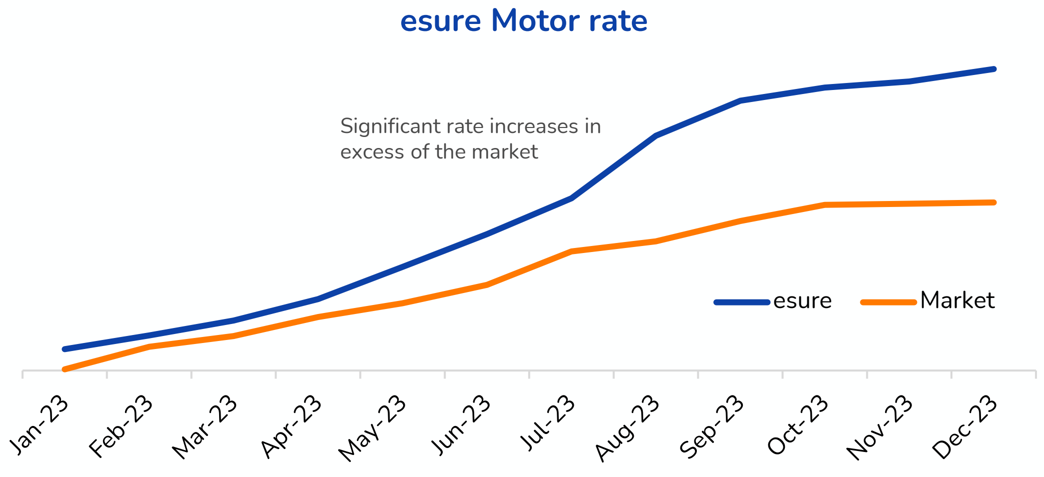
2023 market severity inflation estimated >10%, but eased during the latter part of the year(1)
Market claims frequency +2% 2023 vs 2022(2)
Market AWP +34% 2022 Q4 to 2023 Q4(2)

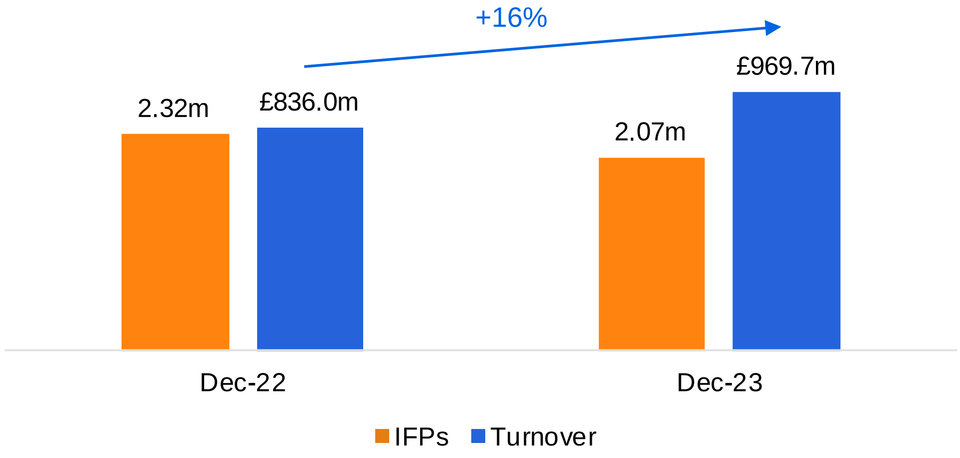
esure Motor AWP	+38%	
Turnover	£970m	+16.0%
IFPs	2.07m	(10.8)%
2023 Trading Loss	£(16.7)m	
Solvency Coverage	151%	+2pp

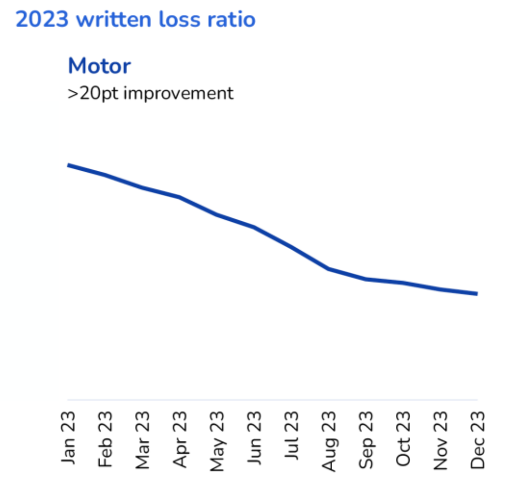
1.8m customers, 248k claims and >1bn data points migrated
£10m+ p.a. dual run costs to fall away from Q2 2024
Flex Motor product scaled to 330k customers and Flex Home product launched

***Sources**: (1) Market participant estimates; (2) ABI statistics*

Disciplined esure pricing creating foundations for profitable growth







Significant price increases setting the group up for future profitability:

- Sustained period of pricing discipline over 2022 and 2023, with underlying esure price increases of 51% for Motor and 34% for Home over 2023
- Turnover increased 16% with prioritisation of sustainable price adequacy resulting in an 11% reduction in in-force policies
- Expected written loss ratio for Motor improved in excess of 20ppts over 2023, and Home by more than 5ppts
- esure price increases were ahead of market, signalling potential for growth should market conditions continue to show discipline

Source: *Market data per internal esure pricing analysis*

We have built the most modern, scalable and extensible cloud native platform in the UK insurance industry

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Integrated and cloud native insurance platform

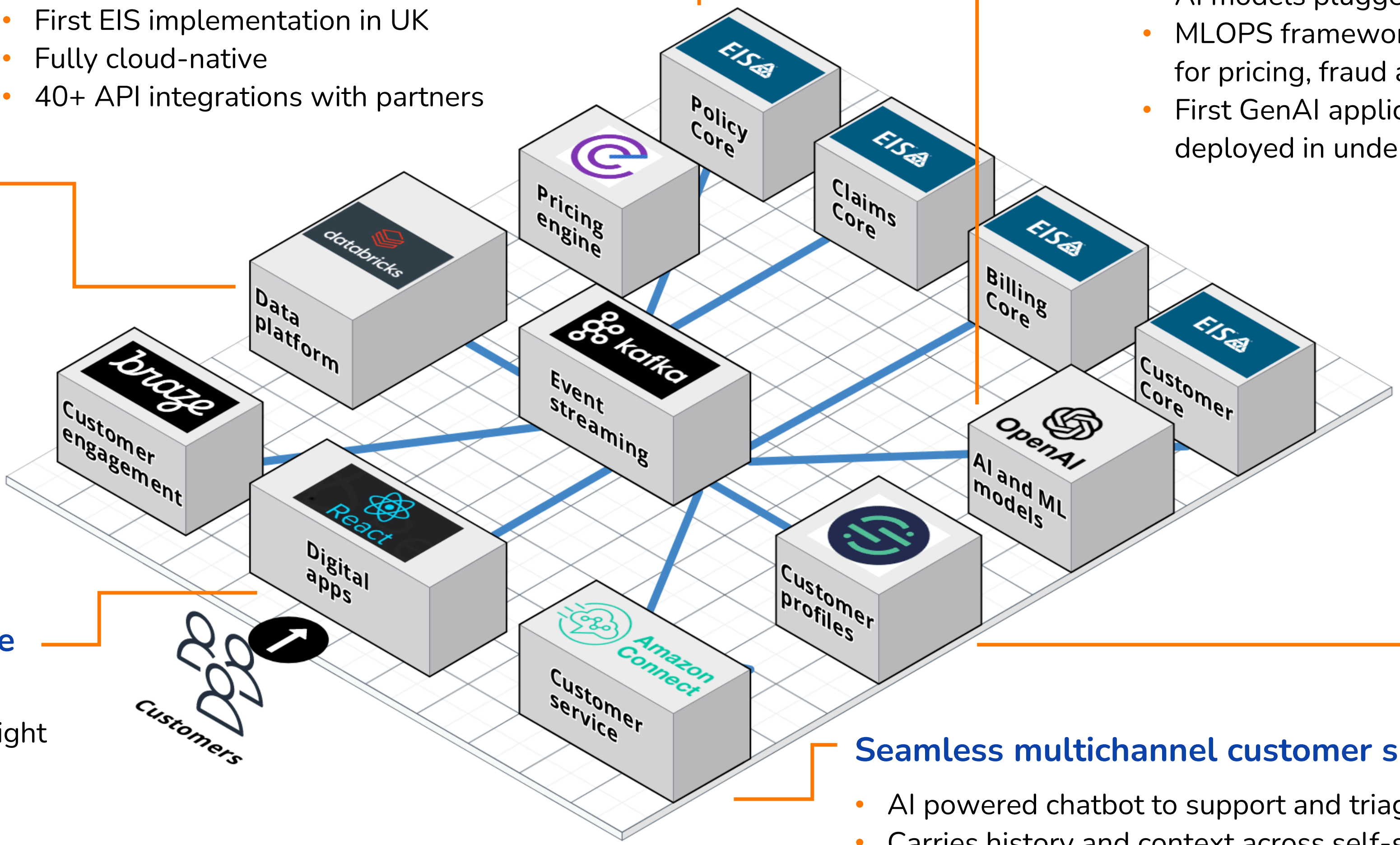
- First EIS implementation in UK
- Fully cloud-native
- 40+ API integrations with partners

Advanced AI embedded

- AI models plugged in to customer journeys
- MLOPS framework running over 20 models for pricing, fraud and claims use cases
- First GenAI application was built and deployed in under 8 weeks

Powered by big data

- Single, modern data stack
- Ingests 40K events/minute and holds 60B+ records
- Built 400+ data products for AI and analytics use cases
- 150+ staff coding in SQL and Python across the business



Single view of customers

- Every customer touchpoint captured
- Accurate customer identification and matching
- 35M+ customer profiles for pricing, underwriting, fraud and marketing use cases

Digital customer self-service

- 'Mobile first' online journeys
- Informed by deep customer insight
- Intelligent, real-time journey personalisation

Seamless multichannel customer support

- AI powered chatbot to support and triage
- Carries history and context across self-service, chatbot and LiveChat channels.

This platform delivers benefits across our value chain

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Proposition development	Customer service	Migration
Ability to develop and launch new products and propositions that leverage deep customer insight and integrate seamlessly with suppliers & partners.	*A low-cost, modern digital-first experience with efficient, integrated support when needed.*	*A platform architecture that has enabled us to migrate customers and policies at scale mid-term.*

Proposition development

In 2023 we have:

330k

Scaled our esure Flex Motor product to over 330,000 policies

esure FLEX

Launched our equivalent esure Home product

Customer service

Service Highlights:

78%

of mid-term adjustments can be fully self-served end-to-end online

89%

of customers using these end-to-end experiences rate them 4 or 5 out of 5 for ease

87%

of all Change of Mileage updates from customers on the new platform were processed entirely via digital channels

60:40

In January 2023, Telephony accounted for 88% of all customer contact, with 12% via LiveChat. In December 2023, this was 60% Telephony & 40% LiveChat.

Migration

As of Q1 2024, we successfully migrated:

1.8m

polices

1bn+

policy datapoints

248,000

claims

7 weeks

Our entire Home customer base was migrated in just 7 weeks

This platform delivers benefits across our value chain

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Pricing	Claims	Operations and fraud
Significant improvement in pricing and underwriting performance as we leverage proprietary machine learning models and integrations.	*A digital-first claims experience with integration to best-in-class 3rd party services and deep indemnity control.*	*Customer 'next best action' and integrated fraud detection, powered by advanced data science.*
Highlights include:	**Highlights include:**	**Highlights include:**
Over 800 rating factors used actively in pricing, out of thousands tested, with 188 new rating features approved for use in pricing last year alone	Connected service channels pass information seamlessly across telephone, LiveChat and chatbot to improve customer experience Giving customers the ability to appoint their repairer	83% of policies flagged as suspicious by Machine Learning tools are confirmed as fraudulent and cancelled
95 live pricing models scored at point of quote utilising best in class machine learning techniques to predict customer life-time value, with over 120 targeted changes made to pricing in 2023 to respond to inflation and market pricing at an individual customer level	Digital First Notification of Loss. (eFNOL); customers can now initiate 90% of claim types digitally Integrated damage assessment tools, which use customers' own photos to support their claim	Generative AI, managed in a responsible manner, helps us summarise customer calls and identify the next best action, improving the speed with which we are helping customers and making things easier for colleagues

The journey has just begun...

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Our foundations

Launched & scaled esure Flex on our new platform...

...building the end-to-end capability to launch and service a new product for both Motor and Home

Integrated Machine Learning in pricing...

...generating immediate commercial value from our proprietary ML infrastructure

Migrated customer base...

...rapidly scaling the benefits of the new platform through mid-term migration of both Motor and Home products

Where we are now

Decommissioning legacy platform...

...removing dual-run costs and fully realising the lower cost and reduced complexity of operating our new platform

Leveraging our deep data capabilities...

...that give us richer customer insight and opportunities to personalise customer journeys

Driving further efficiencies...

...through greater self-service take-up, chatbot efficiency and generative AI capability

Enhancing customer experience..

...by optimising customer journeys and adding further end-to-end self-service capabilities

The future

Enhancing our brand...

...by leveraging an exciting new campaign to raise brand awareness and association

Adding to our proposition offering...

...by being able to rapidly launch and optimise new products and features across insurance needs, service and claims and the wider ecosystem

An engine for growth

- Advanced retail capabilities
- Compelling propositions
- Personalised customer journeys
- Low cost-base
- Game-changing customer service
- Strong brand

Financial Performance & Balance Sheet

Strong turnover growth with pricing adequacy restored

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Financial Performance Highlights

esure Sheilas' Wheels First Alternative	2023	2022	vPY
IFPs (m)	2.07	2.32	(10.8%)
Turnover (£m)	969.7	836.0	16.0%

Motor	2023	2022	vPY
IFPs (m)	1.50	1.72	(12.8%)
Turnover (£m)	855.0	722.6	18.3%

Home	2023	2022	vPY
IFPs (m)	0.57	0.61	(6.6%)
Turnover (£m)	114.7	113.4	1.1%

Restored pricing adequacy setting the group up for future profitability:

- Overall group turnover increased 16% in 2023 as a result of significant growth in average written premium offset by an 11% reduction in total in-force policies:
  - Strong underlying price increases of 51% for Motor and 34% for Home partially offset by reductions in risk mix
  - AWP increased 38% and 12% for Motor and Home respectively
- esure Flex now live for both Motor and Home, with over 330k new esure Flex customers in 2023

Higher current period loss ratios as inflationary pressure impacts ahead of pricing discipline

Financial Performance Highlights

Motor	2023	2022	vPY
CY Net LR	81.4%	77.7%	+3.7pp
PY Releases	(2.6)%	(11.6)%	+9.0pp
Reported Net LR	**78.8%**	**66.1%**	**+12.7pp**

Home	2023	2022	vPY
CY Attritional Net LR	81.9%	72.7%	+9.2pp
Weather Events	(4.7)%	+13.7%	(18.4)pp
PY Releases	+0.5%	(3.0)%	+3.5pp
Reported Net LR	**77.7%**	**83.4%**	**(5.7)pp**

esure Sheilas' Wheels First Alternative	2023	2022	vPY
Expense Ratio	23.8%	24.1%	-0.3pp

Highlights

- Elevated claims inflation and a continued return towards pre-pandemic levels of claims frequency:
    - Current year loss ratio +3.7pts as the benefit of rate increases lags claims inflation
    - Prior year favourable reserve run-off reduced given added impact of inflation on 2022 accident year
    - Reserve strength set at 90th percentile
- Cautious outlook priced into business written in 2023
- Home net loss ratio benefits from better than long term average weather experience:
    - Active reduction in exposure to flood and storm in the Home book
    - Adverse attritional loss experience, particularly on larger fire and escape of water claims
- Expense ratio stable:
    - Dual run costs of £10m+ in 2023

Definitions: *CY = current year; IFP = in-force policies; LR = loss ratio; PY = prior year*

Continued Transformation programme investment over 2023

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Financial Performance Highlights

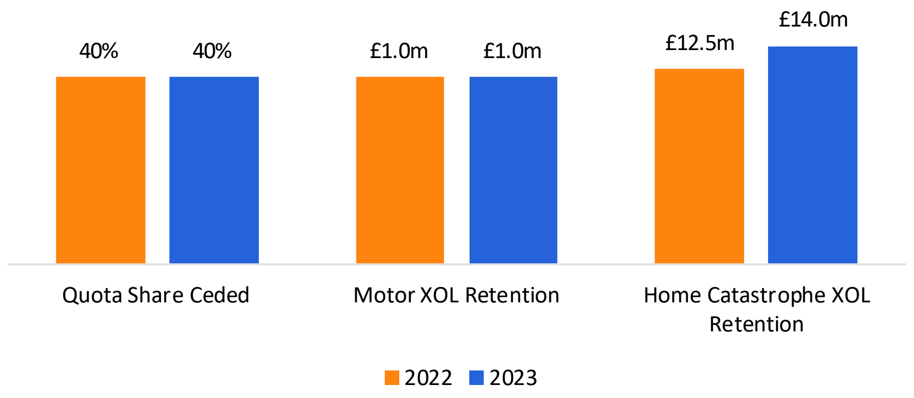
esure Sheilas' Wheels First Alternative	2023	2022	vPY
Motor	21.5	90.2	(76.2)%
Home	1.1	(6.0)	+118%
Central	(39.3)	(34.4)	+14.2%
Trading Profit/(Loss) (£m)	**(16.7)**	**49.8**	**(134)%**
Exceptional Investment Performance	(2.2)	(10.6)	(79.2)%
Non-Trading Costs	(57.3)	(67.2)	(14.7)%
Finance Costs	(12.4)	(8.8)	+40.9%
Profit/(Loss) Before Tax (£m)	**(88.6)**	**(36.8)**	**+141%**
Underlying RoTE	n.m	11.2%	n.m
Solvency Coverage	151%	149%	+2pp

Highlights

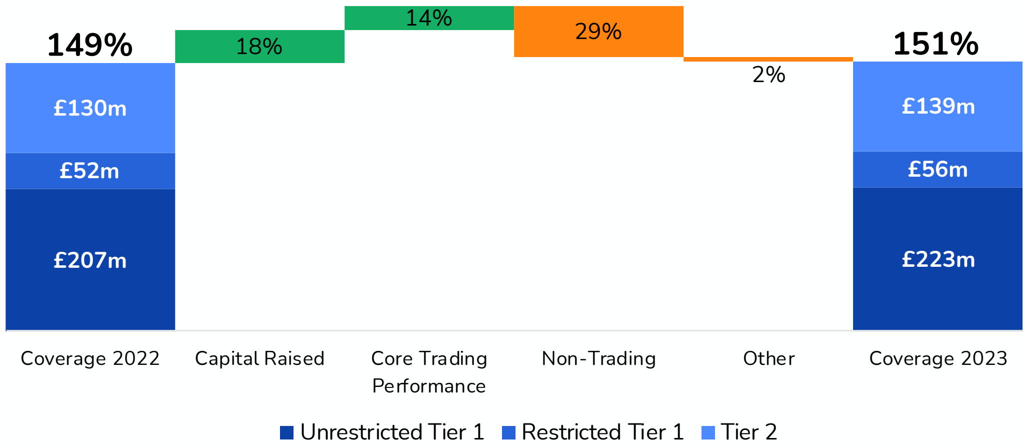
- Higher current year loss ratio and lower prior year reserve benefit driving reduced Trading result
- Transformation spend now reducing with tail spend to finish in Q2 2024 along with dual running costs
- Stable investment performance and benefit of improving book yields
- Solvency coverage in middle of target range despite continued Transformation investment over 2023
- Tier 2 Debt refinanced

Consistent use of reinsurance and improving capital outlook

Reinsurance



Capital



Highlights

- Consistent reinsurance programme
- Low reinsurance retentions relative to peers and market size
- Consistent use of quota share to transfer risk and optimise capital requirements – maintained for 2024
- Motor XOL programme renewed for 2024 underwriting year at same retention with reduced ceded margin reflecting strength of average premium growth

- Trading performance improved capital position over 2023 with capital injection supporting remaining Transformation spend.
- 2014 Tier 2 issuance largely refinanced with £100m 2023 Tier 2; remaining £25m maturing December 2024.
- Current ineligible RT1 capital of £7m and ineligible Tier 3 capital of £24m will benefit capital coverage in 2024 and beyond

Strong balance sheet

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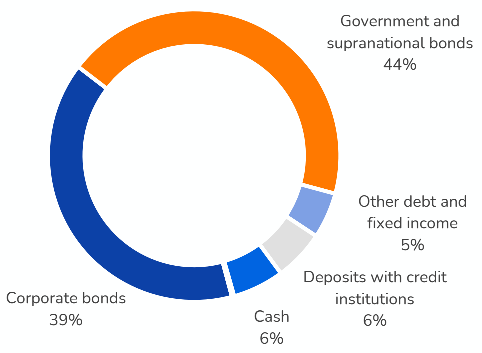
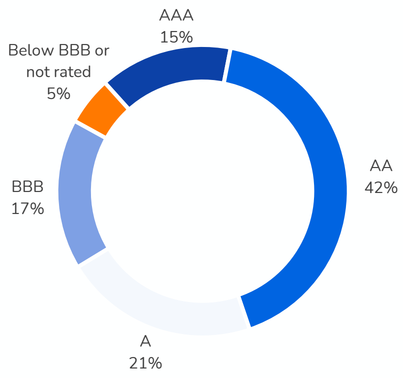
Investments

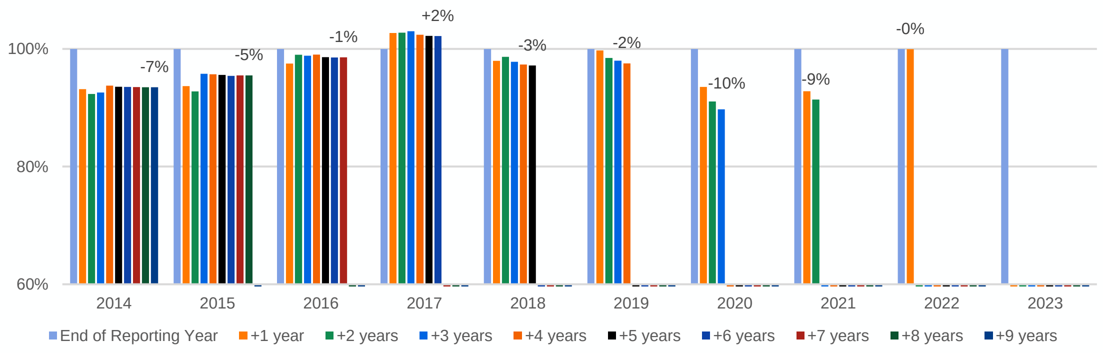




Highlights

- Highly-rated bond portfolio, with increase in AAA-AA rated assets over the year
- Highly-liquid investment portfolio, with reduction in equity funds and corporate bonds, and increase in government bonds

Reserving



- Reserves set at 90th percentile reflecting strong reserving approach
- Continued reserve releases albeit 2022 accident year saw impact of sustained inflationary pressure

Outlook

esure well positioned for future growth capitalising on disciplined trading and Game Changing platform

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Market Outlook

- Both Motor and Home market pricing has now responded to two years of elevated inflation and rising frequency towards a more sustainable pricing level
- Stress on capital across the sector in the last two years points to a period of market discipline
- Inflation remained elevated in 2023 and despite some signs of moderation is still above long-term trends
- Driving levels and Motor claims frequency continuing below pre-pandemic levels

esure Outlook

- esure has strong brands focussed on Price Comparison Websites where market distribution is concentrated
- Having exercised strong pricing and underwriting discipline in both Motor and Home, esure is well-placed to return to profitable growth
- esure has emerged from a period of market dislocation and significant investment in the business strongly positioned to drive improved profitability and capital generation:
    - Non-trading Transformation spend largely complete with tail spend to support decommissioning into Q2 2024
    - Dual running costs end following legacy IT decommissioning in Q2 2024
    - Embedding new processes and customer self-service expected to drive competitive operating costs
    - Full benefit of new data platform on pricing, underwriting and use of AI in operational process

Appendices

Key messages on the transition to IFRS17:

1. esure's business model remains unchanged and IFRS17 does not change the underlying economics of the business
2. Accounting treatment and policy choices align closer to Solvency II concepts and reporting
3. Presentational changes facilitate better comparability between insurers
4. Alternative performance measures (APMs) remain similar although have been redefined to align to the new standards

Transition from IFRS4 to IFRS17: Approach

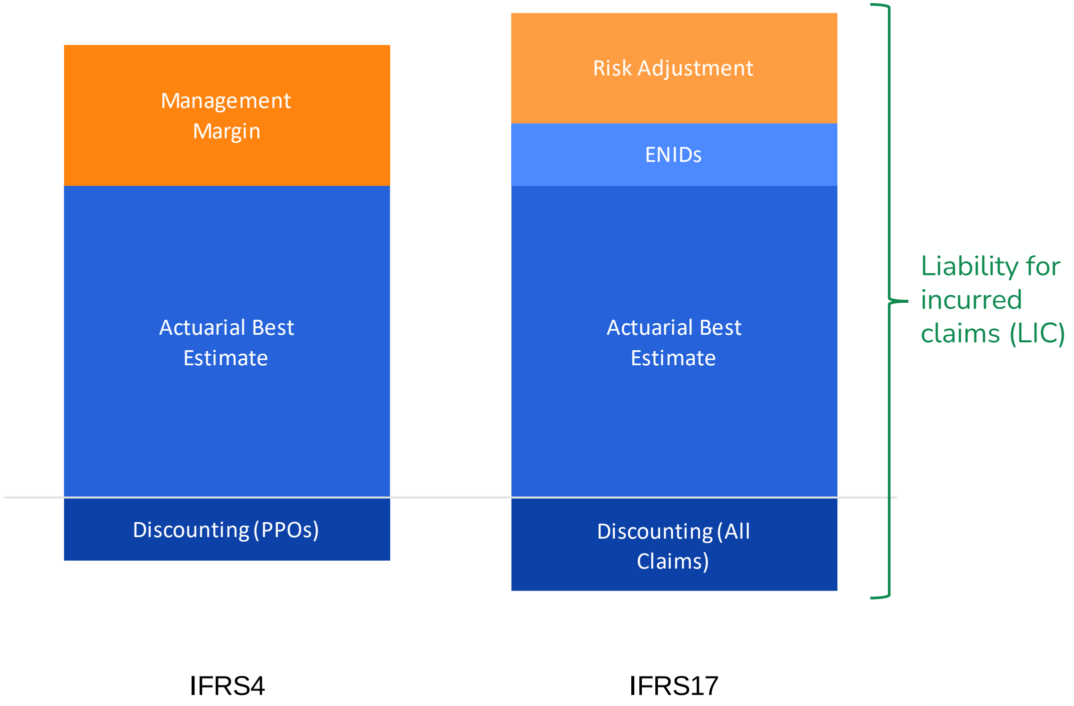
Key changes in approach:

- Discounting of claims reserves whereby all claims are now discounted using the risk-free yield curve plus an illiquidity premium, with the unwind and change in discount rate recognised separately within Insurance Finance Income / Expense and Other Comprehensive Income respectively

- Timing differences mainly relating to the recognition of premium instalment income and the recognition of acquisition costs over the customer lifetime

- Under IFRS17 the use of a probability weighted best estimate of liabilities leads to the inclusion of events not in data (ENIDs). IFRS17 also introduces the concept of a risk adjustment to be included within the liability for incurred claims which reflects the non-financial risk in claims reserves. Management margin in claims liabilities under IFRS4 is no longer required as a consequence.

- Reclassification of certain costs relating to reinsurance contracts previously presented under finance costs are now classified within the Insurance Service Result.



Transition from IFRS4 to IFRS17: Income Statement Mapping

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IFRS4

	Total Income Statement	2022 (£m)
	Gross written premium	**735.8**
A	Net earned premium	405.1
B	Investment income[1]	19.6
C	Instalment interest income	50.7
D	Other income	71.3
	Total income	**546.7**
E	Net incurred claims	(355.4)
F	Insurance expenses	(135.9)
	Operating expenses	(7.5)
	Total expenses	**(498.8)**
	Trading profit / (loss)	**47.9**
	Strategic investments	(67.2)
	Exceptional investment performance	(10.6)
	Finance and other costs	(12.3)
	Profit / (loss) before tax	**(42.2)**
	Tax	13.1
	Profit / (loss) after tax	**(29.1)**

QS finance costs

IFRS17

	Total Income Statement	2022 (£m)
A C D	Insurance revenue	839.7
E F	Insurance service expense	(710.2)
	Insurance service result before reinsurance contracts held	**129.5**
A E	Net expense from reinsurance contracts held	(74.4)
	Insurance service result	**55.1**
B	Total investment income[1]	19.6
	Insurance finance expenses for insurance contracts issued	(14.7)
	Reinsurance finance income/(expense) for reinsurance contracts held	8.2
	Net insurance financial result	**68.2**
D	Other income	28.8
F	Other operating expenses	(47.2)
	Trading profit / (loss)	**49.8**
	Strategic investments	(67.2)
	Exceptional investment performance	(10.6)
	Finance costs	(8.8)
	Profit / (loss) before tax	**(36.8)**
	Tax	11.8
	Profit / (loss) after tax	**(25.0)**

IFRS4 to IFRS17 changes reflect:

- Insurance Revenue includes premium and associated policy income (instalment interest and fee income) A C D
- Insurance Service Expense includes claims costs that are discounted, and ENIDs / risk adjustment which replace IFRS4 management margin E F
- Net Expense From Reinsurance Contracts Held includes premium ceded to reinsurers and discounted claims recoveries element of cost previously included in Finance costs. A E
- Expenses are allocated to Insurance Service Expense and Other Operating Expenses F
- Insurance Finance Expenses and Reinsurance Finance Income account for the unwind of discounting applied to claims reserves
- Other Income relates to non-underwritten products and services D

Notes: (1) excludes exceptional investment performance

Transition from IFRS4 to IFRS17: Bridging 2022

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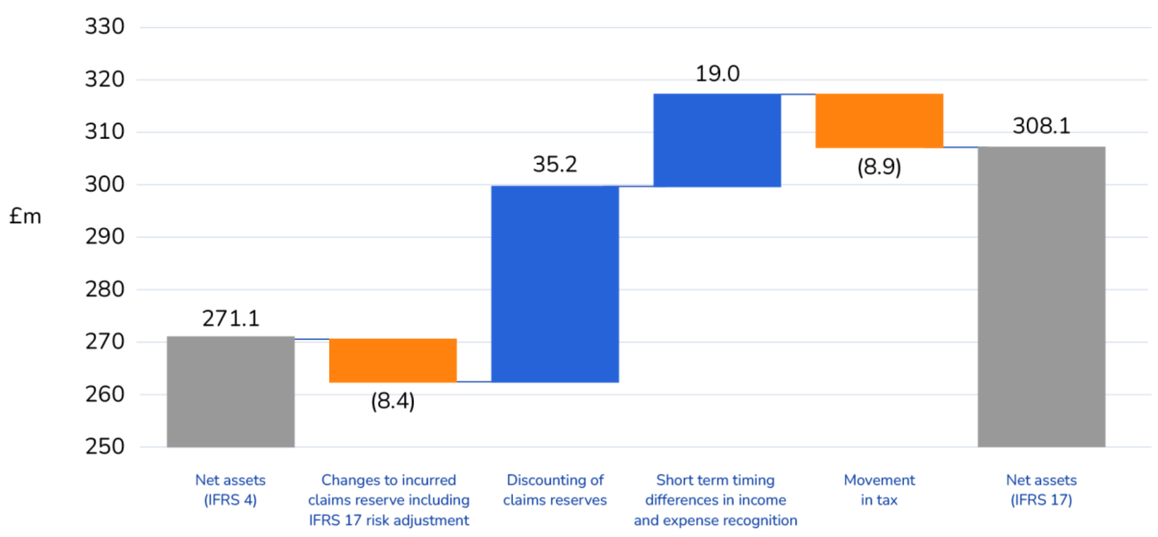
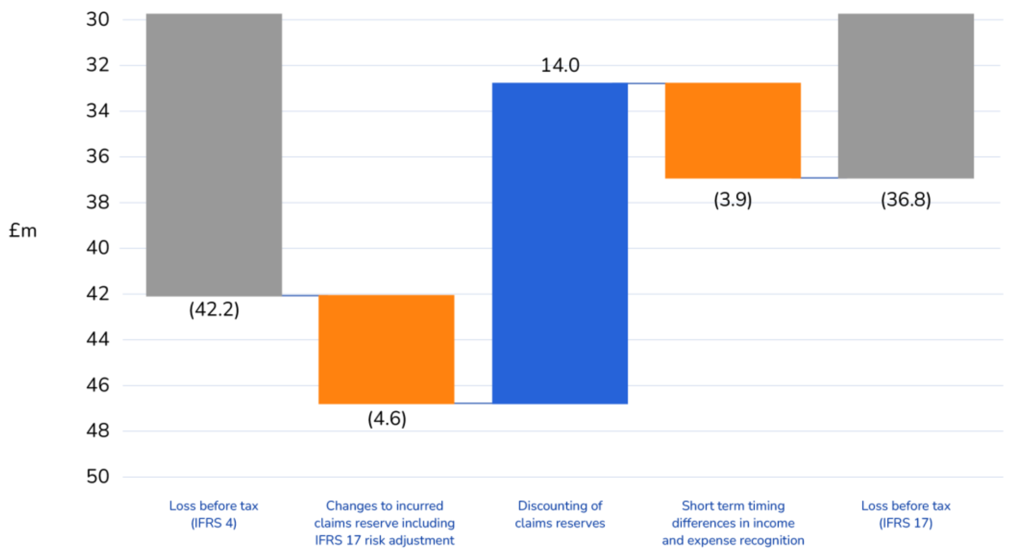
2022 Net Assets bridge

The impact on 2022 net assets was as follows, £m:



2022 Income Statement bridge

The impact on 2022 income statement was as follows, £m:



Transition from IFRS4 to IFRS17: Alternative Performance Measures

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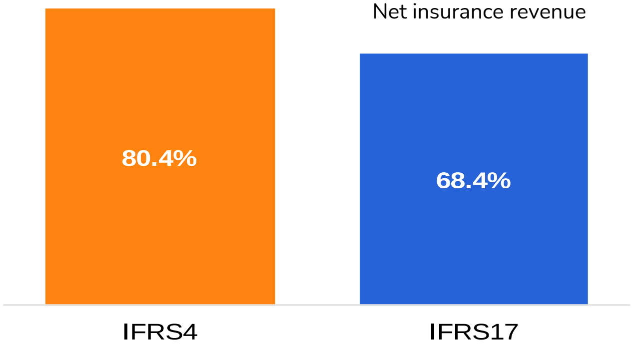
Net Loss Ratio 2022

$$\frac{\text{Net incurred claims}}{\text{Net earned premium}}$$

$$\frac{\text{Insurance service expense – insurance expenses – amounts recoverable from reinsurers}}{\text{Net insurance revenue}}$$



Expense Ratio 2022

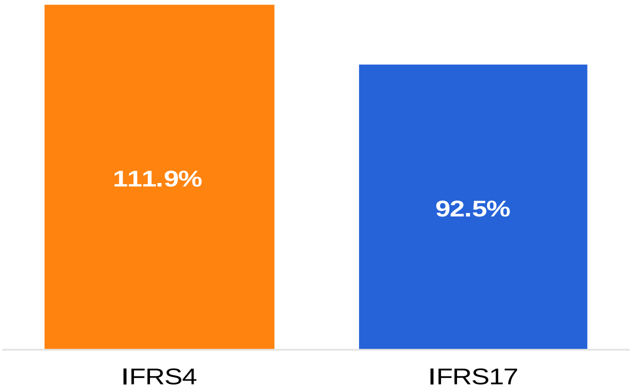
$$\frac{\text{Insurance expenses}}{\text{Net earned premium}}$$

$$\frac{\text{Insurance expenses}}{\text{Net insurance revenue}}$$

Combined Operating Ratio 2022

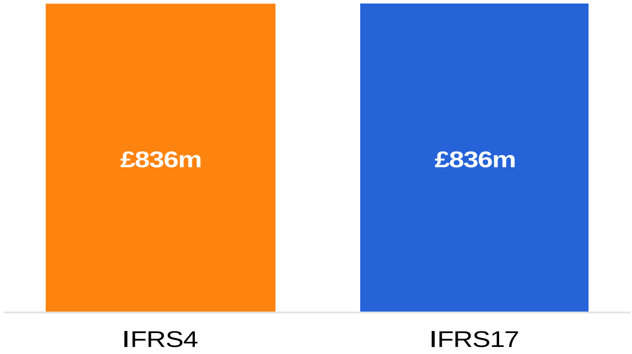
Net loss ratio + Expense ratio

Net loss ratio + Expense ratio



Turnover 2022

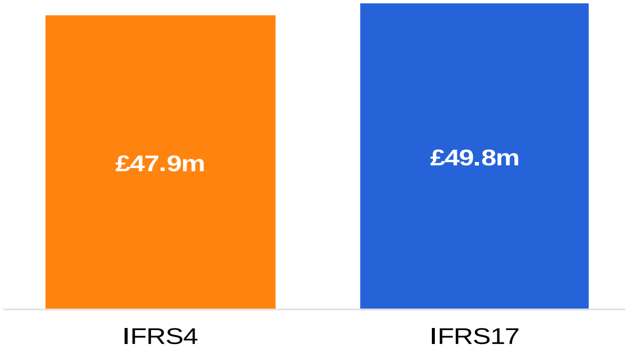
No change: Gross written premium + instalment income + other income



Trading Profit 2022

Profit excluding costs relating to one-off activity

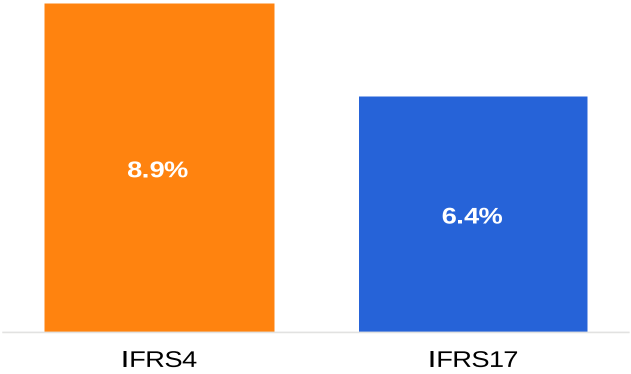
Profit excluding costs relating to one-off activity



Profit Margin 2022

$$\frac{\text{Trading profit}}{\text{Net total revenue}}$$

$$\frac{\text{Trading profit}}{\text{Net total revenue}}$$



Financial Performance: 2023 Annual Report & Accounts

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Year ended 31st December	2023 (£m)	2022 (£m)	vPY
Insurance revenue	870.1	839.7	+3.6%
Insurance service expense	(825.1)	(710.2)	+16.2%
Insurance service result before reinsurance contracts held	**45.0**	**129.5**	**(65.3)%**
Net expense from reinsurance contracts held	(64.0)	(74.4)	(14.0)%
Insurance service result	**(19.0)**	**55.1**	**-134.5%**
Total investment income(1)	34.6	19.6	+76.5%
Insurance finance expenses for insurance contracts issued	(24.9)	(14.7)	+69.4%
Reinsurance finance income for reinsurance contracts held	11.9	8.2	+45.1%
Net insurance financial result	**2.6**	**68.2**	**(96.2)%**
Other income	25.1	28.8	(12.8)%
Other operating expenses	(44.4)	(47.2)	(5.9)%
Trading profit / (loss)	**(16.7)**	**49.8**	**(133.5)%**
Strategic investments	(57.3)	(67.2)	(14.7)%
Exceptional investment performance	(2.2)	(10.6)	(79.2)%
Finance Costs	(12.4)	(8.8)	+40.9%
Profit / (loss) before tax	**(88.6)**	**(36.8)**	**+140.8%**
Tax	28.5	11.8	+141.5%
Profit / (loss) after tax	**(60.1)**	**(25.0)**	**+140.4%**

- Insurance revenue increased 3.6% due to significant increases in average written premium offset by the impact of lower policy volumes
- Insurance service expense increased 16.2% driven primarily by persistent high levels of claims inflation and an increase in claims volumes nearer to pre-pandemic levels
- Net expense from reinsurance contracts however reduced due to increased QS recoveries
- Total investment income benefited from improving book yields during the year
- Insurance finance expense / reinsurance finance income driven by the unwind of discounting on reserves
- Other income reduced due to lower policy volumes reducing the level of commission and referral income
- Other operating expenses reflects continued focus on cost control as the business begins to see the benefits of Transformation emerge
- Strategic investments primarily relates to Transformation spend

Notes: (1) excludes exceptional investment performance

Financial Performance: 2023 Annual Report & Accounts

esure GROUP

Year ended 31st December	2023 (£m)	2022 (£m)	vPY
Goodwill and intangible assets	14.7	21.9	(32.9)%
Property, plant and equipment	23.1	26.1	(11.5)%
Financial investments	1,186.6	1,112.6	+6.7%
Reinsurance contract assets	560.1	528.0	+6.1%
Deferred tax assets	44.1	18.6	+137.1%
Current tax assets	1.7	4.0	(57.5)%
Other debtors	11.0	26.8	(59.0)%
Prepayments and accrued interest	14.6	11.9	+22.7%
Cash and cash equivalents	71.6	38.4	+86.5%
Total assets	**1,927.5**	**1,788.3**	**+7.8%**
Insurance contract liabilities	1,437.7	1,284.3	+11.9%
Reinsurance contract liabilities	-	-	-
Borrowings	121.1	124.6	(2.8)%
Other creditor and payables	65.6	65.5	-
Deferred tax	-	-	-
Derivative financial liabilities	1.6	6.7	(76.1)%
Total liabilities	**1,626.0**	**1,481.1**	**+9.8%**
Share capital	0.4	0.4	-
Share premium account	95.6	48.2	+98.3%
Capital redemptions reserve	44.9	44.9	-
Other reserves	45.6	24.3	+87.7%
Insurance finance reserve	7.7	17.5	-56.0%
Retained earnings	107.3	171.9	(37.6)%
Total equity	**301.5**	**307.2**	**(1.9)%**

- Borrowings relate to the remaining £25m 10-year subordinated notes that were issued by the Group on 18th December 2014 at the rate of 6.75% per annum, and £100m 10-year subordinated notes that were issued by the Group on 16th June 2023 at the rate of 12.00% per annum
- On 22 July 2021, the Group issued £75m of Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes at a coupon of 6.00%
- Increase in share premium account due to equity issued during the year
- Increase in other reserves due to increases in fair value of bonds held in other comprehensive income

Glossary of Terms

In-force Policies	is the number of live insurance policies at any point in time and is a key measure of the scale of the Group’s engagement with customers.
Turnover	includes insurance revenue, excluding the movement in unearned premium, and other income. This measure is used by management to show the underwriting scale of the Group.
Net Insurance Revenue	includes the insurance service result less the allocation of reinsurance premiums. This measure shows the total insurance income retained by the Group having ceded premium to reinsurance partners.
Net Total Revenue	includes net insurance revenue, net investment return and other income. This measure shows the total income retained by the Group having ceded premium to reinsurance partners.
Net Loss Ratio	is defined as net incurred claims (being insurance service expense less insurance expenses less amounts recoverable from reinsurers) as a percentage of net insurance revenue. This is a key measure of the underwriting performance of the Group.
Expense Ratio	is insurance expenses as a percentage of net insurance revenue.
Combined Operating Ratio	is net loss ratio plus the expense ratio and is a traditional general insurance measure of the profitability of an insurance business.
Trading Profit	is the Group’s measure of underlying, long-term profitability. It excludes the impact of costs relating to one-off activity, the categories of which are reviewed by the Audit Committee and approved by the Board. The Group holds a significant investment portfolio over the medium to long term and therefore the movements seen in a very volatile investment market do not reflect this underlying performance - the Group has therefore disclosed the trading profit before the effect of investment volatility directly resulting from market rate movement in the year.
Profit Margin	is the Group's trading profit as a percentage of net revenue. This ratio gives a measure of the underlying profitability of the Group. Given the Group’s multiple income streams, this is deemed to be a more relevant measure of trading performance than traditional underwriting metrics such as combined ratio.
Underlying RoTE	is a measure of the Group's return on shareholder investment. Return on equity is a widely understood market measure of capital efficiency, and returns to shareholders, and has been adjusted for non-trading items and to exclude rT1 capital from equity with related coupon treated as a financing cost.
Solvency Coverage	is the measure of available qualifying regulatory capital as a percentage of the capital the Group is required to hold under Solvency II regulations. This is a key measure of balance sheet strength.

Please see the 2023 Annual Report and Accounts for further definitions

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