GROUP SOLVENCY AND FINANCIAL CONDITION REPORT

DOMESTIC & GENERAL ACQUISITIONS LIMITED

For the year ended 31st March 2025

Contents

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for ensuring that the Group Solvency and Financial Condition Report ("SFCR") is properly prepared in all material respects in accordance with the Prudential Regulatory Authority ("PRA") rules and Solvency II Regulations.

The Board of Directors confirm that, to the best of their knowledge:

(a) Throughout the financial year in question, Domestic & General Acquisitions Limited, its solo insurance undertakings and other subsidiaries (the "Group") have complied in all material respects with the requirements of the PRA rules and Solvency II Regulations as applicable; and

(b) It is reasonable to believe that, at the date of the publication of the SFCR, the Group and its solo insurance undertaking continue to comply and will continue to comply in future.

By Order of the Board

Signed by:

Joe Fitzgerald

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Joseph Fitzgerald - Director

Date: 04 July 2025

AUDIT REPORT

Report of the external independent auditor to the Directors of Domestic & General Acquisitions Limited (‘the Group’) and Domestic & General Insurance Plc (DGI) pursuant to Rule 4.1 (2) of the External Audit Chapter of the PRA Rulebook applicable to Solvency II firms

Report on the Audit of the relevant elements of the Solvency and Financial Condition Report (“SFCR”)

Opinion
Except as stated below, we have audited the following documents prepared by the Group and DGI as at 31 March 2025:

- the ‘Valuation for Solvency Purposes’ and ‘Capital Management’ sections of the SFCR of the Company as at 31 March 2025, (‘the Narrative Disclosures subject to audit’); and
- Group templates IR.02.01.02, IR.23.01.04, IR.25.04.22, IR32.01.22 (‘the Group Templates subject to audit’); and
- Solo Templates IR.02.01.02, IR.17.01.02, IR.23.01.01, IR.25.04.21 and IR.28.01.01 in respect of Domestic and General Insurance UK (‘the Solo Templates subject to audit’)

The Narrative Disclosures subject to audit and the Templates subject to audit are collectively referred to as the ‘relevant elements of the SFCR’.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on other Information which comprises:

- the ‘Executive Summary’, ‘Business and Performance’, ‘System of Governance’ and ‘Risk Profile’ elements of the SFCR;
- Group templates IR.05.02.01,01, IR.05.04.02 and the following element of IR.23.01.04:
  - Row 690: Ratio of Eligible own funds to group SCR including other financial sector and the undertakings included in D&A;
- Solo templates IR.05.02.01.01, IR.05.04.02 and IR.19.01.21;
- the written acknowledgement by management of their responsibilities, including for the preparation of the SFCR (‘the Responsibility Statement’);
- Information which pertains to an undertaking that is not a Solvency II undertaking and has been prepared in accordance with PRA rules other than those implementing the Solvency II Directive or in accordance with a UK law other than the Solvency II regulations (‘the sectoral information’);
- Elements of the Narrative Disclosures subject to audit identified as ‘unaudited’; and
- Information relating to Domestic & General Insurance Europe AG’s (DGIEU) solo narrative disclosures and templates

In our opinion, the information subject to audit in the relevant elements of the SFCR of the Company as at 31 March 2025 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rulebook for Solvency II firms, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK), including ISA (UK) 800 and ISA (UK) 805. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the SFCR in the UK, including the Financial Reporting Council’s (the ‘FRC’s’) Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting
We draw attention to the 'Valuation for Solvency Purposes' and 'Capital Management' sections of the SFCR, which describe the basis of accounting. The SFCR is prepared in compliance with the financial reporting provisions of the PRA Rules and Solvency II regulations, and therefore in accordance with a special purpose financial reporting framework. The SFCR is required to be published, and intended users include but are not limited to the PRA. As a result, the SFCR may not be suitable for another purpose. Our opinion is not modified in respect of these matters

Conclusions relating to going concern
In auditing the SFCR, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the SFCR is appropriate.
Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Assessing financing facilities including nature of facilities, the availability of undrawn funds and repayment terms;
- Challenging the reasonableness of the profit forecasts used by management by assessing historic forecast accuracy and the future growth rates of the different segments;
- Evaluating the current year performance and year end liquidity and solvency capital position of its regulated subsidiaries;
- Assessing the impact of current macroeconomic conditions;
- Assessing impacts of any potential debt refinancing scenarios on cash flow forecasts on the wider group;
- Performing subsequent events review; and
- Assessing financial statements disclosures in respect of going concern for transparency and inclusion of all facts and circumstances of which we are aware through the performance of the audit work.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the SFCR is authorised for issue.

Other Information
The Directors are responsible for the Other Information.

Our opinion on the relevant elements of the SFCR does not cover the Other Information and we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the relevant elements of the SFCR, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the SFCR themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact.
We have nothing to report in this regard.

Responsibilities of Directors for the Solvency and Financial Condition Report
The Directors are responsible for the preparation of the SFCR in accordance with the financial reporting provisions of the PRA Rulebook for Solvency II firms which have been modified by the modifications, and supplemented by the approvals and determinations made by the PRA under section 138A of FSMA, the PRA Rules and Solvency II regulations on which they are based.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a SFCR that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the relevant elements of the SFCR are prepared, in all material respects, with financial reporting provisions of the PRA Rulebook for Solvency II firms which have been modified by the modifications, and supplemented by the approvals and determinations made by the PRA under section 138A of FSMA, the PRA Rules and Solvency II regulations on which they are based.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the SFCR are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the SFCR.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: https://www.frc.org.uk/auditorsresponsibilities. The same responsibilities apply to the audit of the SFCR.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit, and the Audit Committee about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the SFCR. These included Solvency II as implemented in the UK; and
- do not have a direct effect on the SFCR but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Companies Act 2006, Companies (Jersey) Law 1991 and related Company Law.

We discussed among the audit engagement regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.
As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our procedures performed to address it are described below:

> The loss ratios applied to the calculations used in the determining the valuation of the discounted cashflows for future claims payments included in the premium provision. We have assessed the reasonableness of the forecasted assumptions by comparing previous estimates to achieved results. We have considered what such an impact would be in the current year and have assessed against our materiality.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we have tested the appropriateness of adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing the SFCR disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, audit and risk committee, and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with the PRA and FCA,

Other Matter

As the company is exempt from the preparation of consolidated financial statements, we have not audited the corresponding statutory accounts values in the disclosures of Section D: Valuation for Solvency Purposes and Section E: Capital Management of the Solvency and Financial Condition Report, given that these disclosures have been produced under a non-standard accounting framework.

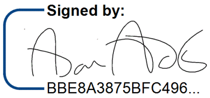
Report on Other Legal and Regulatory Requirements

In accordance with Rule 4.1 (3) of the External Audit Part of the PRA Rulebook for Solvency II firms we are required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of the Group statutory financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in relation to this matter.

Use of our Report

This report is made solely to the Directors of the Company in accordance with Rule 4.1 (2) of the External Audit Part of the PRA Rulebook for Solvency II firms. We acknowledge that our report will be provided to the PRA for the use of the PRA solely for the purposes set down by statute and the PRA's rules. Our audit work has been undertaken so that we might state to the insurer's Directors those matters we are required to state to them in an auditor's report on the relevant elements of the SFCR and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the PRA, for our audit work, for this report or for the opinions we have formed.



Adam Addis, ACA (Senior Statutory Accountant)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
4 July 2025

ACRONYMS AND TERMS

Acronym / Term	Definition
ADIA	Abu Dhabi Investment Authority, owner of Luxinva S.A which owns a c.26% stake of the Group
AOF	Ancillary Own Funds
APRA	Australian Prudential Regulation Authority
ARC	Audit & Risk Committee
BaFin	Federal Financial Supervisory Authority, the regulator of the German subsidiary insurance undertaking Domestic & General Insurance Europe AG
BSCR	Basic Solvency Capital Requirement
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CJRs	Completed Job Rates
CRO	Chief Risk Officer
CCSC	Customer & Conduct Standards Committee
CVC	CVC Capital Partners, majority owner of the Group (c.62%) via CVC Fund VII
D&G Group	The wider Domestic & General corporate group, controlled by Opal Galaxy Holdings Limited
DGA	Domestic & General Acquisitions Limited, the most senior insurance holding company within the Group, and therefore the most senior entity of the Regulated Group. Group supervision from the PRA applies at this level
Regulated Group	The group of entities held by DGA, including DGI supervised by the PRA (in UK), and DGIEU by BaFin (in Germany). DGI is the most senior insurance undertaking within the Regulated Group and the largest in terms of profit
DGAH	Domestic & General Acquisition Holdings Limited, a mixed activity insurance holdings company, immediate parent of DGA
DGGL	Domestic & General Group Limited, an intermediate insurance holding company in the Regulated Group, and the immediate parent of DGI
DGI	Domestic & General Insurance Plc, the most senior insurance undertaking in the Regulated Group
DGIEU	Domestic & General Insurance Europe AG, a subsidiary insurance undertaking of DGI
DGLG	Domestic & General Leadership Group i.e., the Executive Committee
DGS	Domestic & General Services Limited, the Group's UK service business and also a provider of material outsourced services to DGI
DSP	Discretionary Service Plan
DTA	Deferred Tax Asset
DVO; Delegated Acts	Commission Delegated Regulation (EU) 2015/35
ECSC	European Conduct Standards Committee
EIOPA	European Insurance and Occupational Pensions Authority, the EU Solvency II regulator
ENID	Events Not In Data
EPIFP	Expected Profits included in Future Premiums
EPPGC	European Product and Pricing Governance Committee
ERCC	European Risk Control Committee
EUR	Euro (currency)
FCA	Financial Conduct Authority
FY24	Financial year-ending 31st March 2024
FY25; the reporting period	Financial year-ending 31st March 2025
GBP	Great British pounds sterling (currency)
GRC	Group Risk Committee
GSP	Group Specific Parameters

Acronym / Term	Definition
GWP	Gross Written Premium
Iberia	Combination of Spain and Portugal
IBNER	Claims Values, incurred but not enough reported
IBNR	Claims Values, incurred but not reported
ICC	Group Investment & Capital Committee
IPM	Indeterminate Pay Monthly
IPT	Insurance Premium Tax
KPI	Key Performance Indicator
KRI	Key Risk Indicator
LACDT	Loss Absorbing Capacity of Deferred Taxes
LCP	Lane Clark & Peacock LLP; outsourced Actuarial Function support
M&A	Mergers and Acquisitions
MCR	Minimum Capital Requirement
MSP	Maintenance Service Plan
OEM	Original Equipment Manufacturer
OKR	Objectives and Key Results
ORSA	Own Risk & Solvency Assessment
P&L	Profit and Loss Statement
PRA	Prudential Regulation Authority
QA	Quality Assurance
QRT	Quantitative Reporting Template
RCSA	Risk & Control Self-Assessment
RMF	Risk Management Framework
RSR	Regular Supervisory Report
SCR	Solvency Capital Requirement
Standard formula	Standard Formula for calculating DGA, DGI and DGIEU's SCR and MCR
SFCR	Solvency & Financial Condition Report
SM&CR	Senior Managers and Certification Regime
Solo	Refers to the individual insurance undertakings (DGI and DGIEU) when discussing Solvency II Own Funds and Solvency Capital Requirements
UPR	Unearned Premium Reserve
USP	Undertaking Specific Parameters
Valuation date	31st March 2025
VAT	Value Added Tax
VRO	Value Realisation Office
1LOD	First Line of Defence
2LOD	Second Line of Defence
3LOD	Third Line of Defence

SUMMARY

In this report, Solvency II refers to the UK Solvency II regime following completion of the UK Solvency II Review.

During the year under review, the UK Government continued to perform a review of the Solvency II framework, which resulted in changes to PRA policy. On 14th November 2024, the PRA published Policy Statement 15/24 finalising PRA rules and policy materials to replace Solvency II assimilated law. The publication marked the conclusion of the PRA's phased consultation approach to the Solvency II Review. D&G closely tracked the PRA's publications and regulatory consultations on the future of Solvency II and assessed their implications for the Regulated Group. Further information on the UK Solvency II Review is included in section C.6.

The Group Solvency and Financial Condition Report ("SFCR") is a central element of the Solvency II reporting framework. It serves to provide insight into an insurance company's solvency position, system of governance, risk profile and capital management strategies.

On 23 October 2019, the PRA granted a rulebook modification permitting a single Group SFCR to be produced in the UK. A renewal of this modification was granted on 17 May 2022, effective 30 June 2022 to 30 June 2027. Therefore, this SFCR provides essential qualitative and quantitative information relating to both Domestic & General Acquisitions Limited (Jersey) ("DGA") and its subsidiaries (collectively referred to as the "Regulated Group"), including Domestic & General Insurance Plc ("DGI") and Domestic & General Insurance Europe AG ("DGIEU") for the financial year-ended 31 March 2025 ("FY25").

DGA is a non-EU insurance holding company. DGA has a wholly owned subsidiary, Domestic & General Group Limited ("DGGL"), a UK insurance holding company, which wholly owns DGI, the UK regulated insurance company.

DGI's wholly owned subsidiary, DGIEU, is a German insurance company authorised and supervised by BaFin. The scope of this Group SFCR is the Regulated Group, focusing on DGA, DGI and DGIEU's respective SCR's and Own Funds.

A solo DGIEU SFCR has been prepared separately and published[1] in accordance with Articles 290 to 298 of the Commission Delegated Regulation (EU) 2015/35 ("Delegated Acts") as required by BaFin.

All amounts in this report are presented in pounds sterling, rounded to the nearest thousand unless stated otherwise, which is the Regulated Group's presentation currency.

This Group SFCR has been prepared in accordance with the relevant PRA Rulebook sections on Reporting. The structure of the report follows the structure as set out in in Article 1A of Chapter 3A of the PRA Reporting Rulebook.

Key information on the individual sections of this SFCR is provided below.

A. Business and Performance

The principal activity of the Regulated Group is the provision of insurance-based appliance care products. DGI is an authorised United Kingdom insurance company, authorised by the Prudential Regulation Authority ("PRA") and regulated by both the Financial Conduct Authority ("FCA") and the PRA. DGI writes insurance business in the UK from its UK offices in the UK, and in Australia via its Australian branch (which is regulated locally by the Australian Prudential Regulation Authority ("APRA")). The Australian branch entered run-off in FY22 and no longer sells new policies, so its activities are now very limited in scope and are not material to the firm's operations.

[1] https://www.domesticandgeneral.de/berichte

The business of DGIEU, which is headquartered in Germany, also includes branches in Spain, Italy, France, and the UK (solely for the administration of the Republic of Ireland business). DGIEU also serves customers in Portugal, Belgium, the Netherlands, Austria, and Poland (no live business in FY25) under freedom of service principles.

The Regulated Group had gross earned income of £736.8m [2](2024: £685.4m), investment income of £1.4m (2024: 1.2m) and profit before tax for the year of £40.1m (2024: £36.7m).

The GAAP balance sheet shows that the Regulated Group's financial position at the year-end continued to be strong with net assets of £110.0m. Net assets increased compared to the previous financial year (when they were £100.7m), which includes the impact of profit after tax generated in year, offset by £15m of dividends paid in the year.

DGA's ultimate controlling party is Opal Galaxy Holdings Limited, a company incorporated in Jersey. Opal Galaxy Holdings Limited's sole shareholder is CVC via CVC Fund VII, and it is the majority shareholder in Opal Galaxy Topco Limited, with co-investor Luxinva S.A (an entity ultimately wholly owned by the Abu Dhabi Investment Authority ("ADIA")) owning a minority stake. The Opal Galaxy Employee Benefit Trust also holds a minority stake in Opal Galaxy Topco Limited, on behalf of management.

B. Systems of Governance

The D&G Group continues to seek opportunities to ensure its system of governance is effective and proportionate to the nature, scale, and complexity of its activities, ensuring that risks arising from the business model are identified, assessed, and managed. This system of governance encompasses the Regulated Group within its scope.

In FY25, a decision was taken to further refine the Board structure to support clearer segregation of duties, and clearer distinction between reporting and decision-making at Group and Solo entity level. Consequently, following year-end, new independent non-executive directors were appointed who are not also members of the D&G Group Board. In particular, a DGI Chair designate and a DGI Audit & Risk Committee Chair designate were appointed, who will assume these roles once regulatory approval is received.

A "three lines of defence" model is in place for each entity and is overseen at D&G Group level by the Group Audit & Risk Committee, and at DGI level by the DGI Audit & Risk Committee.

C. Risk Profile

The D&G Group has embedded a risk management framework, which includes (as a minimum) a bi-annual refresh of its risk profile and quarterly review of Key Risk Indicators relating to its Board-approved risk appetite. Ensuring good customer outcomes is at the heart of the D&G Group's business model. Due to this focus, the company sets its risk appetite at an appropriately prudent level to ensure that key risks to customers are identified, managed, and mitigated, wherever possible. This risk management framework encompasses the Regulated Group within its scope.

The D&G Group's principal risks (material risks) are broken down into the following six "level one" risk categories: Operational Risk, Financial Risk, Conduct Risk, Strategic Risk, Insurance Risk, and Governance Risk. These are managed through measures defined within the risk management and internal control framework, which are assessed and reviewed regularly.

The Regulated Group's four most significant risks measured by the Solvency Capital Requirement ("SCR") in the reporting period were as follows:

- Non-life underwriting risk
- Operational risk
- Market risk

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[2] Relevant monetary amounts in thousands of units are disclosed in supporting tables in this report

- Counterparty default risk

Non-life underwriting risk

DGA's underwriting risk is managed through underwriting and pricing controls and policies, approval procedures for new products, regular review of performance and monitoring of emerging issues.

DGA utilises Group Specific Parameters ("GSPs"), and DGI & DGIEU utilise Undertaking Specific Parameters ("USPs") in place of the Standard Formula's parameters to ensure its SCR for non-life underwriting risk is more closely aligned to its risk profile than would be the case if the Standard Formula was used.

Counterparty default risk

The Regulated Group manages the levels of counterparty default risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and monitoring those exposures regularly. DGI has exposures to trade counterparties, in respect of receivables and prepayments arising under contractual arrangements. DGIEU has similar exposures and also has counterparty risk against DGI in relation to its reinsurance agreement, which is mitigated by DGI's investment grade credit rating. Both DGI and DGIEU have default risk exposure in relation to banking and investment counterparties.

Operational risk

Operational risk arises from inadequately controlled internal processes or systems, human error, or from external events. Sub-risks relating to this category include information security & data protection, third party, people, enterprise resilience, technology, and health & safety. Both DGI and DGIEU maintain internal policies for managing operational risk. Operational risk registers and controls are regularly reviewed as part of the biannual Risk & Control Self-Assessment ("RCSA").

Execution of the D&G Group's strategy generates inherent operational risk, and the D&G Group has therefore implemented relevant governance, controls, expertise, and access to third party resource to reduce unintended impacts to the operations.

Market risk

DGI and DGIEU have low appetites for market risk on their investment portfolios, with a bias towards liquid investment grade government and corporate credit. In FY25, DGI's and DGIEU's investments continued to be managed by London & Capital.

D. Valuation for Solvency Purposes

The Regulated Group prepares its Solvency II balance sheet for the purpose of determining available "own funds". Neither the Regulated Group nor its entities make use of a volatility adjustment or the use of transitional measures on risk-free interest rates and technical provisions. However, DGI applies a transitional rule linked to the loss absorbing capacity of deferred taxes. As part of the earlier mentioned UK Solvency II Review, the PRA introduced procedural changes in relation to LACDT adjustments in 2024. With this, the PRA also introduced a transitional rule allowing firms to utilise an increase in deferred tax assets, based on recognition of future taxable profits in their LACDT calculations. This transitional period permits firms to delay obtaining s138BA permission for LACDT until 30 December 2025. DGI notified the PRA of its use of the transitional rule in December 2024. This does not represent a change in valuation for solvency purposes but reflects a rule change under Solvency UK.

D&G considers the bases, assumptions and methods used in the valuation of assets and liabilities for solvency purposes to be adequate.

Compared to the last reporting period, there were no significant changes in the methods and assumptions underlying the valuation for solvency purposes.

E. Capital Management

Sufficient capital is retained to ensure the financial stability of the Regulated Group and to meet regulatory requirements. The capital structure is kept under review to ensure these requirements are met and to maintain an efficient balance sheet. The Board regularly reviews the capital position of Regulated Group and its entities under the relevant PRA Rulebook sections as well as the Directive 2009/138/EC ("the Solvency II Directive").

The Regulated Group's capital position as of 31 March 2025 is as follows:

	DGI solo	DGIEU solo*	DGA Group
	£000	£000	£000
Eligible own funds	148,565	30,087	183,041
Solvency Capital Requirements (SCR)	87,168	8,220	96,902
Capital Surplus	61,397	21,867	86,138
Ratio of Eligible Own Funds to the SCR	170%	366%	189%

*DGIEU Solo is unaudited

In comparison, the Regulated Group's capital position as of 31 March 2024 was as follows:

	DGI solo	DGIEU solo*	DGA Group
	£000	£000	£000
Eligible own funds	142,426	33,847	182,362
Solvency Capital Requirements (SCR)	83,641	8,257	94,946
Capital Surplus	58,786	25,590	87,416
Ratio of Eligible Own Funds to the SCR	170%	410%	192%

*DGIEU Solo is unaudited

Prior year comparatives for DGIEU have been restated to correct an overstatement of the warranty debtors balance within the FY24 balance sheet. In principle, this also impacts both DGI Solo and DGA Group, but these comparatives have not been restated on the grounds of materiality.

The Regulated Group, DGI and DGIEU make use of GSPs and USPs in their application of the Solvency II standard formula. Based on this model, and on an assessment of risk and solvency requirements, the Regulated Group and its entities each remain well capitalised in relation to their risk profiles.

The final amount of the SCR is still subject to supervisory review.

Key changes in the solvency position compared to FY24 are driven by the following:

Entity	Own Funds	SCR
DGI Solo	**INCREASE** Slight increase in Own Funds as net asset growth exceeded dividends paid in the period.	**INCREASE** SCR increase is predominantly driven by business growth.
DGIEU	**DECREASE** Own Funds decrease is predominantly driven by repayment of tier 2 subordinated debt.	**BROADLY FLAT** SCR is broadly similar to the prior period.
DGA Group	**INCREASE** Predominantly driven by the factors highlighted above.	**INCREASE** Driven by the factors highlighted above.

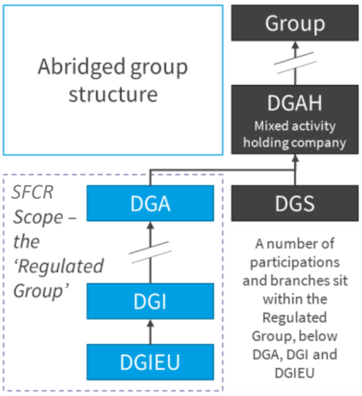
A. BUSINESS AND PERFORMANCE (unaudited)

A.1 Business

The principal activity of the D&G Group is the provision of appliance care products and services in the UK, Europe, US, and Australia. The registered office address of D&G Group is 27 Esplanade, St Helier, Jersey, JE1 1SG.

Group structure

This Group SFCR is performed at the level of DGA, a Jersey insurance holding company which is the most senior insurance holding company in the wider Domestic & General Group. DGA is the parent of the 'Regulated Group' and wholly owns DGI, the UK regulated insurance company. DGI's wholly owned subsidiary, DGIEU, is a German insurance company which is authorised and supervised by BaFin and produces its own local SFCR. The D&G Group's UK service business, Domestic & General Services Limited ('DGS'), which underwrites maintenance service plans ('MSPs'), along with the D&G Group's US entities are not regulated insurers and are out of scope of this report. A full group structure chart including more details on the structure are provided below.



DGA's ultimate controlling party is Opal Galaxy Holdings Limited, a mixed activity insurance holding company incorporated in Jersey.

Opal Galaxy Holdings Limited's sole shareholder is CVC via CVC Fund VII, and it is the majority shareholder in Opal Galaxy Topco Limited, with co-investor Luxinva S.A (an entity ultimately wholly owned by the Abu Dhabi Investment Authority ("ADIA")) owning a minority stake. All entities below Opal Galaxy Topco limited are wholly owned by their respective parent entity.

DGA is the most senior non-EU insurance holding company and DGGL, a UK insurance holding company, is the immediate parent undertaking of DGI.

The Regulated Group's key activities are summarised in the following sections.

Solvency II Insurance Undertakings

DGI is a UK insurance company, authorised by the Prudential Regulation Authority ("PRA") and regulated by both the Financial Conduct Authority ("FCA") and the PRA, and it provides insurance products in the UK via its UK offices.

DGI also has a branch in Australia which is regulated by the Australian Prudential Regulation Authority ("APRA"), which is required to hold capital locally to cover its Australian liabilities. The Australian branch no longer writes new business, as it is in run-off.

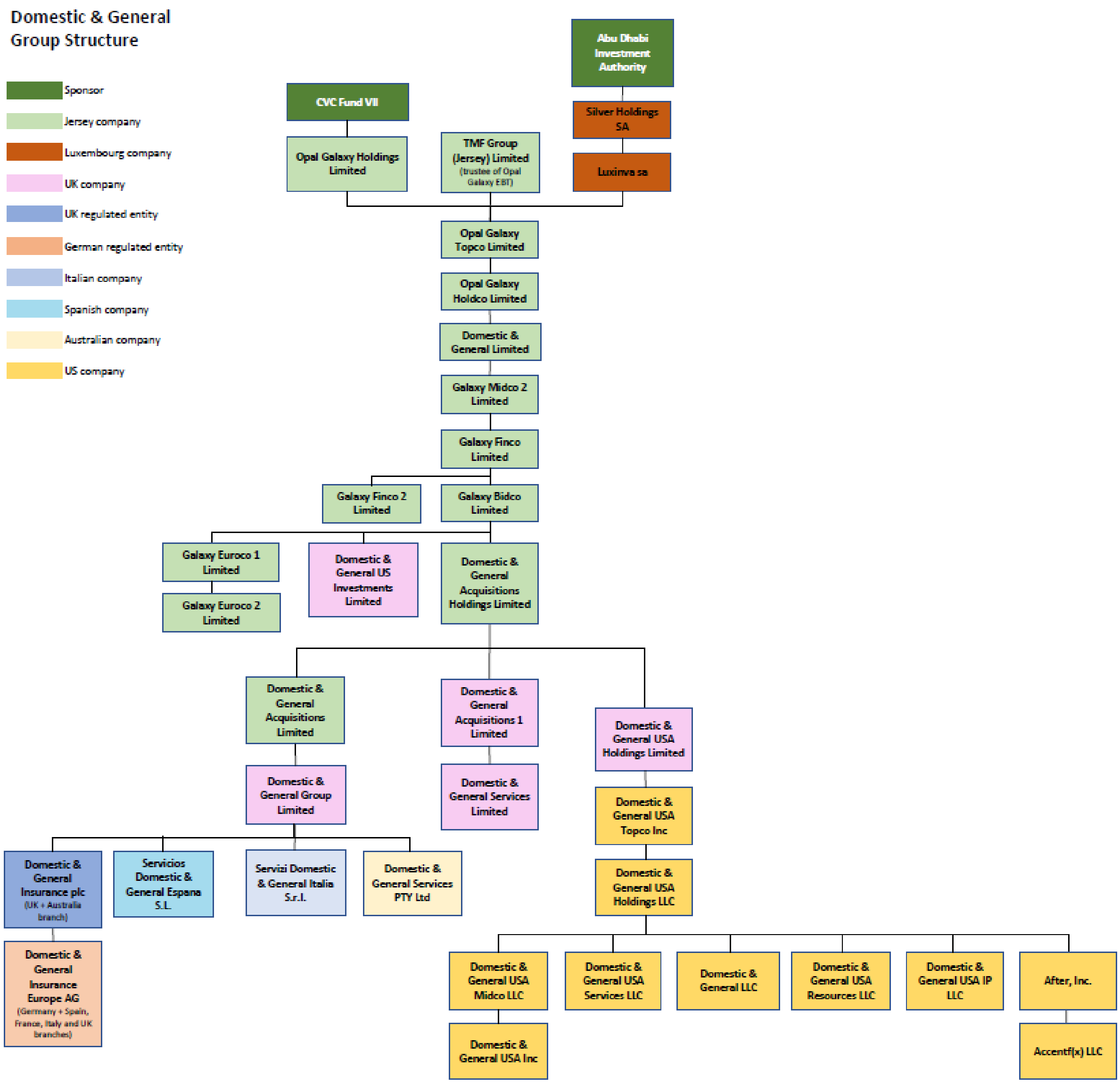
The business of DGIEU, which is headquartered in Germany, also includes branches in Spain, Italy, France, and the UK (solely for the administration of the Republic of Ireland business). DGIEU also serves customers in Portugal, Belgium, Netherlands, Austria, and Poland (no live business in FY25) under freedom of service.

Insurance Holding Companies

DGA and DGGL are insurance holding companies. With permission from the PRA, only a single SFCR is produced at DGA level in the UK, as the risk and capital profiles are materially similar between DGA, DGGL, and DGI (the latter of which is the largest insurance undertaking in the Regulated Group).

Strategic Participations

All non-insurance related subsidiaries of the Regulated Group are classified as Strategic Participations. The principal activities of *Servizi Domestic & General Italia S.r.l. (Italy)* are to promote, sell and administer service plans to purchasers of domestic appliances in partnership with various manufacturers and retailers. The activities of *Domestic & General Services Pty Ltd (Australia)* were similar, and the company is now in run-off and has ceased writing new business. *Servicios Domestic & General Espana (Spain)* does not currently trade.



Supervision

Contact details of the PRA, FCA, BaFin and APRA can be found on the respective websites:

- PRA – http://www.bankofengland.co.uk/pra
- FCA – https://www.fca.org.uk/
- BaFin – https://www.bafin.de/EN/Homepage/homepage_node.html
- APRA – http://www.apra.gov.au/

External Auditors

Local GAAP annual financial statements for the companies in the Regulated Group, and the SFCR are audited by Deloitte LLP, who can be contacted at Deloitte LLP, 2 New Street Square, London, EC4A 3BZ, United Kingdom.

A.2 Underwriting performance

Underwriting performance is derived from DGI and DGIEU, the Regulated Group's insurance undertakings. A summary of financial performance, including key ratios, is set out below:

DGA'S Group KPIs	2025	2024	Variance
	£000's	£000's	£000's
Earned Income	**736,804**	**685,362**	**51,442**
Claims	-331,666	-315,907	-15,759
Commission	-173,938	-169,926	-4,012
Administration	-190,534	-167,473	-23,061
Operating Profit	**40,666**	**32,056**	**8,610**
Investment Income	1,419	1,158	261
ForEx & Mark to Market Gains/(losses)	-1,957	3,510	-5,466
Profit before tax	**40,129**	**36,724**	**3,405**
Claims ratio	45.0%	46.1%	-1.1%
Commission ratio	23.6%	24.8%	-1.2%
Administration ratio	25.9%	24.4%	1.4%
Technical ratio	5.5%	4.7%	0.8%
Combined ratio	94.5%	95.3%	-0.8%

The above is presented in local GAAP (FRS102 principles) and is unaudited

KPIs by entity	2025	2025	2025
	DGIUK	DGIEU	DGA Group
	£000	£000	£000
Gross Earned Premium	578,371	158,433	736,804
Reinsurance Earned Premium	138,407	-138,407	0
Net Earned Income	**716,779**	**20,026**	**736,804**
Gross Claims	-291,372	-40,294	-331,666
Reinsurer's share of claims	-36,263	36,263	0
Net Claims	**-327,635**	**-4,031**	**-331,666**
Claims Ratio	45.7%	20.1%	45.0%
Gross Commission	-114,067	-59,871	-173,938
Reinsurance Commission	-83,849	83,849	0
Net Commission	**-197,916**	**23,978**	**-173,938**
Commission Ratio	27.6%	-119.7%	23.6%
Administration Costs	-157,305	-33,230	-190,534
Administration Ratio	21.9%	165.9%	25.9%
Operating Profit	**33,923**	**6,743**	**40,666**
Technical Ratio	4.7%	33.7%	5.5%
Investment Income / Financing Costs	1,033	386	1,419
ForEx & Mark to Market Gains/(losses)	800	-2,757	-1,957
Profit before tax	**35,756**	**4,373**	**40,129**

The above is presented in local GAAP (FRS102 principles) and is unaudited

KPIs by entity (restated)	2024	2024	2024
	DGIUK	DGIEU*	DGA Group
	£000	£000	£000
Gross Earned Premium	510,861	172,499	685,362
Reinsurance Earned Premium	156,863	-156,863	0
Net Earned Income	**667,724**	**15,636**	**685,362**
Gross Claims	-274,478	-41,429	-315,907
Reinsurer's share of claims	-37,604	37,604	0
Net Claims	**-312,082**	**-3,826**	**-315,907**
Claims Ratio	46.7%	24.5%	46.1%
Gross Commission	-99,034	-70,893	-169,926
Reinsurance Commission	-95,425	95,425	0
Net Commission	**-194,459**	**24,533**	**-169,926**
Commission Ratio	29.1%	-156.9%	24.8%
Administration Costs	-131,957	-35,516	-167,473
Administration Ratio	19.8%	227.1%	24.4%
Operating Profit	**29,227**	**828**	**32,056**
Technical Ratio	4.4%	5.3%	4.7%
Investment Income / Financing Costs	1,177	-19	1,158
ForEx & Mark to Market Gains/(losses)	2,696	814	3,510
Profit before tax	**33,099**	**1,623**	**36,724**

The above is presented in local GAAP (FRS102 principles) and is unaudited
*DGIEU comparatives have been updated to reflect the correction of an overstatement of the warranty debtors balance. DGIUK and DGA Group comparatives have not been restated on the grounds of materiality.

Earned Income - represents the amount of premium recognised in the income statement in the current year relating to insurance business, net of cancellations and exclusive of IPT, in accordance with the earnings patterns applied to each contract. Earnings commence when the policy goes "on-risk". This has increased by 7.5%.

Claims Incurred/Claims Ratio – expressed as a proportion of earned income, claims incurred have decreased by 1.1 percentage points to 45.0%. The reduction reflects a return from slightly higher claims frequency and cost experience on certain lines of business in the prior year.

Technical Ratio – calculated as the technical account result (earned income minus claims incurred minus other operating expenses) as a proportion of earned income. The technical account performance increased by 0.8 percentage points to 5.5%.

DGIEU Ratios above are calculated on a net-of-reinsurance basis. On an underlying gross-of-reinsurance basis the DGIEU claims ratio would be 24.5% and the commission ratio would be 37.8% for FY25.

Underwriting performance by geographical areas

DGA'S Group KPIs	UK £000's	Iberia £000's	Germany £000's	Other £000's	Total £000's
Earned Income	**578,244**	**108,269**	**37,706**	**12,586**	**736,804**
Claims	-291,392	-26,297	-8,791	-5,187	-331,666
Commission	-114,067	-49,032	-10,349	-490	-173,938
Administration	-157,098	-17,171	-9,818	-6,447	-190,534
Operating Profit	**15,687**	**15,769**	**8,749**	**462**	**40,666**
Investment Income	880	-69	174	434	1,419
ForEx & Mark to Market Gains/(losses)	2,338	-1,247	-472	-2,575	-1,957
Profit before tax	**18,904**	**14,453**	**8,451**	**-1,679**	**40,129**
Claims ratio	50.4%	24.3%	23.3%	41.2%	45.0%
Commission ratio	19.7%	45.3%	27.4%	3.9%	23.6%
Administration ratio	27.2%	15.9%	26.0%	51.2%	25.9%
Technical ratio	2.7%	14.6%	23.2%	3.7%	5.5%
Combined ratio	97.3%	85.4%	76.8%	96.3%	94.5%

The above is presented in local GAAP (FRS102 principles) and is unaudited

Key Points on the underwriting performance by geographical areas:

- The UK has a higher Claims ratio than other countries partly due to the larger proportion of "out of manufacturers' guarantee" warranty sales (i.e. customer purchasing warranty on appliances after the manufacturers' guarantee period has expired) within the UK. Other countries mainly sell enhanced appliance protection during the manufacturers' guarantee period. The UK also generally has a lower commission ratio than other countries (see below), which means claims comprise a higher proportion of earned income.
- The Commission ratio is higher in Iberia (Spain and Portugal) as this area has a higher proportion of retail sales. Under the retailer distribution model, the retailer incurs the majority of selling costs, and therefore requires higher commission to recompense it for its costs. The UK business incurs most of its selling costs itself and, therefore, pays lower commission relatively.
- The UK internal selling costs are included within its administrative costs and, therefore, the UK has a higher Administration ratio.

Underwriting performance by lines of business

Under Solvency II, extended warranty insurance is classified under the Solvency II line of business "Miscellaneous Financial Loss". For some products, the Regulated Group has extended the coverage offered beyond pure extended warranty by including coverage for accidental damage and theft. Specific reference to extended warranty insurance within the "other non-life" catastrophe risk guidance (see Annex XII of the Delegated Acts) clarifies that extended warranty insurance within the Solvency II line of business "Miscellaneous Financial Loss" may also provide additional cover against eventualities such as accidental damage, loss, or theft, which is why the entirety of the Regulated Group's business is classified under this line of business.

A.3 Investment performance.

Investment performance is derived from investments held by both DGI and DGIEU.

In FY25, DGI's and DGIEU's investments continued to be managed by London & Capital, in addition to short term investments in money market funds which are held from time to time and managed by the Group's treasury function. The investment strategies for both companies are focused on liquid, predominantly investment grade, government and corporate credit, with prudent additional allocations to high-yield credit. Investments also included bank deposits. The preservation of capital is a key investment objective, so the investment strategy is designed to focus on asset classes which reduce risk of a capital loss over the life of the asset. The year-on-year reduction in fixed income investments was due to divestments in the European portfolio to release surplus funds.

	2025	2024	Difference
	£000	£000	£000
Fixed Income Investments	37,628	43,525	-5,897
Cash and cash equivalents	15,417	18,632	-3,216
Total	**53,044**	**62,157**	**-9,112**

Investment income/expense comprises interest income, and gains and losses on financial instruments recognised in the P&L account. An investment gain of £1.4m[3] (2024: £1.2m) was generated by better asset performance compared to the FY24.

Investment strategy is overseen by the Group Investment & Capital Committee and includes consideration of ESG factors. In this regard, no securities issued by companies under the following sub-industry classifications are permitted: Arms, mining, and tobacco.

Further information on financial risks resulting from climate change is provided in section C.6 of this SFCR.

On 30 April 2023 DGI sold its Nottingham site (Talbot Street) for £6.3m as indicated in 2023 SFCR.

The Regulated Group held no investments in securitisations at the valuation date.

A.4 Performance of other activities

In FY25, there was no other material income or expense incurred during the reporting period.

DGIEU has finance lease obligations in relation to its leased European premises, which are reported within its commitments. DGGL also has finance lease obligations in relation to UK premises, however, as DGGL is reported using UK GAAP FRS102, the UK leases are not reflected in the Solvency II Balance Sheet.

A.5 Any other information

The Regulated Group has previously referred to cost-of-living / inflationary pressures as key macro-economic headwinds. Although previously high levels of inflation have reduced, macro-economic and geo-political uncertainties persist and have been exacerbated by recession fears stemming from US trade policy. Underwriting KPIs, therefore, continue to be closely monitored to identify signs of abnormal changes (e.g., increased policy lapse rates and cancellations, reductions in new business sales and similar). Additionally, appropriate inflation assumptions were incorporated into the financial planning process.

Contracts with partners and repairers provide a degree of stability in the Regulated Group's margin. The majority of repairs are undertaken using Completed Job Rates ("CJRs") which are agreed in advance with repairers, and there are additional sources of capacity in the network of independent repairers (i.e., non-OEM repairers) to ensure adequate coverage in case of capacity constraints. D&G continues to monitor delivery of good customer outcomes through its established governance in order to be able to respond appropriately as the macro-economic environment evolves.

[3] Relevant monetary amounts in thousands of units are disclosed in supporting tables in this report

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B. SYSTEM OF GOVERNANCE (unaudited)

Through DGI and DGIEU, the Regulated Group has an established risk management and control framework which seeks to protect the business from events that may hinder achievement of its objectives and financial performance. The Boards in the Group consider and assess potential risks and uncertainties that could have a material impact on performance and put in place processes and controls designed to manage and mitigate such risk.

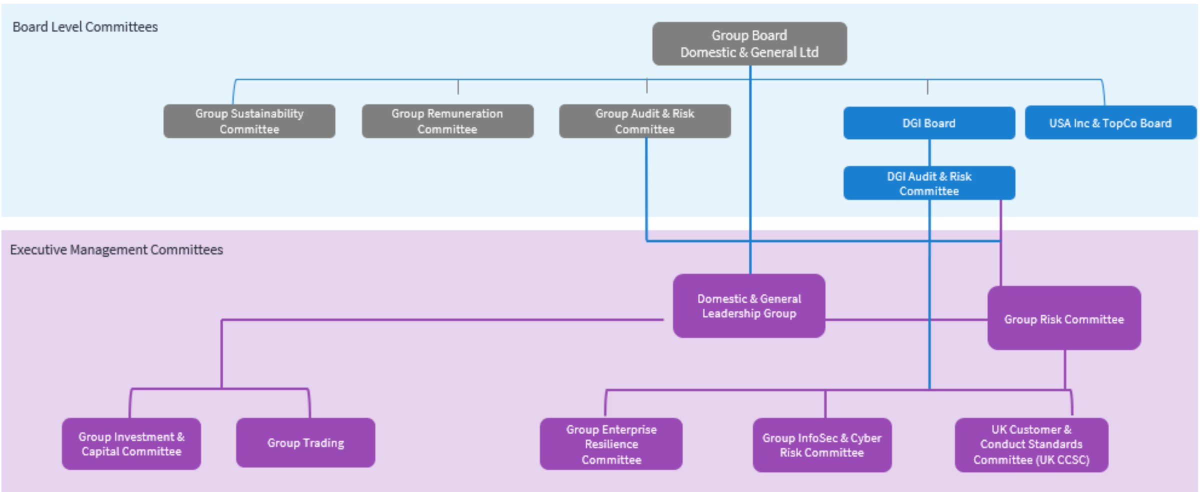
Monitoring of conduct is embedded into the Group's day-to-day business. The D&G Group's established risk appetite, policy framework and supporting controls and monitoring include consideration of product design and product changes, selling processes, customer service and complaints, and aim to support good customer outcomes.

The Regulated Group regularly reviews existing processes to ensure that the risk management and control framework remains appropriate to the risk profile of the Group. Based on this approach, it has been taking steps to further embed the risk management framework within the first line of defence, supported by enhanced governance arrangements.

B.1 General information on system of governance

Governance structure – DGA/DGI

A summary of the DGA/DGI committee structure at Board and Executive Management level is given in the diagram below. Further information on the different committees, including their responsibilities follows.



Governance applicable to the Regulated Group is managed primarily at DGI and DGIEU level. In FY25, the Board structure has been refined further to support clearer segregation of duties and to further refine distinction between reporting and decision making at Group and Solo entity level.

Board Level Committee	Governance Role & Responsibilities
Group Board	• Sets the D&G Group's Corporate Governance Policy & Agenda • Has overarching responsibility for the strategic direction of the D&G Group and for setting risk appetite. • Ensures that that D&G Group's strategy and policy are in accordance with general corporate governance and risk management requirements. • Reviews and acts on recommendations from, and work undertaken by External Audit, Internal Audit and Compliance and Risk functions. • Allocates appropriate resource to meet governance obligations.
DGI Board	• Has similar roles and responsibilities as the Group Board but concentrated on the Regulated Group including its solo insurance undertakings.
Group Audit & Risk Committee	• Monitors the integrity of financial statements, and the effectiveness of the D&G Group's internal controls and risk management frameworks.
DGI Audit & Risk Committee	• Monitors the integrity of financial statements, and the effectiveness of the Regulated Group's internal controls and risk management frameworks, including its outsourced Internal Audit and outsourced Actuarial functions.
Group Remuneration Committee	• Central committee responsible for all remuneration matters across the D&G Group. • Determines the overall framework and policy for remuneration of the Chairman, the independent non-executive directors, the executive directors, and senior employees of the D&G Group.
Group Sustainability Committee	• Oversees and holds responsibility for sustainability and climate, including climate-related risks and opportunities. • Escalates material risks and opportunities that are deemed to impact the strategy, business forecasting, or risk management, to the Group ARC and, where relevant, DGI ARC.

Boards of Directors and Senior Management Functions

The Boards (Group & DGI) comprise Directors and Non-Executive Directors who are responsible for ensuring that the company is appropriately managed and that it achieves its objectives. During FY25 the Boards met at least six times per year (four times per year going forward under a revised meeting cadence) to determine the company's strategic direction, to review operating and financial performance and to oversee that the company is adequately resourced and effectively controlled.

The directors of DGI who served in the year were:

- David Tyler
- Barbara Merry (to 31st August 2024)
- Joseph Fitzgerald
- Matthew Crummack
- Robin Ashton (appointed 31 August 2024)
- Patricia Roufca (appointed 31 August 2024)

The directors of DGA who served in the year were:

- Matthew Crummack
- Joseph Fitzgerald

The table below summarises the Senior Managers of DGI and their respective controlled functions as at end of FY25:

Name	Role
Aljosa Grljevic	SMF24 Chief operations function
Anna Capitanio	SMF18 Other overall responsibility function
David Alan Tyler	SMF9 Chair of the governing body function
David William Wells	SMF7 Group entity senior manager function
Gayle Terry	SMF18 Other overall responsibility function
Joseph Fitzgerald	SMF2 Chief finance officer function
	SMF20 Chief actuary function
Vipul Chhabra	SMF23 Chief underwriting officer
Matthew Crummack	SMF1 Chief executive function
Patricia Roufca	SMF14 Senior Independent Director
Robin James Ashton	SMF10 Chair of the risk committee function
	SMF11 Chair of the audit committee function
Robin Peveril Hooper	SMF7 Group entity senior manager function
	SMF12 Chair of the remuneration committee function
Subhrendu Chakraborty	SMF24 Chief operations function
Steven Anthony Purser	SMF18 Other overall responsibility function
Sharon McDiarmid	SMF4 Chief risk officer function
	SMF16 Compliance oversight function
Alexander David Grant	CF1 Director (Appointed Representative, Wren Kitchens Limited)
Daniel Arthur Edwin Hopcroft	CF1 Director (Appointed Representative, EDF- Energy Customers Limited)
Christopher Carberry	CF1 Director (Appointed Representative, Scottish Power Energy Retail Limited)
Andrew Phillip Lane	CF1 Director (Appointed Representative, Haier Smart Home UK & I Ltd)
Helen Maslin	CF1 Director (Appointed Representative, Customer Experience People SA (PTY) Ltd (Huntswood))

Between 1st April 2024 – 31st March 2025, the following changes have occurred;

- Sharon McDiarmid replaced Tom Hughes as SMF4 & SMF16, joining the business in August 2024
- Barbara Merry stood down from NED role in August 2024
- Patricia Roufca was approved as SID in November 2024
- Robin Ashton joined the DGI Board, taking on SMF10 & SMF11 previously assigned to Barbara Merry
- Approval of Customer Experience People SA (PTY) Ltd (Huntswood) as Appointed Representative in January 2025

Subsequent to 31st March 2025, Janet Connor joined the DGI Board as chair designate and Jose Vazquez joined the DGI Board as chair designate of the DGI ARC. As of the end of June, both remain subject to regulatory approval. Accordingly, at the time this SFCR was approved, Robin Ashton continued to serve as Chair of the DGI ARC.

Donna Trapnell has replaced Al Grljevic as SMF 24 Chief Operations Officer subsequent to 31st March 2025.

In addition, some Prescribed Responsibilities were re-allocated to reflect updated organisational design, as these fit with roles and responsibilities under the Senior Manager Regime and Business Area Management Functions.

Board Level Committees

Audit & Risk Committee (Group ARC & DGI ARC)

The ARC is a key governance committee which oversees and manages risk (including regulatory risk). Separate ARCs are in place at D&G Group level and at DGI level. Under their terms of reference, each ARC should meet at least four times a year.

The Committees, both at D&G Group level and at DGI level, have an established annual plan of work, and their responsibilities include: review of the appropriateness of the D&G Group's / DGI's accounting policies and procedures; review of the effectiveness of the audit process and the relationship of the D&G Group / DGI with its external auditors, including the level and nature of non-audit services; review of the effectiveness of the internal audit function; and review of the effectiveness of the D&G Group's / DGI's internal controls, in particular with regards to regulatory compliance and risk management.

In parallel, the D&G Group ARC ensures that all group subsidiaries (across all jurisdictions) are reviewed and monitored and that there is consistency of approach, as well as clearly communicated and effective financial reporting processes, risk frameworks and compliance monitoring processes. In essence, the setting and review of group-wide policies is a matter for the Group ARC, whilst DGI's ARC serves to monitor and review its own policies, make decisions which are in the best interests of DGI, with reference to the Group ARC as appropriate. The DGI ARC has the capacity to raise any conflicts of interests or potential conflicts of interest between DGI and the Group. The Company Secretary attends both meetings for consistency and is available to both Committees should any need arise.

Group Remuneration Committee

The Group Remuneration Committee is the central committee responsible for all remuneration matters across the D&G Group (including the Regulated Group). Under its terms of reference, the Remuneration Committee meets as often as its purpose reasonably requires and, in any case, at least once a year (it met formally three times in FY25). The Committee has responsibility for determining the overall framework and policy for remuneration of the Chairman, the independent non-executive directors, the executive directors, and senior executives of the D&G Group, including Senior Management Functions and certified staff under the Senior Manager & Certification Regime.

The Group Remuneration Committee also:

- Approves the design of, and determine targets for, any performance related pay and bonus schemes;
- Approves the group bonus pool available for award, and the appropriate financial and other measures to consider;
- Reviews and approves the appointment or termination of employment and the individual remuneration, including any variable remuneration, of any employee whose base salary is in excess of £175,000 (or local currency equivalent of £175,000) or whose contract cannot be terminated by three months' notice or less;
- Determines the policy for and scope of pension arrangements, service agreements for the Domestic & General Leadership Group (DGLG), termination payments and compensation commitments; and
- Reviews and approves the establishment of any pension, retirement, death or disability or life assurance scheme and any major changes in employee benefit structure.

Separate from the Group Remuneration Committee, there is a Contact Centre Incentive Governance Forum which is a decision-making group providing approval and oversight of all UK Contact Centre incentive schemes for directly employed staff. The Contact Centre Incentive Governance Forum will escalate to DGLG, as appropriate, and will provide oversight reporting to the Group Remuneration Committee. There are separate UK remuneration governance forums to cover client and outsourced Contact Centre.

Group Sustainability Committee

The purpose of the Sustainability Committee is to consider key environmental, and sustainability matters relevant to the business of Domestic & General and make recommendations to the Group Board to improve the Group's position with respect to sustainability. According to its terms of reference, the committee shall meet formally no fewer than four times in each financial year, and otherwise as required.

The members of the committee shall be at least one Independent Non-Executive Director, one Lead Investor Director and the Chief Executive Officer. The Chair of the Committee is an Independent Non-Executive Director nominated by the Group Board.

The specific responsibilities of the Sustainability Committee are to:

- assist the Group Board in the development of the D&G Group's environmental and sustainability strategy, including its net zero strategy, and monitor its performance;
- identify environmental and sustainability related risks to the business and escalate to the Group Board those of material significance;
- monitor and review current and emerging environmental and sustainability trends, standards and legal requirements and determine how they may affect the D&G Group;
- review and provide guidance to the Group Board on the involvement of significant corporate responsibility issues in major business decisions.

Executive Management Committees

The Group Board delegates the management of the day-to-day operations of the business to the DGLG. The DGLG, chaired by the CEO, comprises the CEO, CFO, and other members of the senior management team, determined from time to time by the CEO.

A summary of roles and responsibilities of the Executive Management Committees are outlined below:

Executive Management Committee	Objectives
DGLG	• Executes the strategy, objectives, and priorities for the D&G Group. • Oversees the day-to-day operation of D&G Group, ensuring D&G's strategy is executed effectively and that key risks are sufficiently managed.
Group Risk Committee	• Monitors and reviews the D&G Group's risk profile. • Provides risk oversight for the D&G Group, including the Regulated Group. • Assesses the effectiveness of the D&G Group risk management framework, including tracking adherence to risk appetite on a continuous basis. • Assesses compliance with applicable conduct and prudential regulatory requirements, including the rules set by the FCA and PRA. • Monitors and challenges the key outputs of the UK Customer & Conduct Standards Committee and the Enterprise Resilience Committee.
Group Investment & Capital Committee	• Sets the strategy and criteria for the D&G Group's investment assets (including its subsidiaries), and monitors counterparty exposures (banking and investment), investment returns and capital management considerations, including distribution planning. • The Group Investment & Capital Committee advises both the DGI Board and the Group Board.
Group Trading Committee	• Oversees the D&G Group's trading performance based on input from the regional Trading Committees.
UK Customer & Conduct Standards Committee	• Sets D&G conduct standards, principles and policies in relation to UK customers. • Oversees and monitors the delivery of good customer outcomes. • Promotes and monitors conduct standards culture and provides input to the setting of Conduct Risk appetite. • Monitors adherence to relevant laws and regulations and proactive oversight of any new or upcoming standards

Executive Management Committee	Objectives
	• Receives reporting from the key conduct management committees (Proposition & Pricing Governance Committee, Customer Journey Steering Committee, Customer Communications & Fulfilment Committee and Third-Party Oversight Committee) • DGIEU has its own Conduct Standards Committee, the European Conduct Standards Committee.
Group Enterprise Resilience Committee	• Ensures the D&G Group including, people, facilities, systems and third parties are resilient in-line with D&G's risk appetite and relevant regulatory requirements. • Approves and assures the testing regime and relevant procedures that relate to resilience across people, facilities, systems and third parties in line with a risk profile and test regime proportionate to our priorities. • Approves, maintains and stress tests all incident response and crisis management procedures. • Acts as primary governance meeting to review both D&G's existing and future material outsourcing, and critical third-party arrangements are resilient.
Group InfoSec & Cyber Risk Committee	• Oversees compliance with information security regulations as well as adherence to information security standards across the D&G Group.

In addition to the above committees, the D&G Group has the following Working Groups and Committees relevant for risk management and Solvency II in place:

Forum	Objectives
Solvency II Working Group	• Monitors DGA's, DGI's and DGIEU's levels of Solvency II capital and compliance with Solvency II requirements.
Data Governance Committee	• Reviews and signs off DGA's, DGI's and DGIEU's Solvency II reports prior to submission, including key assumptions and ratios used in the calculation, causal analysis and adherence to PRA/BaFin requirements.
Horizon Scanning Forum	• Oversees regulatory changes and ensures the D&G Group stays abreast of external, legal, regulatory or market changes that may have an impact on the D&G Group in the future.

Key Functions

Key Function	Key Responsibilities & Organisation
Risk & Compliance Function	• Monitoring programme reviews the effectiveness of the systems and controls in meeting the requirements of the FCA & PRA (UK) and BaFin (Germany). • Facilitates the definition and monitoring of risk appetite, key risk indicators, and sets the framework of the Risk & Control Self-Assessment process whereby risks are assessed from both the bottom-up (i.e., business functions) and top-down by the relevant governance committees (i.e. DGLG, GRC and ARCs). • Reports its findings to the Boards & the ARCs.
Internal Audit Function	• Audit programme reviews the effectiveness of the systems and controls in meeting governance and risk management objectives. • Reports its findings to the Boards & the ARCs.
Actuarial Function	• Validates the technical provisions, including testing against experience. • Assesses the appropriateness of methods used for Solvency II purposes and definition of USPs applied, as well as the quality of the data used. • Reports its findings to the Boards & the ARCs.

In addition to the governance structure described above, the external auditor reviews the integrity and accuracy of financial reporting, as part of the annual audit in accordance with statutory requirements.

Governance structure – DGIEU

DGIEU Supervisory Board & Audit Committee

DGIEU's Supervisory Board & Audit Committee is comprised of Directors who are responsible for ensuring that DGIEU is appropriately managed and that it achieves its objectives. The DGIEU Supervisory Board & Audit Committee meets to determine DGIEU's strategic direction, to review the company's operating and financial performance, and to oversee that DGIEU is adequately resourced and effectively controlled.

The main tasks of the DGIEU Supervisory Board & Audit Committee – which meets every six months – are to:

- supervise the DGIEU Management Board (but with no right to instruct or take day-to-day decisions);
- issue rules and procedures for DGIEU Management Board;
- mandate the statutory auditor;
- approve the financial statements;
- consider reserved matters – veto right e.g. acquisition or sale of real property, assumption of guarantees, obligations exceeding a defined amount; and
- appoint (and remove) members of the DGIEU Management Board.

The DGIEU Supervisory Board & Audit Committee consists of three members:

- David Tyler – Chairman
- Robin James Ashton – Deputy Chairman
- Michael Ross – Member

DGIEU Management Board

The main tasks of the DGIEU Management Board – which meets every two months or on an ad-hoc basis as required – are to:

- be responsible for proper business organisation;
- manage DGIEU in accordance with the law, Articles of Association and the terms of reference (manage with the due care and diligence of a prudent and conscientious businessman);
- implement and execute the D&G Group's strategy insofar as it is relevant to DGIEU;
- oversee execution of day-to-day strategy;
- review DGIEU's risk profile and issues;
- adhere to regulation and compliance;
- review key people risks and issues; and
- act as escalation point for issues raised by the business.

As of 31 March 2025, the DGIEU Management Board consists of four members:

Name	Role	Responsibility
Matthew Crummack	Chief Executive Officer	Lead Management overall, Strategy, Sales, Operations, Personnel, Supervisory Board matters, Compliance, Risk Management, Data Privacy
Tom Goode	Chief Financial Officer	Finance & Accounting and Actuarial
Sven Wick	Board Member	Underwriting and Internal Audit
Matthias Kammermann	Board Member	Issues of law/appeals

In FY25, there was a change to the DGIEU Management Board, when Matthias Kammermann was appointed as an additional member on 15th April 2024.

DGIEU Key Functions

Key Function	Key Responsibilities
Internal Audit	• Reviews the effectiveness of the systems & controls in meeting Governance & Risk Management objectives. • Reports its findings to the DGIEU Management & Supervisory Board.
Risk Function	• Facilitates the definition and monitoring of risk appetite, key risk indicators, and sets the framework of the Risk & Control Self-Assessment process. • Reports its findings to the DGIEU Management & Supervisory Board
Compliance Function	• Monitoring programme reviews the effectiveness of the systems and controls in meeting the requirements of BaFin. • Reports its findings to the DGIEU Management & Supervisory Board.
Actuarial Function	• Validates the technical provisions, including testing against experience. • Assesses the appropriateness of methods used for Solvency II purposes and definition of USPs applied as well as the quality of the data used. • Reports its findings to the DGIEU Management & Supervisory Boards.

Governance Committees

The DGIEU Management Board (overseen by the DGIEU Supervisory Board) is responsible and accountable for ensuring that a sound risk management culture and framework is embedded. The DGIEU Management Board is supported in its risk oversight and in discharging its responsibilities for certain risk management topics (including adherence to risk appetite for selected risk categories) by various DGIEU governance committees (ERCC, ECSC, and EPPGC), as reflected in their terms of references.

The following Board sub-committees have been established for DGIEU:

Committee	Objectives
European Risk Control Committee (ERCC)	• Sets out and oversees DGIEU risk and compliance standards throughout the organisation. • Reviews the status of, and progress on actions from Compliance Monitoring Reviews, Internal Audit, External Audit, RCSAs, risk events and regulatory reporting requirements. • Oversees aspects of the DGIEU Risk Management Framework, such as risk events, RCSA results and risk appetite. • Oversees the ongoing maintenance of a robust control framework including a quarterly review of control results. • Considers issues identified as part of the regular horizon scanning and considers action as appropriate.
European Product & Pricing Governance Committee (EPPGC)	• Reviews and approves the design of new products or the modification/development of existing products including consideration of associated risks. • Reviews and approves the development of new channels for existing products, changes to existing channels, and rollout of product/terms and conditions for new partners. • Oversees marketing incentives and payment methods for existing products and channels. • Considers the pricing strategy used to set product price.
European Conduct Standards Committee (ECSC)	• Sets conduct standards, principles, and policies. • Promotes conduct standards and fair treatment of customers. • Monitors conduct risks in service and claims, complaints and quality assurance including monitoring of KRIs. • Reviews cases of misconduct and decides on future mitigation measures.

For some risk areas, DGIEU does not have separate committees in place. Instead, these topics are addressed in Board sub-committees and management committees at D&G Group level. Flow of information between DGIEU and Group is ensured via the DGIEU Management Board and especially via the DGIEU CEO who also holds this role at Group level and attends the key Group Board-sub committees. In addition, Robin James Ashton (member of the DGIEU Supervisory Board) attends both the Group and DGI ARCs.

More detailed information on DGIEU's governance structure including the tasks and responsibilities of the four key functions is included in DGIEU's Solo SFCR.

Remuneration

All bonus awards paid to employees are at the discretion of the company and are not part of the remuneration in the employment contract. Even if employees have continuously received a bonus award over a period of years, there is no contractual entitlement to this.

The D&G Group awards variable remuneration in the form of annual discretionary cash award to employees, including those employees who work on behalf of DGI and DGIEU, under the Group Discretionary bonus scheme or through Contact Centre bonus schemes which are generally paid quarterly or monthly.

The financial performance of the company is the key factor in determining the overall level of bonus awards in any given year. Alongside company financial performance, the performance of each function, together with each individual employee's contribution and behaviours, will influence the amount of each individual annual bonus. When determining and reviewing the amount of individual bonus awards, consideration is given to the relative value of variable remuneration as a proportion of total remuneration, ensuring that in each case the variable element does not represent too large a proportion as to inappropriately incentivise behaviours that may be detrimental to the company.

The Company does not operate formulaic criteria for determining the value of discretionary annual bonus awards but does provide guidance for management to consider when determining individual award allocations like employee performance and conduct. All proposals are subject to detailed review and moderation and can be subject to potential adjustment at D&G Group level.

Contact Centre schemes operate separately to the Group Discretionary scheme and are structured to include both financial and non-financial measures, with Quality Assurance measures being a key factor in determining individual awards.

The D&G Group does not operate individual supplementary pension schemes.

There were no material transactions in FY25 between shareholders, any persons exercising a significant influence on the undertaking and members of the administrative, management or supervisory body.

Additional information on remuneration can be found in the section on the Remuneration Committee, above. This committee is responsible for remuneration within all D&G Group companies including DGI and DGIEU.

A Group Remuneration Policy is in place that sets out governance, roles and responsibilities related to remuneration, the role of the Remuneration Committee and key remuneration principles. The standards in this Policy are applicable to the whole D&G Group. There are also accompanying appendices for the UK, Europe and Australia. The Group Remuneration Policy has been substantially reviewed in FY25 including the update of the Australian appendix and the introduction of a new accompanying appendix for the UK.

The Remuneration Policy seeks to ensure:

- Fair and consistent remuneration principles,
- That all employees are appropriately remunerated in accordance with their contractual roles, experience, and responsibilities, and
- That the remuneration principles are consistent with the business and risk strategy, which includes fair treatment of customers.

The remuneration system is appropriate, transparent, and geared to the sustainable development of the Group. The general structure of the Group Remuneration Policy is in line with the business strategy and the risk strategy derived from it.

Adequacy of the system of governance

The Regulated Group, including DGI and DGIEU, continue to seek opportunities to improve the robustness and proportionality of its system of governance, in line with changes in D&G's risk profile, strategic plan, and changes in external factors (e.g. legislation and regulation). The Risk & Compliance functions are instrumental in overseeing and challenging the implementation of the system of governance, risk management, and internal control framework. This also comprises overseeing and challenging risk identification and control execution by the first line of defence, to ensure ongoing adequacy given the nature, scale, and complexity of D&G's risk profile.

B.2 Fit and proper requirements

DGA, through DGI and DGIEU, is committed to ensuring that all persons who effectively run the Regulated Group or its entities, or discharge other key functions are, at all times, fit and proper within the meaning of Article 42 of the Solvency II Directive, in accordance with the applicable rules of national competent authorities. They must fulfil their responsibilities under the Senior Managers and Certification Regime (SMCR) in the UK and, for DGIEU, Article 24 of the German Insurance Supervision Act (VAG).

Definition

Fitness and Propriety is the assessment (prior to undertaking a role, and on a periodic basis thereafter) to ensure the individual is suitable to perform the function. The assessment considers aspects such as the individual's honesty, integrity and reputation, financial soundness, competence, and relevant experience, including in the insurance business sector where appropriate.

Requirements

General

D&G implements appropriate and proportionate processes and procedures to ensure that:

- persons who effectively run the company or have other key functions are fit and proper within the meaning of Article 42 of the Solvency II Directive, as required by the rules of the PRA/FCA and/or other national competent authorities;
- the members of the management team or the board collectively possess appropriate qualifications, experience and knowledge about:
    - insurance and financial services markets
    - business strategy and business models
    - systems of governance
    - financial and actuarial analysis and
    - regulatory frameworks and requirements.

Assessment

In accordance with the Senior Managers & Certification Regime (SM&CR) the assessment of whether a person is fit and proper includes, where appropriate:

- an assessment of the person's professional and formal qualifications, knowledge and relevant experience;
- an assessment of the person's honesty and financial soundness based on evidence regarding their character, personal behaviour and business conduct including any criminal, financial and supervisory aspects relevant for the purpose of the assessment.

All persons holding key functions within the business are subject to an assessment of their fitness and propriety. The relevant regulator must be satisfied as to the person's honesty, integrity and reputation, competence and capability for the role that the person is to assume in the firm and their financial soundness. Pre-employment checks are also undertaken including:

- References from previous employers, all roles
- Criminal record checks, all roles
- Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) requirements, particularly for Senior Managers and Certified Persons under the SM&CR, including evidence of qualifications
- Professional qualifications and membership checks
- Highest education verification
- Medical questionnaire
- Validation of directorships

A periodic re-assessment of ongoing fitness and propriety may, where appropriate, be carried out through e.g. completion of an appropriately worded form and declaration documenting and, where appropriate, reporting and acting on any changes to an individual's fitness and propriety from that previously reported.

In the case of outsourcing of key functions in accordance with the PRA's supervisory statement SS2/21 which references Article 42 and 49 of the Solvency II Directive Guideline 14 of the EIOPA guidelines on system of governance, where relevant D&G:

- applies similar fit and proper procedures in assessing persons employed by the service provider or sub-service provider to perform an outsourced key function;
- designates a person within the undertaking with overall responsibility for the outsourced key function who is fit and proper and possesses sufficient knowledge and experience regarding the outsourced key function to be able to challenge the performance and results of the service provider.

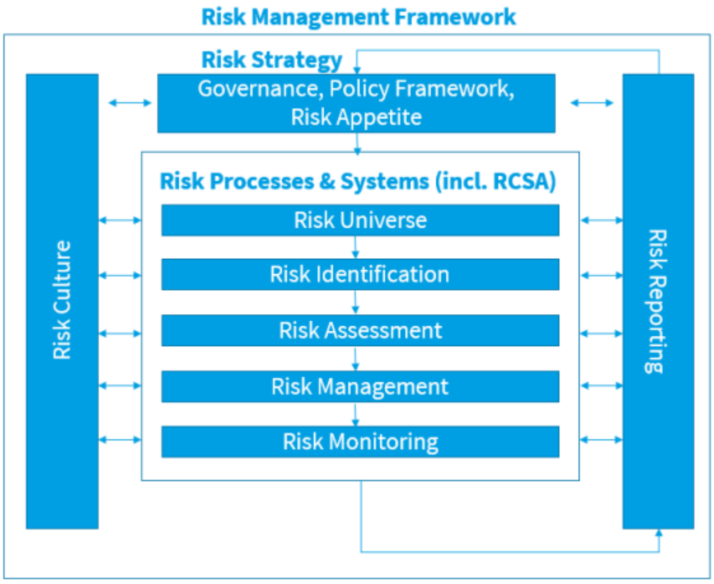
B.3 Risk Management System including Own Risk and Solvency Assessment

Risk Management Framework ("RMF")

Risk is defined as "uncertain future events which could influence the achievement of D&G's objectives". These can include both upside risk (opportunities D&G can benefit from) or downside risk (threats to success). The sum of potential risks that D&G could experience are its "risk universe". Those risks assessed by D&G form its "risk profile".

D&G's risk management process defines the key components and deliverables it has set, to deliver its strategic vision and objectives. D&G recognises the importance of effective risk management and its positive impact on customers, employees, regulators' interests, and shareholder value.

A summary of the high-level risk management process is shown in the diagram below, followed by a description of the key components of the RMF:



Key Components	Key Risk Deliverables
Risk Strategy	Governance, policy framework, and risk appetite
Risk Processes and Systems	Risk universe, risk identification, assessment, management, and monitoring
Risk Reporting	Management information – risk profile, KRIs, risk events, emerging risks External risk reporting (SFCR, RSR (DGIEU only), ORSA)
Risk Culture	Influence attitudes and values through training, and communication

Risk Strategy

The Boards are ultimately responsible and accountable for overseeing a sound risk management culture and ensuring a framework is embedded. This is supported by committees, who are responsible for overseeing risks that are relevant to their remit and for ensuring that key risks are escalated as appropriate (see section B.1 above).

Responsibility for day-to-day risk management activities sits with the risk and control owners in the first line of defence ("1LOD") – notwithstanding it is the responsibility of everyone to ensure that risks are managed appropriately. The Risk Function provides oversight to support that the risk framework is working effectively across the business.

The risk framework is supported by the wider Policy Framework.

Risk Appetite

D&G has Board approved risk appetite statements for each principal risk. These risk appetite statements identify the risk exposures which the Group deems acceptable (in pursuit of its objectives) with qualitative and quantitative tolerance limits for the principal risks. All risk decisions made by the business must be undertaken within boundaries that are defined and aligned to the risk appetite statements. The risk appetite statements are reviewed at least annually.

In some instances, decisions may be made to operate outside of risk appetite. These decisions are controlled through a risk acceptance process, which will result in an escalation to the appropriate senior manager or committee for acceptance.

Risk Processes and Systems

D&G has a bespoke risk management system (Magique) which is used to record risks and controls, and log risk events. It is also used to track the delivery of actions associated with risk events in the Magique system.

Risk Universe

D&G's risk universe outlines the potential risks that D&G could be exposed to, across the risk categories of Operational, Conduct, Strategic, Financial, Insurance, and Governance risk. Changes to the universe are overseen by the ARCs and Boards.

Risk Identification

The RCSA is integral for identifying and analysing risks and evaluating the efficiency and effectiveness of internal controls at D&G. The RCSA ensures a review of the Level 3 risks and thus also informs the development of D&G's Principal Risks. D&G updates its risk profile bi-annually, driven by a combination of bottom-up inputs – i.e. the RCSA – and a top-down perspective from the relevant committees. Risks may also be identified through the course of day to day business and there is a risk event framework in place for this.

Risk Assessment

Once risks have been identified, they are assessed using an impact and likelihood matrix. Risk assessment involves estimating the impact of the risk (type and amount) and likelihood of the risk occurring. Risks are assessed on a 'gross' or 'inherent' basis (risk assessment before controls and mitigating actions) and also on a 'net' or 'residual' (risk assessment after controls and mitigating actions) basis.

Risk Management

Where gross risk is assessed as being outside of appetite, mitigating actions including, effective controls which mitigate the extent of the risk must be put in place. The control framework should be designed such that the gross risk is mitigated, and the net risk falls within our risk appetite.

Risk Monitoring

Risks and the effectiveness of associated controls are monitored to ensure that the residual risk remains within our risk appetite. The process for monitoring risks includes a combination of: tracking metrics for key risk indicators; controls assurance; compliance monitoring; monitoring of changes; and Internal Audit reviews.

Risk Reporting

Risk reporting is a critical component which helps to ensure the effective and timely delivery of risk information to support management's decision making. Reporting is aligned with the committee structure to ensure delivery and challenge of the articulation of threats to strategy. In addition to the regular internal and external risk reporting prepared by the Risk Function, 1LOD risk owners are required to escalate risk issues in their area of responsibility. Risk reporting involves the reporting of the results of risk identification, assessment and monitoring work to appropriate committees within the governance structure.

Risk Culture

It is important that Risk awareness is embedded across the organisation and that employees consider risks in all aspects of their work. Risk Culture encompasses general awareness, attitude, and behaviour of employees to risk and the management of risk within D&G. The Boards set the 'Tone from the Top' in respect of the management of risk. Senior managers are required to support this Tone from the Top and raise awareness in their areas of responsibility. The Risk Function supports and guides the development of risk culture, risk behaviours and risk attitudes. Activities to support and promote the desired risk culture within D&G include:

- Induction Training – all colleagues entering the business must undergo a comprehensive induction course which includes familiarisation with the business, its policies, and their application. The importance of risk management is incorporated within this programme.
- Online/E-Learning – colleagues must complete their annual training on the principles of the business's risk management framework via mandatory Risk Management and Whistleblowing training.
- Group Communications – colleagues receive updates on risk management via the company's internal communications channels.
- Board and Executive Training - the Boards and Executive Team receive training on risk management matters as additional requirements are identified.

The three lines of defence principles are embedded in the design of D&G at a functional and committee level:

1st Line of Defence "1LOD" (Operations and Business Units)

- Covers the day-to-day risk-taking activity in each business function,
- Requires direct management of risk within agreed appetite and policies, and
- Includes responsibility for monitoring and managing all material risks (including control design and execution).

2nd Line of Defence "2LOD" (Risk, Compliance and Actuarial Function)

- Provides oversight and challenge of day-to-day management of risk,
- Designs the high-level framework of risk management (identification, quantification, monitoring and treatment), and
- Provides guidance on suitable approaches to risk management processes through policies, monitoring and oversight committees.

3rd Line of Defence "3LOD" (Internal Audit)

- Provides independent and objective assurance of the effectiveness of D&G's governance, risk management and internal control frameworks and processes.

Own Risk and Solvency Assessment (ORSA)

The ORSA is part of the risk management system, and it is a link between the three pillars of Solvency II.

The Finance, Actuarial and Risk Management teams work closely together to ascertain the potential impact on capital from the crystallisation of a broad variety of risks through the ORSA process, and this is used to assess the level of capital that should be retained by the Regulated Group. This process considers all the material risks faced by the Regulated Group and its entities and includes stress tests applied to financial projections by varying assumptions for future experience.

The ORSA is performed at least on an annual basis but in accordance with the Group ORSA Policy, where a significant change or event is planned or occurs, an out-of-cycle ORSA will be performed to assess the level of risk and assist the Board in the decision-making process. No out-of-cycle ORSA was carried out during FY25.

ORSA Process

D&G's ORSA Process includes the following:

- Consideration of the business's risk profile, risk tolerance limits, business strategy, business plans and associated projections;
- Consideration of the impact of any prospective, relevant changes in regulatory or governmental rules or regulations;
- Demonstration that capital levels and liquidity are in line with the risk profile;
- Demonstration that robust processes exist to identify, measure, monitor, manage, and report risk exposures; and
- Evaluation of the appropriateness of the Solvency II standard formula in calculating SCR, in comparison to D&G's assessment of its own risks.

The CRO is responsible for the ORSA process, including the preparation of the ORSA report. This ensures the direct involvement of management in the ORSA process. Operational management of these processes is delegated to the Group Head of Risk. The DGI ARC oversees the design and implementation of the ORSA, ensuring that the ORSA will be effectively governed. In addition, the DGI ARC is required to approve the annual ORSA report. The Solvency II Working Group is also part of the approval process to ensure oversight of Solvency II compliance across the Regulated Group. The Actuarial function plays a further central role in preparation of the ORSA and the evaluation of the underlying methods and assumptions.

Based on the results of the 2024 ORSA, D&G is satisfied that it holds appropriate levels of capital in relation to its risks.

ORSA Report

DGA's ORSA Report includes at least the following information:

- Executive Summary
- Strategy and Business Planning
- Risk Management
- Standard Formula plus GSP / USP model design and their use
- Profitability, Capital, and Liquidity Position
- Stress and Scenario Testing

Process Review

D&G's ORSA process will continue to be regularly reviewed and further refined as necessary, depending on the ongoing consideration of the ARCs, the Solvency II Working Group, and any relevant changes to D&G's risk profile.

All colleagues directly or indirectly engaged in the ORSA process are required to familiarise themselves with the Group ORSA Policy and ensure that their understanding and awareness of the necessary requirements is maintained.

Ongoing Monitoring of the RMF

Work conducted by the second and third lines of defence provides regular assurance on the effectiveness of key controls. This includes the annual Compliance monitoring program, annual Internal Audit plan, and 2LOD control testing, all of which are risk-based, together with half-yearly risk reporting from around the business. It also includes regular committee meetings and working groups, including the Data Governance Committee and the Solvency II Working Group. The Regulated Group continues to seek opportunities to improve the robustness and proportionality of its risk management framework and related assurance activities.

The risk universe and the suite of risk appetite statements, with supporting KRI's, are reviewed periodically to ensure that they accurately reflect the business's risk profile and appetite for each category of risk.

Risk reporting is facilitated through the Risk Management System, Magique, which contains detailed risk registers and supports the reporting of risk events, controls, and exceptions to risk appetite.

B.4 Internal control system

The DGI Board and DGIEU Management Board have overall responsibility for ensuring proper procedures for the maintenance of adequate systems of internal control of DGI and DGIEU respectively and for monitoring their effectiveness, while the implementation of internal control systems is the responsibility of executive management. At D&G Group level, the Group Board has this overall responsibility. The Regulated Group's systems of internal control are designed to minimise the risk of failure to achieve business objectives.

The systems are designed to:
- Safeguard assets;
- Maintain proper accounting records;
- Provide reliable financial information;
- Identify and manage business risks;
- Monitor both D&G-inhouse and outsourced business operations;
- Ensure delivery of good customer outcomes;
- Maintain compliance with appropriate legislation and regulation; and
- Identify and adopt best practice.

The Regulated Group has an established governance framework (refer to B.1 System of Governance for more information), which is supplemented by a policy governance framework, defined levels of authority over transaction, and regular MI reporting.

Generally, there is an ongoing process for assessing and managing design and operating effectiveness of the internal control system as part of the Risk and Control Self-Assessment, conducted by the 1st Line of Defence, and validated by both Group Risk Management and Compliance functions.

Information on the implementation of the Compliance function is stated in chapter B.1, above.

B.5 Internal audit function

The Internal Audit function of the Regulated Group is outsourced to Grant Thornton UK LLP, which reports to the Chair of the ARC, as well as to the Chief Financial Officer for day-to-day operational matters. During the period, the day-to-day management of the outsourced Internal Audit Function was under the Chief Financial Officer. For DGIEU, the function is outsourced to Grant Thornton AG, Frankfurt with effect from September 2024. Grant Thornton UK LLP continues to play a leading role in connection with Group-wide audits, which also include DGIEU, and in some cases involves Grant Thornton AG in the respective audits. The responsibility moved from the DGIEU Chief Financial Officer to the DGIEU Board Member for Underwriting and Internal Audit.

Internal Audit plans are produced to cover D&G Group (including the Regulated Group respectively), taking into consideration their respective risk profiles.

Internal Audit is an independent, objective assurance and consulting function designed to add value and improve D&G's operations. Acting as the third line of defence, it helps D&G accomplish its objectives by bringing a systematic, objective and disciplined approach to provide assurance over the operation of the system of internal controls, and to evaluate and improve design adequacy and operating effectiveness of risk management, internal control, and governance processes. The Internal Audit function provides increased risk coverage and value to the business by identifying and performing assurance and consulting engagements with the intent of monitoring and validating controls for risks across the D&G Group.

Internal Audit produces an annual risk-based Internal Audit Plan based on a risk assessment of all identified auditable units, which is also aligned with the 2LOD's annual Compliance Monitoring Plan. Based on the results of the risk assessment, the auditable units are ranked into priority areas. The risk assessment is enhanced with the feedback of the key stakeholders and the use of the risk register created by the business and compiled by the Risk Function. Also, the Internal Audit plan is approved by the Group and DGI ARCs and revisited regularly to allow flexibility should the risk environment change.

The Internal Audit findings and recommended courses of action for the enhancement of risk management, internal control, and governance are communicated to management and the ARC. Moreover, the Internal Audit function promotes action on audit recommendations and reinforces staff commitment to results through application of sound monitoring and follow-up systems. Internal Audit reports to the DGLG and to both Group and DGI ARCs on a regular basis in relation to Internal Audit actions and to verify closure of all actions by assessing the evidence supplied by the business.

Organisational independence is effectively achieved as the function is outsourced and reports to the ARC. In carrying out its mandate, the Internal Audit function has the authority to audit and investigate any activity, with unrestricted access to records, information, and personnel through the organisation relevant to the performance of the Internal Audit function. None of the Internal Audit staff were employed by the Company in the year from 1st April 2024 to 31st March 2025.

In its pursuit of continued improvement, and in view of the growth of the business and evolving regulatory landscape, the DGI and D&G Group Boards and ARCs undertook a review of the Internal Audit function during the period, to assess the design and resourcing of the function. As a result of this review, a decision was taken to move to a co-sourcing model, whereby Internal Audit provision will comprise both outsourced resource and staff employed by D&G Group. A Chief Internal Audit officer was appointed to lead this function shortly after the period end.

B.6 Actuarial function

The Actuarial function supports the Board in determining and implementing measures needed to ensure compliance with relevant statutory regulations under the Solvency II framework.

The Actuarial function is supported by Lane Clark & Peacock LLP ("LCP") for both DGI and DGIEU. LCP carries out activities related to the Actuarial function to support the Chief Actuary Senior Manager Function (Joseph Fitzgerald - Group Chief Financial Officer) in meeting the requirements under the Conditions Governing Business part of the PRA Rulebook and Article 48 of the Solvency II Directive). LCP assists with the calculation of the SCR and of the technical provisions in line with the Regulated Group's (DGA) and Solo (DGI and DGIEU) Solvency II reporting requirements.

Tasks of the Actuarial function include:

- Validation of the technical provisions, including testing against experience;
- Assessment of the appropriateness of methods used and definition of USPs/GSPs applied; and
- Assessment of the sufficiency and quality of the data used.

These main tasks include the following aspects in detail:

- Coordination: the Actuarial function coordinates the calculation of technical provisions;
- Assessment: the Actuarial function assesses the adequacy and quality of the underlying data used for calculating the technical provisions;
- Monitoring: the Actuarial function ensures the appropriateness of the methodologies and assumptions underlying technical provisions;
- Support: the Actuarial function supports the Risk Management function in the effective implementation of the Risk Management system and the risk and solvency assessment; and
- Reporting: The Actuarial function informs the DGI Board and DGIEU Management Board about the reliability and appropriateness of the calculation of technical provisions.

The Actuarial function is also responsible for reviewing the underwriting policy and the adequacy of reinsurance arrangements, and it is required to produce annual opinions on each.

B.7 Outsourcing arrangements

This section sets out requirements that are addressed in outsourcing arrangements, as defined in the DGI Outsourcing and Critical Third-Party Policy and the DGIEU Outsourcing Policy.

The policies aim to ensure that, in respect of outsourcing, the regulated entities of the Group have undertaken appropriate due diligence and have in place appropriate contractual arrangements and standards. In detail, the DGI Outsourcing and Critical Third-Party Policy has these aims:

- To set out the requirements and form of due diligence to be carried out prior to selecting a service provider for a Material Outsourcing arrangement, including the ongoing obligations of oversight and performance review.
- To ensure that reasonable steps are taken to avoid any undue additional operational risks when relying on a service provider in a Material Outsourcing arrangement.
- To set out the processes for determining whether a function or activity to be outsourced is important, critical or material to D&G, and the related requirements to this.
- To set out the process for determining whether the activity or arrangement is critical to the delivery and execution of D&G's Important Business Services[4].
- To set out the form of governance approval required for all important, critical or material functions, activities or arrangements and the associated governance oversight.
- To set out the conditions under which a service provider of a Material Outsourcing arrangement may subcontract functions or activities, on behalf of D&G, and the means for approving such subcontracting.
- To set out the details to be included within the written agreement with the service providers of Material Outsourcing arrangements.
- To set out the requirements with regards to an exit strategy and appropriate contingency plans.
- To set out the methods and approach exercised in demonstrating an appropriate degree of oversight across the operations of the service providers of Material Outsourcing arrangements.

D&G aims to have in place appropriate processes and methodologies for undertaking due diligence on prospective third-party suppliers. When entering into an outsourcing arrangement, due consideration is given to the following matters, where appropriate:

- Governance arrangements;
- Internal systems of control (including risk management and conflicts of interest);
- Financial standing;
- Fit and proper assessments for relevant staff;
- Management information capability;

[4] D&G has defined 6 Important Business Processes under the FCA & PRA's Operational Resilience requirements

- Technical ability;
- Operational ability and capacity;
- Resources capacity and capability; and
- Business resilience and contingency planning.

DGI material outsourcing arrangements include:

Service Provider	Service Provider - Domicile Country	Relationship	Service Description
DGS	UK	Intra-group outsourcing	Domestic & General Services Limited ("DGS"), a D&G Group company, provides DGI with services to support the promotion and administration of its insurance policies to consumers. DGS also provides a range of other back office and support services. DGS is an Appointed Representative of DGI.
Grant Thornton	UK	External 3rd Party	Provider of Internal Audit services.
LCP	UK	External 3rd Party	Support of the Actuarial function.
MBA	UK	External 3rd Party	Provider of postage management services.
Verint	UK	External 3rd Party	Supplies front-end user interface (Genio) utilised by customer-facing teams.
Genesys	UK	External 3rd Party	Provides support for cloud telephony.
Azure	UK	External 3rd Party	Hosts telephony platform and UK agent environment.
Huntswood	UK & South Africa	External 3rd Party	Outsourced contact centre undertaking sales/service/complaint handling.
Be Valued	UK	External 3rd Party	Provider of claims management software.
AWS	Luxembourg	External 3rd Party	Hosts 'MyAccount' customer portal.
PC Controls (Orbit)	UK	External 3rd Party	Provider of claims management software- Cloud service
Lumen	UK	External 3rd Party	Provide our data centres and majority of our infrastructure that hosts D&G key systems.
CSI	UK	External 3rd Party	Support to IBM infrastructure.
Quadient	UK	External 3rd Party	Customer Communications Management Services.

There were no material changes in FY25.

Detailed information on DGIEU outsourcing is provided in the solo DGIEU SFCR.

B.8 Any other information

In the financial year, DGI paid a dividend of £15m to its parent company, which was paid on up to Galaxy Bidco Limited, to support expenditure on D&G Group costs. DGI engaged with the PRA ahead of formalising this dividend payment. The timing and quantum of any proposed dividend is assessed by the DGI Board on its own merits, considering prevailing conditions, including capital and liquidity requirements. For Solvency purposes, therefore, dividends are treated as foreseeable only once they are formally approved by the DGI Board. At the time of approval of this report, no proposed dividend is under consideration by the DGI Board.

The governance system is considered appropriate and commensurate with DGA's risk profile. There was no additional other information on the system of governance that would require reporting.

C. RISK PROFILE (unaudited)

An overview of risks according to Solvency II and the standard formula, related solvency capital requirements and the impact of diversification effects can be found in Chapter E.2, further below.

A summary of the relevant risk categories according to the standard formula, including risk mitigation techniques and uncertainties faced by D&G, is presented below.

C.1 Underwriting risk

Risk description

Underwriting risk relates to the potential adverse financial impact that would arise where combined claims, acquisition, and administration costs exceed the estimated costs built into the pricing models applied.

Premium and reserve risk corresponds to the risk that the premium charged to policyholders will not be sufficient to cover the claims, expenses and commissions attached to the policies (on an earned basis).

Lapse risk is the risk that expected profits included in future premiums (EPIFP) do not materialise due to the cancellation of in-force business.

Catastrophe risks are loss events that occur infrequently but, if they did occur, would have a particularly high loss severity. Such risks are typically associated with risk concentrations.

SCR information

Underwriting risk is the main component of the Regulated Group's risk profile as shown in section E.2.1.

SCR 2025	DGI £000	DGIEU* £000	DGA £000
Non-Life Underwriting	**87,687**	**5,621**	**90,778**
Premium and reserve	47,744	3,750	46,880
Lapse	73,550	4,187	77,737
Catastrophe	0	0	0
Diversification	-33,607	-2,316	-33,838
SCR	**87,168**	**8,220**	**96,902**
Non-Life Underwriting % of SCR	**101%**	**68%**	**94%**

Refer to section E.2 for the build-up of the SCR, including diversification and LACDT benefit
*DGIEU Solo is unaudited

Risk mitigation

D&G's underwriting risks are managed through underwriting and pricing controls, underwriting, and pricing policies, approval procedures for new products and for major changes to existing products, regular review of performance, and monitoring of emerging issues. In addition, Governance committees such as the Proposition & Pricing Governance Committee and relevant sub-forums (DGI), the Product & Pricing Committee (DGIEU), and the Trading Committee regularly review the retention performance of products and take necessary actions to improve retention where feasible.

Measures to assess the risk

- Premium Risk: Use of the Solvency II standard formula would result in a solvency capital requirement which is significantly higher than statistical analysis of D&G's historical loss ratio data suggests should be required, as historical data indicate a lower level of volatility than the standard formula's parameter. Therefore, Group Specific Parameters and Undertaking Specific Parameters are used by DGA, DGI and DGIEU respectively to better align the SCR to the risk profile.

- Reserve Risk: Claims are typically short tailed with approx. 90% of claims paid within the same year as the claim being incurred (and less than 1% unpaid after 24 months). Therefore, Group Specific Parameters and Undertaking Specific Parameters are used by DGA, DGI and DGIEU respectively to better align the reserve risk SCR to the risk profile.
- Lapse Risk: This tends to relate to subscription policies where there is future profit embedded in the technical provisions related to assumed future periods of cover for which premium has not yet been received. Lapse risk SCR is calculated using the Standard Formula, and DGA's lapse risk SCR is materially similar to DGI's (as DGI is the largest insurance undertaking in the Regulated Group). As part of the ORSA process, a quantitative assessment is performed, which has shown that the lapse risk charge calculated using the standard formula is likely to be excessively prudent, compared to D&G's view of a feasible mass lapse shock determined via actuarial analysis of D&G's experience. It is not possible to utilise Group / Undertaking Specific Parameters for lapse risk and, therefore, this additional prudence remains in the SCR.
- Catastrophe Risk: this is applicable for the "miscellaneous financial loss" business line "other than extended warranty insurance and reinsurance obligations provided that the portfolio of these obligations is highly diversified, and these obligations do not cover the costs of product recalls" (per Solvency II Delegated Regulation, Annex XII). D&G's portfolio is highly diversified across different appliance types, manufacturers and ages, and contracts with OEMs indemnify D&G for additional claims costs relating to recalls. As there is deemed to be no catastrophe risk in the group, the catastrophe risk charge is zero.

Risk concentration

DGI and DGIEU's underwriting risk is diversified across a large number of low value, high frequency policies relating to many different types of appliances and electrical goods manufactured by a range of different OEMs (with specific exclusions for the cost of product recalls) and distributed through various different channels. The firms' underwriting risk is not considered to be unduly concentrated, therefore.

Material changes over the reporting period

The non-life insurance risk SCR increased slightly compared to FY24, driven by business growth.

Stress and scenario tests

Regular sensitivity analyses are carried out to better understand the impact of risks and risk sensitivities. D&G has established processes to undertake stress and scenario testing on an ongoing basis, with testing undertaken at least annually within the ORSA process. Results of the tests improve the Board's understanding of risk, influence business decisions, and form a key part of the risk management framework. Stress tests concerning underwriting risk include tests on loss ratios and claims. D&G performs various stress tests as part of the ORSA report, using scenarios involving reduced new business or renewals, and/or increased claims costs. The tests have validated that D&G maintains sufficient capital to withstand these shocks.

C.2 Market risk

Risk description

Market risk is the potential adverse financial impact arising from changes in interest rates, equity markets, property markets, foreign exchange rates, fixed income spreads, and concentrations in assets.

Interest rate risk arises in relation to available for sale investments, e.g. fixed income securities. Interest rate risk on available for sale investments is managed by investing within strictly controlled investment criteria that specify, amongst other things, maximum durations. This is relatively low for DGA, DGI and DGIEU due to the short duration of assets & liabilities.

Currency risk is relevant as DGA indirectly hold assets and liabilities in multiple currencies via its subsidiaries. This sub-risk requires the most regulatory capital out of DGA's total market risk requirement, as the standard formula applies a percentage-based capital charge to non-GBP net assets valued on a Solvency II basis.

Equity risk for DGI relates to its holding in DGIEU as an unrated strategic participation. The regulatory capital requirement is equal to 22% of the sum of own funds of subsidiaries. Due to the consolidation of DGIEU in DGA, DGA's equity risk charge is nil.

Property risk refers to risk events that specifically impact an organisation's facilities and other physical infrastructure. Risk events such as fires, adverse weather conditions, and terrorist attacks all fall into the category of property risk. In addition to damaging and destroying physical property, property risk events also have the potential to create stoppages in business operations and material financial losses. Following DGI's disposal of its only freehold property in April 2023, DGI's property risk is nil and DGIEU and DGA's property risk is very low.

Spread risk refers to the risk that the credit spread for a particular investment is not high enough to justify investing in that particular asset versus other, lower default risk investments (i.e. unrewarded risk). DGI and DGIEU typically invest in lower risk instruments (e.g. investment grade credit instruments and money market funds), in addition to cash deposits.

SCR information

SCR 2025	DGI £000	DGIEU* £000	DGA £000
Market	**13,995**	**1,216**	**12,282**
Interest-Rate	4,686	700	5,164
Currency	8,679	529	9,612
Equity	6,619	0	0
Property	0	282	282
Spread	388	378	766
Concentration	106	146	1,021
Diversification	-6,483	-819	-4,563
SCR (net of diversification and LACDT)	**87,168**	**8,220**	**96,902**
Market % of SCR	**16%**	**15%**	**13%**

Refer to section E.2 for the build-up of the SCR, including diversification and LACDT benefit
*DGIEU Solo is unaudited

Risk mitigation

The Regulated Group has a low appetite for market risk on its investment portfolio, with a strong bias towards government, supranational and corporate investment grade credit.

In FY25, London & Capital continued to manage DGI and DGIEU's investments. The investment mandates seek to carefully allocate funds in order to generate conservative returns within a defined value-at-risk range.

Performance and allocation of funds under management is regularly reviewed to ensure compliance with mandates. Performance is overseen on a regular basis by the Corporate Finance Director and Chief Financial Officer, with oversight by the Group Investment & Capital Committee (a management committee). In the event of any significant change, the Chief Financial Officer will seek Board approval for mitigating actions.

Measures used to assess the risk

D&G calculates market risk according to the Solvency II standard formula.

Risk concentration

D&G's investment strategy is designed to be liquid and low risk. Due to a high level of diversification, D&G does not perceive relevant concentration risk in its market risk profile.

Material changes over the reporting period

The market risk SCR reduced marginally compared to FY24.

Stress and scenario tests

Due to the conservative and diversified investment strategy, and its relatively low quantum of investment assets, D&G has made a conscious decision not to perform a market risk stress test in the ORSA, as a stress of government and corporate bonds would not have led to significant changes in D&G's overall risk profile.

Prudent Person Principle

The Group Investment Risk Policy covers the investable assets of the Group including the Regulated Group, having been designed to ensure accordance with the Prudent Person Principle. The preservation of capital is a key investment objective, so investment strategy and associated asset classes are designed so as to reduce risk of a capital loss over the life of the asset. Investment strategy also includes consideration of ESG factors and is overseen by the Group Investment & Capital Committee.

Under the investment mandates of DGI and DGIEU, investments are managed within a target value-at-risk range to help optimise returns whilst ensuring that the market risk SCR charge remains at an appropriate level. Liquidity and duration targets for investments are also covered by the relevant mandates.

Detailed cash flow forecasting is performed regularly to ensure the balance between bank deposits and invested assets is appropriate for the Regulated Group's cash requirements.

Products sold by entities in the Regulated Group do not provide index-linked benefits.

Derivatives are not permitted either under the current investment mandates of regulated entities or for the participations of the Regulated Group.

C.3 Credit risk

Risk description

Credit risk is the potential adverse financial impact of loss in value of financial assets due to counterparties failing to meet all or part of their obligations.

Type 1 counterparty default risk: DGI has counterparty exposure to DGIEU relating to reinsurance premiums payable by DGIEU to DGI. DGI's type 1 risk also includes exposure to investment and banking counterparties. DGIEU's type 1 risk includes exposure to investment and banking counterparties and to DGI relating to the reinsurer's share of claims (which is mitigated via an investment grade credit rating of DGI).

Type 2 counterparty default risk: within both DGI and DGIEU this risk relates to exposures to trade debtors arising from contractual arrangements and to intercompany balances.

SCR information

SCR 2025	DGI £m	DGIEU* £m	DGA £m
Counterparty Default	**4,762**	**3,541**	**5,372**
Type 1	385	2,907	752
Type 2	4,466	793	4,785
Diversification	-89	-159	-165
SCR (net of diversification and LACDT)	**87,168**	**8,220**	**96,902**
Counterparty % of SCR	**5%**	**43%**	**6%**

Refer to section E.2 for the build-up of the SCR, including diversification and LACDT benefit
*DGIEU Solo is unaudited

Risk mitigation

The Regulated Group structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties. Deposits with financial institutions are subject to limits determined with reference to credit ratings. Counterparty exposure is subject to regular review.

Trading and insurance debtors include amounts receivable from policyholders which and are, by their nature, high volume but low value per case. Credit risk exposure is minimal; if the instalment debtor lapses D&G cancels the cover provided. Trading balances due from trading partners are offset by counterclaims from commission payments.

Measures used to assess the risk

D&G calculates counterparty-default risk according to the Solvency II standard formula.

Risk concentration

D&G has a number of contracts with major long-standing partners, with exposure on the monies owed to D&G from time to time. However, D&G closely monitors outstanding debt and maintains regular dialogue with partners, so it is, therefore, in a position to act swiftly to mitigate any potential loss in the event of a major partner running into financial difficulties.

Material changes over the reporting period

There were no material changes to DGI's counterparty risk, whilst DGA's counterparty risk increased marginally compared to FY24, driven by type 2 risk. DGIEU's counterparty risk increased, driven by reinsurance related balances.

Stress and scenario tests

D&G has established processes to undertake stress and scenario testing on an ongoing basis, with testing undertaken at least annually as part of the ORSA process. This includes the loss of key trading partners, impacting counterparty risk and the scenario has validated that D&G maintains sufficient capital to withstand such shocks.

The financial information below includes only consolidated companies as other Regulated Group subsidiaries are treated as participations and are immaterial in any event.

Credit ratings of significant classes of financial assets

	A- rated (or above) Institutions	BBB+ rated (or below) Institutions	Unrated	Total
	2025	2025	2025	2025
	£000	£000	£000	£000
Cash and cash equivalents	15,381	36	0	15,417
Money market funds	0	0	0	0
Investments in unlisted securities	0	0	0	0
Investments carried at fair value	25,500	12,128	0	37,628
Trade and other receivables	27,945	3,958	734,807	766,710
Total	**68,826**	**16,122**	**734,807**	**819,755**

	A- rated (or above) Institutions	BBB+ rated (or below) Institutions	Unrated	Total
	2024	2024	2024	2024
	£000	£000	£000	£000
Cash and cash equivalents	18,380	252	0	18,632
Money market funds	0	0	0	0
Investments in unlisted securities	0	0	0	0
Investments carried at fair value	25,519	18,005	0	43,525
Trade and other receivables	31,423	0	685,400	716,823
Total	**75,322**	**18,257**	**685,400**	**778,979**

The Regulated Group has implemented policies that require appropriate credit checks on potential trade partners before sales commence, with risk-based monitoring thereafter. The credit strength of material partner debtors (and/or their parents) is generally strong, and contractual arrangements are in place to ensure that balances due from the largest counterparties are recoverable – therefore there is a high degree of confidence about the recoverability of receivables. There are also underwriting contract reviews at various intervals to review partner performance and balances.

The amount disclosed in the balance sheet for financial assets represents the Regulated Group's maximum exposure to credit risk.

Past due or impaired financial assets

The table below sets out an analysis of the Regulated Group's assets, showing those which are past due, or impaired *(based on the FRS 102 GAAP balance sheet)*. Categories of financial assets for which there are neither past due nor impaired balances have not been included below.

		Debtors
		2025
		£000
Not past due		769,100
Past due (days)	0 - 30	604
	31 - 60	77
	61 - 90	0
	Greater than 90	94
Provision		0
Carrying amount		**769,875**

		Debtors
		2024
		£000
Not past due		716,765
Past due (days)	0 - 30	1
	31 - 60	0
	61 - 90	0
	Greater than 90	57
Provision		0
Carrying amount		**716,823**

The Regulated Group's assets (as shown on the face of the balance sheet) include:

	2025	2024	Difference
	£000	£000	£000
Debtors arising out of direct insurance operations	731,861	636,033	95,827
Other debtors	31,094	75,486	-44,393
Other prepayments and accrued income	63,028	58,117	4,911
Total	**825,983**	**769,637**	**56,346**

The Regulated Group considers notified disputes, collection experience, contractual arrangements, and credit ratings when determining whether assets should be impaired.

C.4 Liquidity risk

Risk description

Liquidity risk is the possibility that entities within the Regulated Group do not have sufficient available liquid assets to meet current or future obligations.

D&G manages its assets and liabilities to ensure that cash is available to settle liabilities as they fall due. The most significant payments are claims (constituting appliance repair and replacement costs), the profile of which is highly predictable.

Risk mitigation

D&G performs detailed cash-flow modelling to forecast its working capital requirements and it holds enough sufficiently liquid assets to meet its obligations, spread across cash and cash equivalents including highly liquid investment-grade instruments. In addition, a buffer is held to ensure sufficient liquidity to cope with a hypothetical liquidity stress event.

Measures used to assess the risk

D&G calculates liquidity risk according to the Solvency II standard formula.

Risk concentration

D&G does not consider that it has relevant liquidity concentration risk.

Material changes over the reporting period

There are no material changes over the reporting period.

Stress and scenario tests

Regular sensitivity analyses are carried out to better understand the impact of risks and risk sensitivities. Within the ORSA process stress tests concerning liquidity risk include scenarios involving significant one-off payments, such as hypothetical fines related to large data breaches. The tests have validated that D&G maintains sufficient capital to withstand such shocks.

Contractual maturity analysis

The table below summarises the maturity profile of the Regulated Group's financial liabilities based on remaining undiscounted contractual obligations where the maturity profile is an analysis by estimated timing of the amounts recognised in the balance sheet.

	Claims & repair costs	Creditors	Total
	2025	2025	2025
	£000	£000	£000
0 - 90 days	22,259	94,511	116,770
91 days - 1 year	13	0	13
1 - 3 years	0	0	0
3 - 5 years	0	0	0
Greater than 5 years	0	0	0
Total	**22,272**	**94,511**	**116,783**

	Claims & repair costs	Creditors	Total
	2024	2024	2024
	£000	£000	£000
0 - 90 days	23,572	83,373	106,946
91 days - 1 year	2	0	2
1 - 3 years	0	0	0
3 - 5 years	0	0	0
Greater than 5 years	0	0	0
Total	**23,574**	**83,373**	**106,948**

C.5 Operational risk

Risk description

Operational risk arises from inadequately controlled internal processes or systems, human error, or from external events.

SCR information

SCR 2025	DGI £000	DGIEU* £000	DGA £000
Operational risk SCR	21,503	2,529	22,108
SCR (net of diversification and LACDT)	**87,168**	**8,220**	**96,902**
Operational Risk % of SCR	**25%**	**31%**	**23%**

*DGIEU Solo is unaudited

Risk mitigation

The Regulated Group maintains internal policies for handling operational risk and considers potential operational impacts in all of its risk assessments. Detailed risk registers show the risk controls that exist for the most important operational risks and established business areas within D&G. These risk registers and controls are regularly monitored and updated within the biannual RCSA.

Measures used to assess the risk

Operational risks are generally more difficult to quantify, so their materiality is assessed using a likelihood/impact scoring approach. This allows risks to be ranked in order of their potential impact and, through this approach, allows the Group to focus risk management activities on those risks warranting the greatest attention.

Risk concentration

D&G does not perceive itself as having significant operational concentration risk.

Material changes over the reporting period

There are no material changes over the reporting period.

Stress and scenario tests

Scenario analyses conducted within the ORSA are based on a range of hypothetical operational risk scenarios, to analyse D&G's financial soundness in the event of a severe operational risk crystallising, and an assessment of the available mitigating actions. The ORSA demonstrates that the Regulated Group is well positioned to withstand severe scenarios and is controlled in such a way to limit the likelihood and impact of an event of this nature occurring.

Operational Risk Profile

Principal risks for the D&G Group (including the Regulated Group) are regularly assessed as part of the RCSA cycle. Regular internal risk reporting tracks the aggregated risks of the business at D&G Group level (thereby encompassing the risks of the Regulated Group) and considers the net risk rating (post-mitigation). The results of the most recent RCSA were signed off by the Group and DGI ARCs and Boards in March 2025. Some RCSA risk headlines are shown below, and these refer to examples of key / high rated risks from a net rating perspective:

- **Information Security and Data Protection:** This risk is driven by a data loss, data breach and data integrity risk and a business interruption threat actor risk, both linked to a potential cyber-attack or control weaknesses. Controls provide multiple layers of defence that reduce the likelihood and impact of risk materialisation.
- **Enterprise Resilience:** This risk is driven primarily by a dependency on third-party suppliers and by the risk of not recovering in a timely manner after a business disruption. Via significant focus on operational resilience and examination of its supplier base, D&G has put significant controls in place including adopting an approach of planning for the hypothetical failure of critical business services and related mitigating actions.
- **People:** People risk is driven by risks around attrition (particularly in contact centres), talent & leadership, delivery of good customer outcomes, and reward. Several training, manager and leadership programmes are in place to manage this.
- **Delivery & Value Realisation:** This risk reflects an inability to deliver EBITDA performance and the risk of ineffective execution of transformational change across the Group in line with its strategic objectives. Ongoing monitoring and management actions are taken as appropriate to manage this risk.

C.6 Other material risks

Regulatory change

D&G Group proactively conducts horizon scanning to monitor for the potential emergence of macro-factors which may impact the business, including regulatory/legislative developments, inflation, competitor behaviour, geo-political unrest, and changes in consumer demand, to ensure that it is prepared to respond and adapt appropriately.

The UK Government performed a review of the Solvency II framework, which resulted in changes to PRA policy. On 14th November 2024, the PRA published Policy Statement 15/24 finalising PRA rules and policy materials to restate Solvency II assimilated law. The publication marked the conclusion of the PRA's phased consultation approach to the Solvency II Review. D&G closely tracked the PRA's publications and regulatory consultations on the future of Solvency II and assessed their implications for the Regulated Group. The final PRA rules resulted in changes in relation to Loss Absorbing Capacity of Deferred Taxes (LACDT) adjustments. The PRA has introduced a transitional rule allowing firms to utilise an increase in deferred tax assets, based on recognition of future taxable profits in their LACDT calculations. To mitigate potential impacts resulting from this change in regulation, DGI notified the PRA of its use of the transitional rule in December 2024 and started working on a formal s138BA FSMA rule modification in FY25.

In addition, DGI closely monitors PRA consultations and publications regarding solvent exit planning. The company is fully aware of the new solvent exit planning requirements resulting from PS20/24 – Solvent exit planning for insurers and has an implementation plan in place to ensure full compliance by 30 June 2026.

D&G is also tracking and managing regulatory initiatives related to operational resilience and oversight of critical third parties. The FCA required firms to implement new operational resilience requirements to strengthen the operational resilience of firms in the financial services sector by end of March 2025. New operational resilience requirements also impacted the European business of the Regulated Group through the EU Digital Operational Resilience Act which required compliance by 17 January 2025. D&G ensured required actions were met and operational resilience remains a key focus area for D&G. Further publications and guidance are monitored closely.

In addition, D&G has a close interest in the potential for use of artificial intelligence. This new technology could enable companies to offer better data-driven products and services to consumers, improve operational efficiency, and drive innovation. D&G monitors any new regulations on artificial intelligence via horizon scanning and will adequately identify and manage potential risks and opportunities associated with this via the established risk management system and related governance. This includes monitoring of the EU AI Act.

For other legislation and regulation relating to consumer protection and customer service in EU markets, please refer to the solo DGIEU SFCR.

Strategic delivery risk

Strategic risk is influenced by internal and external developments. Setting a clear strategy including protection of reputation is critical to maintaining stakeholder confidence and achieving long term sustainable growth. The D&G Group strategy includes the delivery of best-in-class experience for customers, partners, and people. The strategy has a clear focus on service, product and data innovation, and scalable technology foundations. D&G manages strategic risk actively as part of its day-to-day work. The delivery of strategic changes is regularly assessed through the established business planning structure. To support successful delivery, governance and controls for project funding and tracking of spend and deliverables are in place.

Post-Brexit changes

In FY21, the Part VII transfer was executed under the UK's Financial Services and Markets Act 2020. Although several years have since passed, and transitional risks have receded, given its plans to continue to grow in Europe, DGI recognises that risks may continue to emerge in relation to regulatory divergence (and non-equivalence) between UK and EU prudential regimes. Such divergence could increase the compliance burden – and therefore cost - for the Regulated Group.

Non-equivalence risk will continue to be monitored, however a mitigation against non-equivalence is that DGI has an investment grade credit rating (BBB (High)). A three-notch downgrade of DGI's credit rating to non-investment grade (i.e. from BBB (High), through BBB, BBB (Low) to BB (High)) could increase DGIEU's SCR (relating to counterparty default risk) and, therefore, potentially result in DGI needing to increase its equity holding in DGIEU. However, this is not currently considered to be likely, as the rating was recently upgraded, and business performance is positive.

An analysis of the tax treatment of the Part VII Transfer was conducted with the assistance of specialist, external tax advisers including an assessment of tax risks. The transactions were considered thoroughly from a tax point of view and potential, theoretical tax risks were analysed as unlikely to arise, based on the fact pattern of, and reasons for the transaction. In FY25, nothing came to D&G's attention which causes to change this view.

Financial risks from climate change

Given its importance, D&G has assessed how climate change may affect its risk profile and what steps are necessary to govern and manage those risks appropriately.

Climate Change Risk: Governance

The Group Board (via the Group ARC) reviews the D&G Group's climate change risk assessment biannually, as part of the refresh of the Group's risk profile across its main principal risks and categories.

The GRC oversees and ensures compliance with regulatory requirements, including prudential regulatory expectations regarding climate change risk management.

The Sustainability Committee has oversight and responsibility for sustainability and climate, including climate-related risks and opportunities.

The Group Investment & Capital Committee reviews investment criteria, including, where relevant, ESG criteria for securities / issuers, on at least an annual basis.

The Chief Financial Officer holds the Prescribed Responsibility for 'Financial Risks from Climate Change' (under the PRA and FCA's Senior Manager & Certification Regime), and members of the DGLG are responsible for specific climate change-related risks. The Chief Risk Officer is responsible for ensuring D&G's regulated entities meet local regulatory expectations (including in relation to climate change-related risks).

Climate Change Risk: Key Definitions

Climate change-related risks are the uncertain events that may arise from climate change or from the impacts and economic / financial consequences of efforts to mitigate climate change. Climate change-related risks can be further defined into three sub-risks:

- Physical risk - the increasing severity and frequency of extreme climate change-related weather events and longer-term gradual shifts in weather;
- Transition risk - changes to market dynamics driven by the process of adjustment to a low-carbon economy; and
- Liability risk – relates to litigation against parties for losses caused by physical or transition risks (this risk type is not currently believed to be relevant for D&G).

Climate Change Risk: How we identify climate-related risks

Climate risk management is embedded within D&G’s existing risk management framework and processes. Climate-related risks are reviewed and updated bi-annually, as part of the RCSA. The RCSA process is used to challenge the existing climate-related risk profile, and to identify potential gaps. As part of this work, risks identified are also objectively assessed against D&G’s risk appetite across its principal risks.

All identified climate-related risks are assigned to an operational (Senior Management level) and executive (DGLG level) risk owner and logged in D&G’s risk management system to ensure clear documentation and ownership. A bi-annual calibration session with all climate-related risk owners as part of the RCSA supports regular and transparent discussion around climate-related risks and serves to agree on D&G’s key climate related risks as well as mitigating measures.

In addition to the RCSA, there are other sources for ongoing risk identification like day-to-day operation, risk events, assurance reporting, horizon scanning or committee reporting which help to identify potential new risks on an ongoing basis. To ensure the business is aware of climate-related risks and key definitions, a climate-related risk section is integrated in D&G’s mandatory Risk Management Learning.

Climate Change Risk: How we assess climate-related risks

D&G assesses its risks (including climate-related risks) on an impact and likelihood basis. Risk assessment includes estimation of the impact (type and amount) and likelihood, on a ‘gross’ (risk assessment before controls and mitigating actions) and ‘net’ (risk assessment after controls and mitigating actions) basis.

The criteria for assessment of impact and likelihood are contained in D&G’s impact and likelihood table. The impact assessment comprises three different impact types being customer & regulatory, financial and partner impact.

Climate Change Risk: How we manage climate-related risks

The assessment of risks from a gross and net perspective ensures that controls and mitigating measures for each risk are documented in D&G's risk management system. Risk rating rationales are to be updated by the risk owner as part of each RCSA cycle. In addition, risk monitoring is part of D&G's risk management framework. For the assessment of climate-related risks, D&G applies the following time horizons: Short term (0 – 3 year), medium term (3 – 10 years), and long term (10+ years). Climate-related time horizons differ to those from our existing risk management framework due to the longer-term impact of climate change compared to business planning cycles.

Climate Change Risk: Climate-related risk profile

In the last RCSA cycle, the D&G group reported its climate change risks at the Principal Risk level in line with the reporting approach for the overall risk profile. The top climate-related risks as approved by the Group Board in March 2025 are:

- **Conduct:** This is driven by physical climate change risk of supply chain disruption and difficulties in scheduling repairs. Extreme weather events and resulting supply chain disruption could increase the risk of customer complaints and trigger regulatory scrutiny. This risk is assessed as medium impact but remote likelihood in terms of impact on D&G. The Group has a stable and mature repair network across the UK and EU.
- **Responsiveness to Changes in Market Dynamics:** Factors impacting the assessment of this transitional risk include the failure to identify, manage and implement regulatory requirements related to climate change. This is driven by the high volume and complexity of new and anticipated upcoming regulatory requirements linked to climate change / ESG / sustainability, in particular the existing comprehensive reporting requirements in the UK and the upcoming CSRD reporting in the EU. Additional risk factors include not being able to manage climate related service changes and expectations and shifts in customer sentiment as customers increasingly seek and expect businesses to have stronger ESG credentials.
- **Reputation:** Adverse reputational impacts as a result of climate change risks are considered unlikely across D&G. Whilst topical risks such as greenwashing (further anti-greenwashing legislation was launched across D&G markets in FY25) and investment strategy are captured within our climate risk profile these risks are assessed as low from a net perspective, with robust oversight and controls in place. Risks around energy consumption are also considered low given our small estate footprint.

Climate-related business disruption risks continue to be monitored but are considered low risk to the business at present, but it is recognised that this risk could increase over the longer term as climate related disruption events become more common.

These risks will continue to be reviewed (and new risks identified) as part of the existing RCSA process, and horizon scanning processes. Quantitative scenario analysis is performed annually as part of the regulated entities' (UK and Germany) ORSAs, modelling increased claims expenses (relating to increased physical risk) and transition risk-driven reduction of new business sales.

Science based targets / carbon footprint results

During the year Science Based Targets were set at D&G Group level and validated by the Science Based Target Initiative (SBTi), which demonstrates our commitment to protecting the planet as well as closer alignment with our partners and broader stakeholders. Our targets at D&G Group level are:

- Scope 1: Committed to reducing our scope 1 emissions by 42% by FY30 from an FY24 base year.
- Scope 2: Committed to reducing our scope 2 emissions by 42% by FY30 from an FY24 base year,
- Scope 3: Committed to reducing our scope 3 emissions by 51.6% per GBP million of value added by FY30 from a FY24 baseline year for all purchased goods and services, business travel, employee commuting, and transportation and distribution.

D&G will continue to develop its framework for the management of climate change related risks, in line with regulatory requirements and in response to the materiality of risks identified.

C.7 Any other information

D&G has established processes to undertake stress and scenario testing at least annually as part of the ORSA (as well as sensitivity analysis performed as part of the financial planning process). Scenarios are designed in collaboration with management and the Solvency II Working Group.

2024 ORSA scenarios (hypothetical, severe, yet plausible, scenarios based on D&G's risk profile) included:

- Loss of 2x large commercial partners
- Regulatory & significant reputational harm
- Manufacturer endemic fault
- Poor quality delivery of strategic initiatives
- Material regulatory change
- Cyber-crime / data breach
- Macro-economic threats
- Climate change
- Loss of DGI credit rating
- Material outsourcer failure
- Reverse stress test

Scenario analysis includes stresses applied to written & earned premium, policy lapse and cancellation rates, claims costs, commission expenses, administration costs, and exceptional items, net of corporation tax. The resulting effects on the following metrics are measured and reviewed by the Board to improve the understanding of risk, influence business decisions, and form a key part of the risk management framework:

- Eligible Own Funds;
- SCR and MCR;
- Profit; and
- Liquidity.

Based on the results of the scenario analysis from the 2024 ORSA, D&G believes that it is appropriately capitalised to withstand such shocks with SCR Coverage remaining above 100%.

A reverse stress test is also performed, to establish the severity of stresses required to reduce SCR Coverage to 100%. D&G is satisfied that such stresses sit well outside the 99.5th percentile / 1-in-200 event. The reverse stress test has previously considered a scenario whereby SCR coverage would be reduced to 100% within a three-year period. Following a review, the stress parameters will be updated for future tests to model the reduction over a one-year, rather than a three-year period.

There is no other material information, regarding the Regulated Group's risk profile, to report on.

D. VALUATION FOR SOLVENCY PURPOSES

Section D focuses on the Solvency II balance sheet and the related valuation of assets and liabilities, and it shows where these valuations differ from the values in the GAAP accounts. For each material class of assets, technical provisions, and other liabilities where there are differences, the following information is provided:

- a description of the bases, methods and main assumptions used in arriving at the valuation for solvency purposes; and
- quantitative and qualitative explanations of material differences between the bases, methods and main assumptions used for the valuation for solvency and financial statement purposes.

The Solvency II balance sheet is derived from GAAP results, adjusted for valuation differences where required. Domestic and General Acquisitions Limited does not prepare consolidated financial statements and, therefore, aggregated DGA GAAP results have been prepared solely for Solvency II purposes.

The GAAP results are prepared on the historical cost basis except for certain financial instruments, including investments in group undertakings and participating interests and other financial instruments held at fair value through profit or loss. Under Solvency II, assets and liabilities should be valued on a market consistent basis, which is deemed equivalent to fair value under UK GAAP. Therefore, for assets and liabilities which are at fair value under GAAP, these are the same values used for Solvency II. For assets and liabilities that are not stated at fair value under GAAP, adjustments are made to bring these in line with Solvency II where necessary. ‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is measured using assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Certain assets which are permitted to be recognised under GAAP cannot be recognised under Solvency II principles, e.g. intangible assets.

The material classes in the Regulated Group Solvency II balance sheet are shown in the table below for DGI, DGIEU and DGA.

Information on investment risk management and liquidity risk management can be found in sections C.2 and C.4 of this SFCR.

Summary DGI Solo Solvency II Balance Sheet – 31 March 2025

	DGI solo		
	Solvency II value	Local GAAP accounts value*	Difference
	£000	£000	£000
Assets			
Deferred acquisition costs		236,576	-236,576
Property, plant & equipment held for own use		12	-12
Investments (other than assets held for index-linked and unit-linked contracts)	52,745	118,798	-66,053
Holdings in related undertakings, including participations	30,087	96,312	-66,225
Bonds	19,907	19,735	172
Government Bonds	8,609	8,583	26
Corporate Bonds	11,298	11,152	146
Deposits other than cash equivalents	2,751	2,751	
Insurance and intermediaries receivables	20,878	693,355	-672,477
Receivables (trade, not insurance)	9,265	9,265	
Cash and cash equivalents	2,493	2,493	
Any other assets, not elsewhere shown	22,169	40,922	-18,753
Total assets	**107,550**	**1,101,420**	**-993,871**
Liabilities			
Technical provisions – non-life	-155,996	786,590	-942,586
Technical provisions – non-life (excluding health)	-155,996	786,590	-942,586
Best Estimate	-162,010		-162,010
Risk margin	6,014		6,014
Deferred tax liabilities	9,311	715	8,596
Debts owed to credit institutions	170	170	
Financial liabilities other than debts owed to credit institutions	194	194	
Insurance & intermediaries payables	44,638	44,638	
Payables (trade, not insurance)	18,524	72,117	-53,593
Any other liabilities, not elsewhere shown	72,145	72,145	
Total liabilities	**-11,015**	**976,568**	**-987,583**
Excess of assets over liabilities	**118,565**	**124,853**	**-6,288**

*Values presented in Local GAAP (FRS102 principles) and unaudited

Summary DGIEU Solo Solvency II Balance Sheet (unaudited) – 31 March 2025

	DGIEU solo**		
	Solvency II value	Local GAAP accounts value*	Difference
	£000	£000	£000
Assets			
Goodwill		18,641	-18,641
Intangible assets		1,110	-1,110
Property, plant & equipment held for own use	1,126	138	988
Investments (other than assets held for index-linked and unit-linked contracts)	18,026	17,599	427
Bonds	18,026	17,599	427
Government Bonds	7,547	7,444	103
Corporate Bonds	10,479	10,155	324
Reinsurance recoverables from:	12,574		12,574
Non-life and health similar to non-life			
Non-life excluding health	12,574		12,574
Insurance and intermediaries receivables	-148	1,240	-1,388
Reinsurance receivables	7,065	5,078	1,987
Receivables (trade, not insurance)	5,108	3,175	1,933
Cash and cash equivalents	9,125	9,125	
Any other assets, not elsewhere shown		25,470	-25,470
Total assets	**52,876**	**81,576**	**-28,699**
Liabilities			
Technical provisions – non-life	-23,490	13,533	-37,023
Technical provisions – non-life (excluding health)	-23,490	13,533	-37,023
Best Estimate	-24,478		-24,478
Risk margin	988		988
Provisions other than technical provisions	8,699	5,659	3,039
Deferred tax liabilities	9,043		9,043
Debts owed to credit institutions	1,865	1,865	
Financial liabilities other than debts owed to credit institutions			
Insurance & intermediaries payables	4,999	7,113	-2,114
Reinsurance payables			
Payables (trade, not insurance)		3,567	-3,567
Any other liabilities, not elsewhere shown	21,674	24,398	-2,724
Total liabilities	**22,789**	**56,135**	**-33,345**
Excess of assets over liabilities	**30,087**	**25,441**	**4,646**

*Values presented in local GAAP (German GAAP principles) and unaudited
**DGIEU is unaudited

Summary DGA Group Solvency II Balance Sheet – 31 March 2025

	DGA Group		
	Solvency II value	Aggregation Local GAAP*	Difference
	£000	£000	£000
Assets			
Deferred acquisition costs		240,746	-240,746
Intangible assets		1,215	-1,215
Deferred Tax Asset	5,089		5,089
Property, plant & equipment held for own use	1,126	1,641	-515
Investments (other than assets held for index-linked and unit-linked contracts)	49,609	40,379	9,230
Holdings in related undertakings, including participations	8,925		8,925
Bonds	37,933	37,628	305
Government Bonds	16,157	16,086	70
Corporate Bonds	21,776	21,541	235
Collateralised securities			
Deposits other than cash equivalents	2,751	2,751	
Insurance and intermediaries receivables	8,652	762,954	-754,303
Receivables (trade, not insurance)	3,756	3,756	
Cash and cash equivalents	11,766	12,666	-899
Any other assets, not elsewhere shown	22,169	63,043	-40,874
Total assets	**102,167**	**1,126,399**	**-1,024,232**
Liabilities			
Technical provisions – non-life	-192,204	832,817	-1,025,022
Technical provisions – non-life (excluding health)	-192,204	832,817	-1,025,022
Best Estimate	-199,206		-199,206
Risk margin	7,002		7,002
Deferred tax liabilities	13,287	-671	13,958
Debts owed to credit institutions	2,034	2,034	
Financial liabilities other than debts owed to credit institutions	5,459	4,305	1,154
Insurance & intermediaries payables	50,481	49,983	498
Payables (trade, not insurance)	18,524	79,945	-61,421
Any other liabilities, not elsewhere shown	51,546	47,962	3,584
Total liabilities	**-50,873**	**1,016,376**	**-1,067,249**
Excess of assets over liabilities	**153,041**	**110,023**	**43,018**

*Values presented in local GAAP (FRS102 principles) and unaudited

D.1 Assets

Material Class	Description
Deferred tax assets	Deferred tax is recognised on the difference between the Solvency II values of assets / liabilities and their tax base values. Similarly, under GAAP principles deferred tax is recognised on the difference between the GAAP values of assets / liabilities and their tax base. Where there is a difference between a Solvency II value and a GAAP value, this can lead to an adjustment to the value of deferred tax assets / liabilities included in the GAAP balance sheet.
Deferred acquisition costs (DAC)	Deferred acquisition costs are valued at nil for Solvency II purposes. Any future cashflows relating to acquisition costs are either included in the best estimate technical provisions or under insurance and intermediaries payable amounts in the balance sheet.
Investments and cash	Investments are held at fair value using the Level 1-3 hierarchy for valuation. Level 1 inputs Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable from the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 inputs Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data. DGI's and DGIEU's investment portfolios are categorised as Level 1. There is a presentational difference between the GAAP and Solvency II values due to accrued interest being included in the Solvency II valuations. "Deposits other than cash equivalents" comprise call deposits and term deposits with an original term date of less than three months. "Cash and cash equivalents" comprise any cash which can be accessed in no more than one day. The presentational difference between the GAAP and Solvency II values arises from the consolidation adjustment, where the amounts held by Regulated Group subsidiaries which are treated as participations are stripped out of the Regulated Group.
Investments in participations	The Regulated Group's participations are valued and accounted for using the adjusted net equity method for Solvency II purposes. Participations are recognised on the basis of net assets, less impairments, on the participation row on the Solvency II balance sheet, whereas under GAAP they are consolidated on a line-by-line basis. Investments in Insurance entities are valued on the basis of Solvency II Basic Own Funds valuations, rather than GAAP values (GAAP values are fair value). This applies to DGI's investment in DGIEU.

Material Class	Description
Insurance and intermediaries receivable	Insurance and intermediary receivables are required to be recognised at fair value. The Directors consider that the carrying amounts of financial receivables recorded at amortised cost in the financial statements approximate their fair values. To the extent such balances are not yet due, they form part of the cashflows considered in the best estimate technical provision calculation. (see D.2).
Other assets not shown elsewhere	Trade and other debtors are required to be recognised at fair value. Other assets include recoverable prepayments with commercial partners.

D.2 Technical provisions

Note: DGIEU Solo presented in this section is unaudited and, as discussed in the Summary chapter FY24 balances for DGIEU have been restated to correct an overstatement of the warranty debtors balance within the FY24 balance sheet. In principle, this also impacts both DGI Solo and DGA Group, but these comparatives have not been restated on the grounds of materiality.

Technical Provisions – Best Estimate

Best estimate technical provisions by company are as follows:

31-Mar-25	DGI solo	DGIEU solo*	DGA Group
	£000	£000	£000
Miscellaneous Financial Liability	-162,273	-24,478	-199,468
General Liability	262	0	262
Total	**-162,010**	**-24,478**	**-199,206**

31-Mar-24	DGI solo	DGIEU solo	DGA Group
	£000	£000	£000
Miscellaneous Financial Liability	-128,924	-17,705	-165,827
General Liability	266	0	266
Total	**-128,658**	**-17,705**	**-165,561**

Prior year comparatives for DGIEU have been restated to correct an overstatement of the warranty debtors balance within the FY24 balance sheet. In principle, this also impacts both DGI Solo and DGA Group, but these comparatives have not been restated on the grounds of materiality.

Growth in subscription sales account for the ongoing growth in the Best Estimate (where premiums have yet to be collected from policies). Allowance has been made for estimated inflationary impacts arising from the current macro-economic environment.

Bases, Methods and Main Assumptions

The reserves under GAAP represent primarily unearned premium reserve, which is based on earning patterns applied to the written premiums which are earned over the policy length. Solvency II technical provisions are based on a future cash flow basis and the GAAP provision is removed.

Technical provisions - best estimate

Technical Provisions represent a valuation of the Company's obligations to policyholders. Under Solvency II these are required to be equal to the probability weighted average of all future cashflows, taking account of the time value of money.

Best estimate technical provisions are comprised of a claims provision and a premium provision. The claims and premium provision combined cover the expected cost of settling all future claims arising from business that DGI is contractually obliged to cover. This includes allowances for the expense of both running the Company and of handling claims.

The estimate of future income and costs is based on business already written, as well as business that has not yet incepted, but where DGI and DGIEU is obliged to offer cover i.e. renewals already offered or quoted (Bound But Not Incepted – BBNI), net of expected lapses.

The claims provision is the discounted best estimate of future cash-flows relating to claim events which occurred prior to the valuation date. These cash-flows are made up of:

Outgoing cash-flows:

- Claim payments
  - Settling reported claims
  - Settling claims not yet reported
- Expenses
- ENID (Events not in Data) allowance

The premium provision is the discounted best estimate of all future cash-flows relating to future exposure arising from policies that the Company is obligated to, at the valuation date. Again, these cash-flows are made up of:

Outgoing cash-flows:

- Claim payments, including BBNI policies
- Expenses
- ENID (events not in data) allowance
- Insurance premium tax (IPT) on future premium income

Minus incoming cash-flows:

- Future premiums due on incepted business, from policyholders who pay monthly, with an allowance for cancellations
- Future premiums due on BBNI policies, with an allowance for lapses and cancellations.

Technical Provisions – Risk Margin

31-Mar-25	DGI solo £000	DGIEU solo* £000	DGA Group £000
Miscellaneous Financial Liability	6,007	988	6,995
General Liability	7	0	7
Total	**6,014**	**988**	**7,002**

31-Mar-24	DGI solo £000	DGIEU solo £000	DGA Group £000
Miscellaneous Financial Liability	5,833	897	6,763
General Liability	7	0	7
Total	**5,840**	**897**	**6,770**

In addition to the base calculation of technical provisions outlined above, a further risk margin amount is also included within the value of technical provisions. This is equivalent to the hypothetical amount that a third-party insurance undertaking would be expected to require in order to accept liability for and meet the technical provisions obligations.

The risk margin concept and calculation were originally covered by Article 77 of the Solvency II Directive and, following the UK's exit from the EU, the risk margin requirements were updated into UK legislation by The Insurance and Reinsurance Undertakings (Prudential Requirements) (Risk Margin) Regulations 2023 (2023 No. 1346) which amends the Solvency II Delegated Acts. The Company applies the requirements of these regulations in calculating the risk margin included in its technical provisions, therefore.

Material Changes in Assumptions

There have been no material changes in assumptions applied to the technical provisions during the period.

Key Uncertainties

There are many areas of uncertainty within the technical provisions and estimation techniques are used. These include methods for calculating fair value IBNR, to determine the ultimate cost of settling claims that have occurred prior to the balance sheet date for the claims provision, and methods to estimate future claims costs which are relevant to the calculation of the premium provision.

In FY25, the Regulated Group implemented sensitivity testing on technical provisions as part of each reporting cycle for DGI and DGIEU to quantify potential uncertainties within the technical provisions. The sensitivity testing on technical provisions includes stresses on claims and expenses, each increasing by 5%, 10% and 20%. The outcome is shared with the Group Data Governance Committee as part of the QRT data sign-off.

Reconciliation to aggregated GAAP values

31-Mar-25	DGI solo	DGIEU solo*	DGA Group
	£000	£000	£000
GAAP Technical Provisions	786,590	13,533	832,817
Adjustments for Solvency II	-948,600	-38,011	-1,032,023
Best Estimate Liability	-162,010	-24,478	-199,206
Add Risk Margin	6,014	988	7,002
Solvency II Technical Provisions	-155,996	-23,490	-192,204

31-Mar-24	DGI solo	DGIEU solo	DGA Group
	£000	£000	£000
GAAP Technical Provisions	762,754	25,957	816,366
Adjustments for Solvency II	-891,412	-43,663	-981,927
Best Estimate Liability	-128,658	-17,705	-165,561
Add Risk Margin	5,840	897	6,770
Solvency II Technical Provisions	-122,819	-16,809	-158,791

The Solvency II technical provisions for the Regulated Group are valued on a best estimate cash flow basis. The primary adjustments to move from a GAAP to a Solvency II basis are as follows:

Removal of GAAP reserves

- Removal of the unearned premium from the starting position of the GAAP reserves as this is not measured on a cash flow basis.
- Removal of the margins within the GAAP reserves, as Solvency II is required to be measured on a best estimate basis.

Solvency II specific adjustments

- Adjustment of the fair value IBNR provision to represent a best estimate claims provision, which is the cost of claims for events which have occurred prior to the valuation date, estimated on a future cash flow basis;
- Inclusion of an allowance for related expenses;
- Inclusion of a premium provision which represents the future cost arising from policies obligated to at the valuation date, net of expected lapses;
- Recognition of cash flows relating to business bound before, but incepting after the valuation date;
- Recognition of future cash inflows for existing business less an allowance for policies lapsing;
- The inclusion of an additional cost for Events not in Data;
- The impact of discounting the cash flows above using the relevant yield curve; and
- The inclusion of the risk margin as shown separately in the table above.

Adjustments and Simplifications

The Matching Adjustment and Volatility Adjustment have not been applied in the calculation of Technical Provisions. The transitional risk-free interest rate term structure as per Article 308c of the Solvency II Directive has not been applied in the calculation of Technical Provisions. The transitional deduction under Solvency II has not been applied in the calculation of Technical Provisions as of 31st March 2025.

D.3 Other liabilities

Insurance and intermediaries payables, non-insurance trade payables and other liabilities are required to be recognised at fair value. The Directors consider that the carrying amounts of financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

The equity adjustment approach has been taken for the non-insurance participations of the Regulated Group and these have not, therefore, been consolidated into the Solvency II Balance Sheet on a line-by-line basis.

Material Class	Description
Deferred tax liabilities	See comment under “Deferred tax assets” in section D.1 above.
Insurance and intermediaries payables	Insurance and intermediaries payables are recognised at fair value for Solvency II purposes. For GAAP purposes the carrying amounts of financial liabilities is recorded at amortised cost which approximates their fair value and therefore no adjustment is needed (other than for IPT, which is included in the Best Estimate). As the payables have been authorised for settlement, they do not form part of the cashflows considered in the best estimate technical provisions calculation. The Regulated Group differences between the GAAP and Solvency II values arise from the consolidation adjustment, where the net asset total of participations is stripped out and shown under ‘Holdings in related undertakings’.
Payables (trade not insurance)	Payables (trade not insurance) are required to be recognised at fair value for Solvency II purposes. For GAAP purposes the carrying amounts of financial liabilities is recorded at amortised cost which approximates their fair value and therefore no adjustment is needed.
Other liabilities	Other liabilities are required to be measured at fair value. The Directors consider that the carrying amounts of financial liabilities recorded at amortised cost in the financial statements approximate their fair values. Other liabilities represent provisions for estimated costs incurred but not yet billed. The difference between the GAAP and Solvency II numbers arises from the consolidation adjustment, where the net asset total for participations is stripped out and shown under ‘Holdings in related undertakings’.

D.4 Alternative methods for valuation

Property previously included a property at Talbot Street, Nottingham which was sold in April 2023.
Leased properties have been valued based on a market rent benchmark incorporating characteristics of similar assets.

D.5 Any other information

Intra-Group Transactions

DGIUK Solo and DGIEU Solo have in place a reinsurance agreement, whereby 90% of DGIEU's premium is reinsured to DGIUK Solo, with ceding commission of 60.5% of the reinsurance premium going back to DGIEU Solo.

Sensitivity Testing on Key Assumptions*

Sensitivity testing on key assumptions within the Best Estimate (Technical Provisions excluding Risk Margin) has been carried out. Although both downside and upside testing are carried out, more emphasis is given to downside testing to better understand the resilience of solvency coverage. The results of the downside calculations on the quantum of Best Estimate Technical Provisions are shown below, compared to the calculated actual (base) technical provisions:

	DGI £000	DGIEU £000	DGA £000	Likelihood
Base	**-162,010**	**-24,478**	**-199,206**	
Stress 1: Claims increase by 5%	-143,990	-22,434	-180,981	Unlikely
Stress 1: Claims increase by 10%	-125,969	-20,390	-162,756	Remote
Stress 1: Claims increase by 20%	-89,928	-16,301	-126,306	Remote
Stress 4: Expenses increase by 5%	-160,677	-24,301	-197,696	Possible
Stress 4: Expenses increase by 10%	-159,344	-24,124	-196,186	Unlikely
Stress 4: Expenses increase by 20%	-156,677	-23,770	-193,165	Remote

Sensitivity Testing on Key Assumptions table is unaudited.

Explanation of likelihood as follows:

- Possible - Less than 1 in 10 years
- Unlikely - More than 1 in 10 but less than 1 in 100 years
- Remote - Greater than 1 in 100 years

Other Information

There have been no relevant post balance sheet events.

E. CAPITAL MANAGEMENT

METHOD OF CALCULATION OF GROUP SOLVENCY

Solvency is calculated as the ratio of Eligible Own Funds to the Solvency Capital Requirement (SCR).

This section contains a reconciliation from the GAAP net assets to the Solvency II excess of assets over liabilities that forms part of Tier 1 Own Funds. The individual material classes of assets, technical provisions and liabilities are considered in sections D.1 and D.2 respectively.

Articles 230 and 233 of the Solvency II Directive and the PRA rulebook prescribe that one of the following methods must be used to calculate Group solvency:

- Method 1 – Standard method based on Consolidation of financial statements;
- Method 2 – Alternative method based on a deduction and aggregation approach.

The Regulated Group applies Method 1 for the calculation of Group solvency. The basis for the consolidation is a Solvency II Group consisting of DGA, DGGL, DGI and DGIEU. All remaining DGA Group subsidiaries are included as strategic participation investments as defined in Article 171 of the Solvency II Delegated Acts and the Own Funds part of the PRA Rulebook, which are wholly owned subsidiaries which do not meet the definition of insurance undertakings or ancillary services.

The following quantitative limits are set for the Solvency Capital Requirement:

- The allowable amount of Tier 1 own funds must be at least 50% of the Solvency Capital Requirement,
- The allowable amount of Tier 3 own funds must not exceed 15% of the Solvency Capital Requirement,
- The sum of allowable Tier 2 and Tier 3 own funds must not exceed 50% of the Solvency Capital Requirement.

The following quantitative limits apply to the Minimum Capital Requirement:

- The allowable amount of Tier 1 own funds must be at least 80% of the Minimum Capital Requirement,
- The allowable amount of Tier 2 own funds must not exceed 20% of the Minimum Capital Requirement.

The Regulated Group's capital position as of 31st March 2025 is as follows:

	DGI solo	DGIEU solo*	DGA Group
	£000	£000	£000
Eligible own funds	148,565	30,087	183,041
Solvency Capital Requirements (SCR)	87,168	8,220	96,902
Capital Surplus	61,397	21,867	86,138
Ratio of Eligible Own Funds to the SCR	170%	366%	189%

DGIEU Solo presented in chapter E is unaudited and FY24 DGIEU Solo has been updated to reflect the correction of the overstatement of the warranty debtors' balance.

The Regulated Group, DGI and DGIEU make use of GSPs and USPs in their application of the Solvency II standard formula. Based on this model, and on assessment of risk and solvency requirements, the Regulated Group and its entities remain well capitalised in relation to their risk profiles.

E.1 Own funds

Capital Management Objectives

The primary objective in respect of capital management is to ensure that all entities within the Regulated Group are able to continue as going concerns for at least 12 months and maintain sufficient financial resources to meet all obligations as they fall due; and also, to ensure that regulated entities meet MCR and SCR requirements plus a buffer. In practice the Regulated Group's business planning processes monitor and assess capital requirements over a much longer period.

Excess capital above required levels may be distributed from the Regulated Group in the form of dividends from time to time. The timing and quantum of any proposed dividend is assessed by the relevant Board on its own merits, considering prevailing conditions. For Solvency purposes, therefore, dividends are treated as foreseeable only once they are formally approved by the Board.

Classification of Own Funds by Tier

Under Solvency II, a distinction is made between basic and ancillary own fund items. Basic own funds are basically the excess of assets over liabilities whereas ancillary own funds are defined as further own fund components subject to approval by the supervisory authority.
Based on this, own funds are divided into three different tiers:

- Tier 1: Basic own fund items meeting all defined criteria under Solvency II
- Tier 2: Basic own fund items meeting most defined criteria as well as ancillary own fund items meeting defined criteria under Solvency II
- Tier 3: Other own fund items not covered by the other classes

The classification of Own Funds for the Regulated Group and at the solo DGI and solo DGIEU levels is as follows:

Total available own funds to meet the SCR

31-Mar-25	DGI solo	DGIEU solo*	DGA Group	Capital tier
	£000	£000	£000	
Ordinary share capital	4,700	2,134	238,738	Tier 1
Share Premium	0	209	0	Tier 1
Reconciliation reserve	113,865	27,744	-90,786	Tier 1
Subordinated Liabilities	0	0	0	Tier 2
Ancillary own funds backed by letters of credit	30,000	0	30,000	Tier 2
Deferred Tax Assets	0	0	5,089	Tier 3
Own funds	**148,565**	**30,087**	**183,041**	

Total available own funds to meet the MCR

31-Mar-25	DGI solo	DGIEU solo*	DGA Group	Capital tier
	£000	£000	£000	
Ordinary share capital	4,700	2,134	238,738	Tier 1
Share Premium	0	209	0	Tier 1
Reconciliation reserve	113,865	27,744	-90,786	Tier 1
Subordinated Liabilities	0	0	0	Tier 2
Ancillary own funds backed by letters of credit	0	0	0	Tier 2
Deferred Tax Assets	0	0	5,089	Tier 3
Own funds	**118,565**	**30,087**	**153,041**	

Eligible own funds are the same as available own funds for both SCR and MCR purposes.

Own Funds consist of:

- Tier 1 Own Funds consisting of:
  - Ordinary Share Capital; and
  - Reconciliation Reserve
- Tier 2 Own Funds consisting of:
  - Ancillary own funds backed by bank letters of credit (DGIUK Only); and
  - Subordinated liabilities (DGIEU Only)(period ending 31 March 2024 only)

There are certain differences between the value of Own Funds under Solvency II and the value of Equity shown in the Regulated Group, DGI's and DGIEU's Financial Statements. These arise due to differences in valuation of assets and liabilities described in Section D of this report. A reconciliation is shown in the table below.

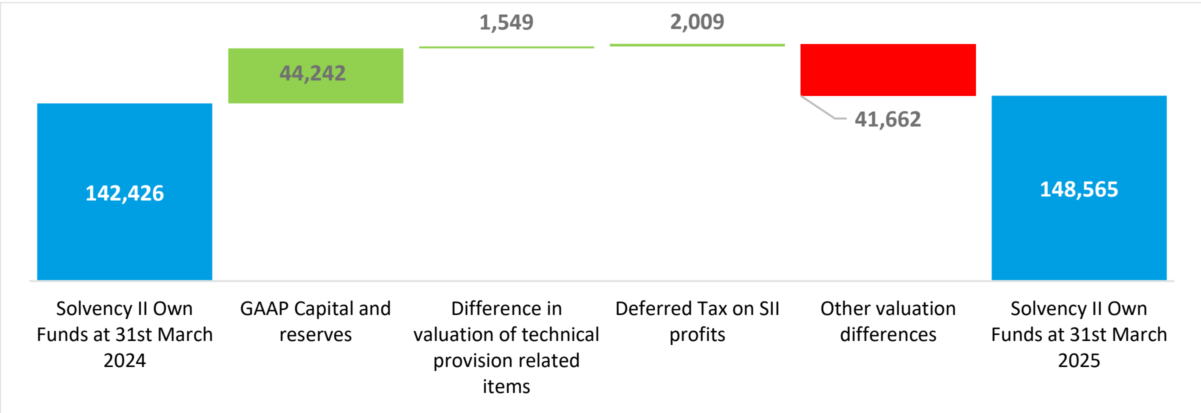
Reconciliation between GAAP and Solvency II Reserves as at 31st March 2025	DGI solo	DGIEU solo*	DGA Group
	£000	£000	£000
GAAP Capital and reserves	124,853	25,441	110,023
Difference in valuation of technical provision related items	87,126	39,202	91,394
Deferred Tax on SII profits	-8,596	-9,043	-13,958
Other valuation differences	-84,818	-25,513	-39,508
Subordinated liabilities	0	0	0
Deferred Tax Assets	0	0	5,089
Letters of credit	30,000	0	30,000
Solvency II Own Funds	**148,565**	**30,087**	**183,041**

Reconciliation between GAAP and Solvency II Reserves as at 31st March 2024	DGI solo	DGIEU solo	DGA Group
	£000	£000	£000
GAAP Capital and reserves	80,610	23,836	100,702
Difference in valuation of technical provision related items	85,577	36,822	94,553
Deferred Tax on SII profits	-10,605	-12,636	-16,870
Other valuation differences	-43,155	-18,304	-31,924
Subordinated liabilities	0	4,128	0
Deferred Tax Assets	0	0	5,902
Letters of credit	30,000	0	30,000
Solvency II Own Funds	**142,426**	**33,847**	**182,362**

Own Funds Movement

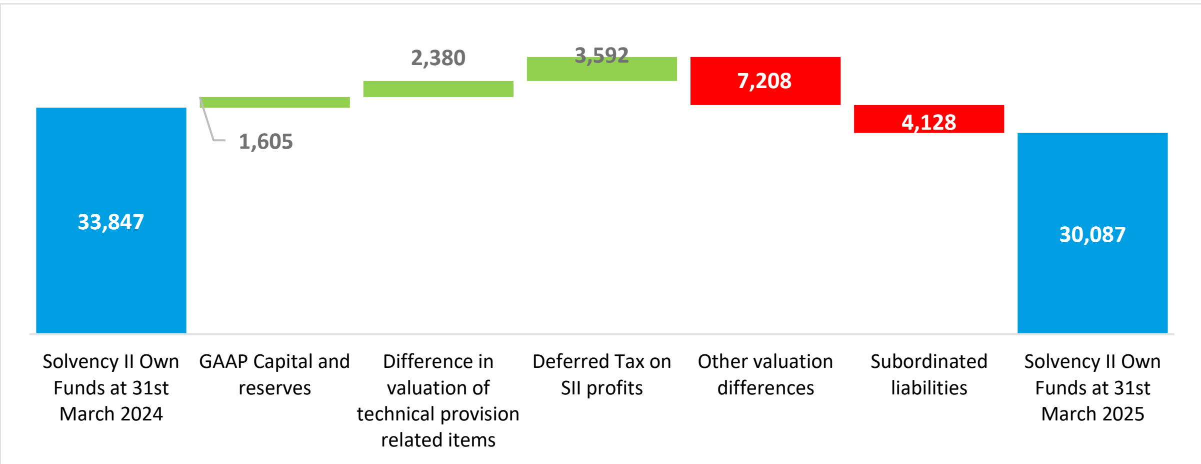
Solvency II Own Funds movement between 31st March 2024 to 31st March 2025	DGI solo	DGIEU solo*	DGA Group
	£000	£000	£000
Solvency II Own Funds at 31st March 2024	**142,426**	**33,847**	**182,362**
GAAP Capital and reserves	44,242	1,605	9,321
Difference in valuation of technical provision related items	1,549	2,380	-3,159
Deferred Tax on SII profits	2,009	3,592	2,913
Other valuation differences	-41,662	-7,208	-7,584
Subordinated liabilities	0	-4,128	0
Deferred Tax Assets	0	0	-813
Letters of credit	0	0	0
Solvency II Own Funds at 31st March 2025	**148,565**	**30,087**	**183,041**

DGI Solo Own Funds movement



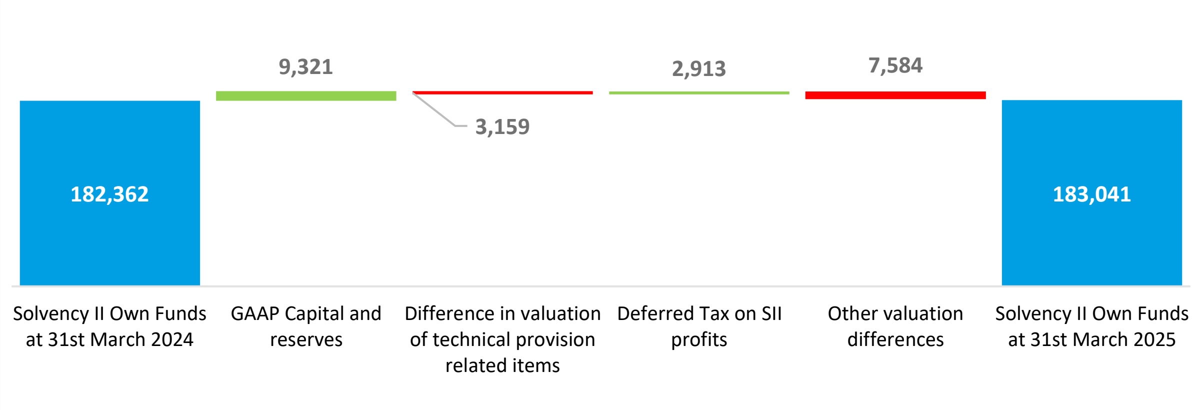
The DGI "GAAP Capital and reserves" movement is driven primarily by a revaluation of the investment in DGIEU of c.£32m (which is offset in "Other valuation differences"), plus profit after tax generated in the year and other changes in shareholder funds, net of dividends paid in the year. The "Other valuation differences" movement is driven by the reversal of the increase in the GAAP participation value of DGI Solo's investment in DGIEU which is not recognised for Solvency purposes and is therefore, offset on this line. It also includes reversals of GAAP movements relating to other disallowable assets under Solvency Own Funds (e.g. assets for upfront commission payments).

DGIEU Solo Own Funds movement



The "GAAP Capital and reserves" movement is driven by profit earned in the period. The movement related to the "Difference in valuation of technical provision-related items" is driven by growth in the Best Estimate relating to business growth in the year. The "Other valuation differences" reduction relates to the write-off of disallowable assets (mostly upfront commission payments to third parties). The change in the value of subordinated liabilities relates to the repayment by DGIEU of Tier 2 subordinated debt during the period.

DGA Group Own Funds movement



The Regulated Group's increase in Own Funds is driven directly by DGI Solo and DGIEU Solo. The GAAP Capital and reserves movement is driven by generated profits net of dividends paid. Other valuation differences movement is primarily driven by the write-off of disallowable assets (such as upfront commission payments).

DGI Solo & DGA Group

DGI Solo Ancillary Own Funds are backed by letters of credit. These comprise five letters of credit from the following:

Issuer	Year of Issue	Amount (and currency)	Tier	Expiry Date
Bank of America Merrill Lynch International Designated Activity Company	2020	6,000,000 GBP	2	2029
Barclays Bank PLC	2020	5,000,000 GBP	2	2029
UBS AG, London Branch	2020	6,000,000 GBP	2	2029
Lloyds Bank PLC	2020	4,050,000 GBP	2	2029
National Westminster Bank PLC	2020	8,950,000 GBP	2	2029

DGIEU Solo (Unaudited)

DGIEU Solo Tier 2 Subordinated liabilities were represented by a loan between Domestic and General Services PTY Limited (lender) and DGIEU (Borrower). The loan principal plus accrued interest was repaid in full in April 2024.

Fungibility and Transferability of Own Funds

DGI's Ancillary Own Funds are transferable to DGA upon consolidation (Article 330 (5)).

E.2 Solvency Capital Requirement and Minimum Capital Requirement

Solvency Capital Requirement (SCR)

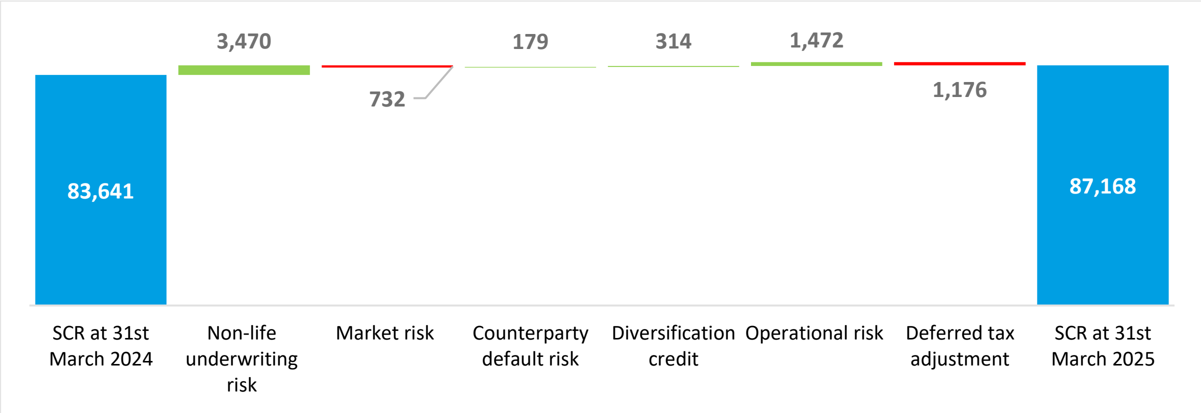
The Regulated Group's SCR is calculated based on consolidated data. The reported SCR as of 31st March 2025 is as follows:

SCR 31st March 2025	DGI solo	DGIEU solo*	DGA Group
	£000	£000	£000
Non-life underwriting risk	87,687	5,621	90,778
Market risk	13,995	1,216	12,282
Counterparty default risk	4,762	3,541	5,372
Diversification credit	-11,723	-1,947	-10,972
Basic SCR	94,721	8,431	97,460
Operational risk	21,503	2,529	22,108
Deferred tax adjustment	-29,056	-2,740	-29,892
Capital required for residual undertakings	0	0	7,226
SCR	87,168	8,220	96,902

SCR Movement

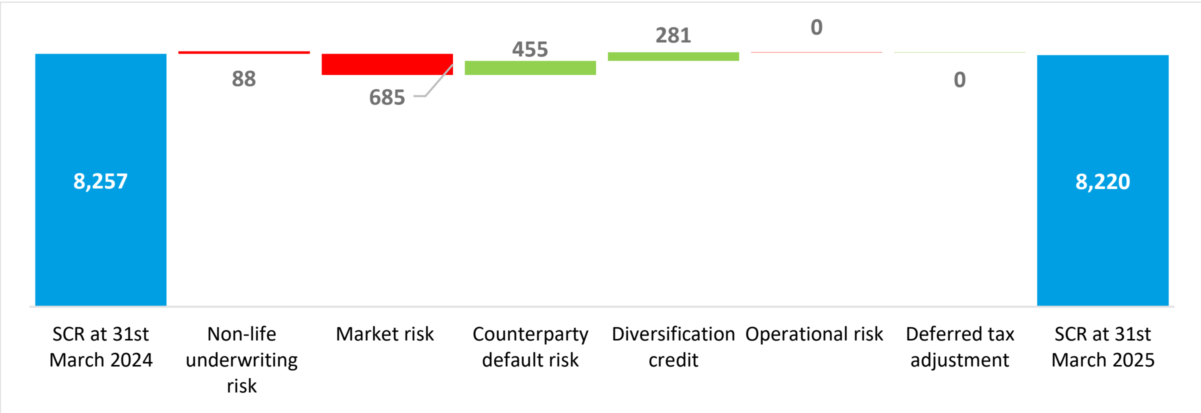
SCR 31st March 2025	DGI solo	DGIEU solo*	DGA Group
	£000	£000	£000
SCR at 31st March 2024	**83,641**	**8,257**	**94,946**
Non-life underwriting risk	3,470	-88	2,408
Market risk	-732	-685	-511
Counterparty default risk	179	455	555
Diversification credit	314	281	45
Operational risk	1,472	-11	1,550
Deferred tax adjustment	-1,176	12	-1,012
Capital required for residual undertakings	0	0	-1,080
SCR at 31st March 2025	**87,168**	**8,220**	**96,902**

DGI Solo SCR movement



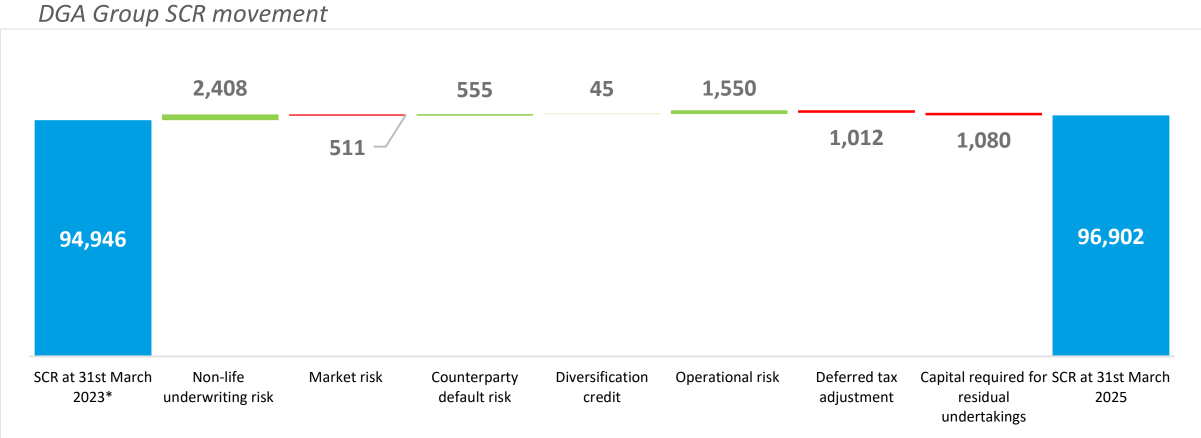
DGI Solo SCR growth is driven by gross written premium growth, increasing the non-life underwriting risk, plus an increase in operational risk, as the business grows.

DGIEU Solo SCR movement



DGIEU Solo's SCR is broadly flat year-on-year, with a decrease in market risk due to a reduction in the value of investments offset by a formula-driven increase in counterparty risk, principally in relation to reinsurance balances.

DGA Group SCR movement



DGA Group's growth in SCR is similar to DGI Solo; SCR growth is driven by gross written premium growth, increasing the non-life underwriting risk, plus an increase in operational risk.

When combined with Eligible Own Funds, the resulting solvency positions are as follows:

Capital Headroom 31st March 2025	DGI solo	DGIEU solo*	DGA Group
	£000	£000	£000
Eligible Own Funds to meet SCR	148,565	30,087	183,041
Eligible Own Funds to meet MCR	118,565	30,087	153,041
Solvency Capital Requirements (SCR)	87,168	8,220	96,902
Minimum Capital Requirements (MCR)	39,226	2,259	41,485
Ratio of Eligible Owns funds to the SCR	170%	366%	189%
Ratio of Eligible Owns funds to the MCR	302%	1332%	369%

Minimum Consolidated Group SCR (MCR)

DGI and DGIEU each calculates its linear MCR using the prescribed formula. This is then compared with the absolute floor of the MCR, the MCR cap and the MCR floor. Both the cap and floor are determined using the Standard Formula SCR.

Overall MCR calculation 31st March 2025	DGI solo	DGIEU solo*	DGA Group
	£000	£000	£000
Linear MCR	91,346	1,749	N/A
SCR	87,168	8,220	N/A
MCR Cap	39,226	3,699	N/A
MCR Floor	21,792	2,055	N/A
Combined MCR	39,226	2,055	N/A
Absolute floor of the MCR	2,400	2,259	N/A
Minimum Capital Requirement	39,226	2,259	41,485

MCR Movement

MCR 31st March 2025	DGI solo £000	DGIEU solo* £000	DGA Group £000
MCR at 31st March 2024*	**37,638**	**2,309**	**39,947**
Linear MCR	5,471	36	N/A
SCR	3,528	-37	N/A
MCR Cap	1,587	-16	N/A
MCR Floor	882	-9	N/A
Combined MCR	1,587	-9	N/A
Absolute floor of the MCR	41	-50	37,725
Minimum Capital Requirement	1,587	-50	1,538
MCR at 31st March 2025	**39,226**	**2,259**	**41,485**

DGI Solo MCR growth is driven by gross written premium growth, increasing the non-life underwriting risk, plus changes in operational risk.

DGIEU Solo's MCR remains at the absolute floor of €2.7m. Therefore, the £ sterling equivalent movement on prior year is driven by changes in exchanges rates.

DGA Group growth in MCR is similar to DGI Solo.

SCR USPs & GSPs

All Solvency II undertakings (DGI and DGIEU) and the parent of the Regulated Group (DGA) make use of specific parameters for Non-Life Premium and Reserve risks, with the permission of their local regulators (PRA for DGA & DGI, BaFin for DGIEU). This enables the SCR for these risks to be better aligned with the underlying risks associated with the business written, given the experience of low loss volatility. On an annual basis the Actuarial function undertakes quantitative analysis, using prescribed methods under Solvency II and applied to the input data as at the latest valuation date to calibrate updated parameters.

If these GSPs (DGA) and USPs (for DGI and DGIEU) were not used, the respective SCRs would be substantially higher, as shown below:

	DGI solo	DGIEU solo*	DGA Group
	£000	£000	£000
SCR with USPs/GSPs	87,168	8,220	96,902
SCR without USPs/GSPs	356,638	12,241	370,714
Difference	-269,470	-4,021	-273,812

USPs and GSPs are unaudited

Deferred Taxes

As disclosed in the Solvency Capital Requirement table above, DGI's SCR included a deferred tax benefit of £29,056k in relation to tax relief on the gross SCR loss. This is calculated as the gross loss of £116,224k multiplied by the UK corporation tax rate of 25%. Relief for the loss is deemed to arise from:

- Set-off against deferred tax liabilities in own funds - £9,311k
- Carry back against prior-year taxable profits - £8,502k
- Carry forward against future taxable profits - £11,243k

E.3 Use of the Duration-Based Equity Sub-Module in the calculation of the Solvency Capital Requirement

The duration-based equity sub-module has not been used in the calculation of the Solvency Capital Requirement.

E.4 Differences between the Standard Formula and any Internal Model used

Not applicable – no internal model has been used during the reporting period.

E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

There have been no instances of non-compliance with the Minimum Capital Requirement or the Solvency Capital Requirement during the reporting period.

E.6 Any other information

There is no other material information on capital management to report.

APPENDIX - QUALITATIVE REPORTING TEMPLATES

31 March 2025
DGI Solo - £000's

QRT IR.02.01.02
QRT IR.05.02.01
QRT IR.05.04.02
QRT IR.17.01.01
QRT IR.19.01.21
QRT IR.23.01.01
QRT IR.25.04.01
QRT IR.28.01.01

DGIEU Solo - £000's

QRT S.02.01.02
QRT S.05.01.02
QRT S.17.01.02
QRT S.19.01.21
QRT S.23.01.01
QRT S.25.01.21
QRT S.28.01.01

DGI Group - £000's

QRT IR.02.01.02
QRT IR.05.02.01
QRT IR.05.04.02
QRT IR.23.01.04
QRT IR.25.04.04
QRT IR.32.01.04

DGIUK ANNEX – QUANTITATIVE REPORTING TEMPLATES

The following templates form part of the published SFCR report:

IR.02.01.02	Balance sheet
IR.05.02.01	Premiums, claims and expenses by country
IR.05.04.02	Non-life income and expenditure: reporting period
IR.17.01.02	Non-Life Technical Provisions
IR.19.01.21	Non-Life insurance claims / Total Non-life business
IR.23.01.01	Own Funds
IR.25.04.21	Solvency Capital Requirement
IR.28.01.01	Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

All are in £000's

IR.02.01.02 - £'000
Balance sheet

		Solvency II value
Assets		C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	0
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	0
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	52,745
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	30,087
Equities	R0100	0
Equities - listed	R0110	0
Equities - unlisted	R0120	0
Bonds	R0130	19,907
Government Bonds	R0140	8,609
Corporate Bonds	R0150	11,298
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	0
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	2,751
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	0
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	0
Reinsurance recoverables from:	R0270	0
Non-life and health similar to non-life	R0280	0
Life and health similar to life, excluding index-linked and unit-linked	R0315	0
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	20,878
Reinsurance receivables	R0370	0
Receivables (trade, not insurance)	R0380	9,265
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	2,493
Any other assets, not elsewhere shown	R0420	22,169
Total assets	R0500	107,550

		Solvency II value
Liabilities		C0010
Technical provisions - total	R0505	-155,996
Technical provisions - non-life	R0510	-155,996
Technical provisions - life	R0515	0
Best estimate - total	R0542	-162,010
Best estimate - non-life	R0544	-162,010
Best estimate - life	R0546	0
Risk margin – total	R0552	6,014
Risk margin - non-life	R0554	6,014
Risk margin - life	R0556	0
Transitional (TMTP) - life	R0565	0
Other technical provisions	R0730	
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	9,311
Derivatives	R0790	0
Debts owed to credit institutions	R0800	170
Financial liabilities other than debts owed to credit institutions	R0810	194
Insurance & intermediaries payables	R0820	44,638
Reinsurance payables	R0830	0
Payables (trade, not insurance)	R0840	18,524
Subordinated liabilities	R0850	0
Subordinated liabilities not in Basic Own Funds	R0860	0
Subordinated liabilities in Basic Own Funds	R0870	0
Any other liabilities, not elsewhere shown	R0880	72,145
Total liabilities	R0900	-11,015
Excess of assets over liabilities	R1000	118,565

IR.05.02.01- £'000
Premiums, claims and expenses by country

Non-life		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
	R0010		DE	AU	
		C0080	C0090	C0100	C0140
Premiums written					
Gross - Direct Business	R0110	618,925	0	0	618,925
Gross - Proportional reinsurance accepted	*R0120*	0	125,332	0	125,332
Gross - Non-proportional reinsurance accepted	*R0130*	0	0	0	0
Reinsurers' share	*R0140*	0	0	0	0
Net	*R0200*	618,925	125,332	0	744,257
Premiums earned					
Gross - Direct Business	R0210	578,244	0	127	578,371
Gross - Proportional reinsurance accepted	*R0220*	0	138,407	0	138,407
Gross - Non-proportional reinsurance accepted	*R0230*	0	0	0	0
Reinsurers' share	*R0240*	0	0	0	0
Net	*R0300*	578,244	138,407	127	716,779
Claims incurred					
Gross - Direct Business	R0310	284,138	0	-20	284,118
Gross - Proportional reinsurance accepted	*R0320*	0	36,263	0	36,263
Gross - Non-proportional reinsurance accepted	*R0330*	0	0	0	0
Reinsurers' share	*R0340*	0	0	0	0
Net	*R0400*	284,138	36,263	-20	320,381
Net expenses incurred	*R0550*	278,419	83,836	220	362,475

IR.05.04.02- £'000
Non-life income and expenditure : reporting period

		All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)	All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)	General -Public & products Liability	Miscellaneous financial loss
		C0010	C0015	C0200	C0260
Income					
Premiums written					
Gross written premiums	R0110		744,257	0	744,257
Gross written premiums - insurance (direct)	R0111		618,925	0	618,925
Gross written premiums - accepted reinsurance	R0113		125,332	0	125,332
Net written premiums	R0160		744,257	0	744,257
Premiums earned and provision for unearned					
Gross earned premiums	R0210		716,779	0	716,779
Net earned premiums	R0220		716,779	0	716,779
Expenditure					
Claims incurred					
Gross (undiscounted) claims incurred	R0610		339,805	309	339,497
Gross (undiscounted) direct business	R0611		284,118	0	284,118
Gross (undiscounted) reinsurance accepted	R0612		36,263	0	36,263
Net (undiscounted) claims incurred	R0690		320,381	0	320,381
Net (discounted) claims incurred	R0730	320,381	320,381		
Analysis of expenses incurred					
Technical expenses incurred net of reinsurance ceded	R0910	362,475			
Acquisition costs, commissions, claims management costs	R0985	205,170	205,170	205,170	0
Other expenditure					
Other expenses	R1140	0			
Total expenditure	R1310	691,357			

IR.17.01.02- £'000
Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance		Total Non-Life obligation
Best estimate		General liability insurance	Miscellaneous financial loss	
Premium provisions		C0090	C0130	C0180
Gross - Total	R0060	0	(177,865)	(177,865)
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	0	0	0
Net Best Estimate of Premium Provisions	R0150	0	(177,865)	(177,865)
Claims provisions				
Gross - Total	R0160	262	15,593	15,855
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	0	0	0
Net Best Estimate of Claims Provisions	R0250	262	15,593	15,855
Total best estimate - gross	R0260	262	(162,273)	(162,010)
Total best estimate - net	R0270	262	(162,273)	(162,010)
Risk margin	R0280	0	6,014	6,014
Technical provisions - total (best estimate plus risk margin)				
Technical provisions - total	R0320	262	(156,259)	(155,996)
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	262	(156,259)	(155,996)

IR.19.01.21 - £000's
Non-Life insurance claims
Total Non-life business

Z0020	Accident year / underwriting year	Accident Year

Gross Claims Paid (non-cumulative) IR.19.01.21.02

(absolute amount)

		C0010	C0020	C0030		C0170	C0180
Year		**Development year**				**In Current year**	**Sum of years (cumulative)**
		0	1	2			
Prior	R0100					0	0
N-9	R0160	90,182	5,998	9		0	96,189
N-8	R0170	90,533	8,353	25		0	98,911
N-7	R0180	98,807	6,686	15		0	105,508
N-6	R0190	116,592	6,116	0		0	122,708
N-5	R0200	160,228	7,002	0		0	167,230
N-4	R0210	208,101	11,030	0		0	219,131
N-3	R0220	223,147	10,430	0		0	233,578
N-2	R0230	248,353	14,975	0		0	263,328
N-1	R0240	296,166	16,041			16,041	312,207
N	R0250	312,715				312,715	312,715
	R0260				**Total**	328,756	1,931,503

Gross undiscounted Best Estimate Claims Provisions IR.19.01.21.04

(absolute amount)

		C0200	C0210	C0220		C0360
Year		**Development year**				**Year end (discounted data)**
		0	1	2		
Prior	R0100					0
N-9	R0160	0	0	0		0
N-8	R0170	0	0	0		0
N-7	R0180	0	0	0		0
N-6	R0190	597	0	0		0
N-5	R0200	9,945	0	0		0
N-4	R0210	8,099	0	0		0
N-3	R0220	9,011	0	0		0
N-2	R0230	13,175	0	0		0
N-1	R0240	17,252	0			0
N	R0250	16,209				15,824
	R0260				**Total**	15,824

IR.19.01.21.22

	C0570	C0580
R0100	**Gross earned premium at reporting reference date**	**Estimate of future gross earned premium**
R0160	0	0
R0170	0	0
R0180	0	0
R0190	0	0
R0200	0	0
R0210	0	0
R0220	0	0
R0230	0	0
R0240	0	0
R0250	0	0
R0260		

IR.23.01.01 - £000's
Own Funds

Basic own funds		**Total**	**Tier 1 unrestricted**	**Tier 2**
		C0010	C0020	C0040
Ordinary share capital (gross of own shares)	R0010	4,700	4,700	0
Share premium account related to ordinary share capital	R0030	0	0	0
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	R0040	0	0	0
Subordinated mutual member accounts	R0050	0		0
Surplus funds	R0070	0	0	
Preference shares	R0090	0		0
Share premium account related to preference shares	R0110	0		0
Reconciliation reserve	R0130	113,865	113,865	
Subordinated liabilities	R0140	0		0
An amount equal to the value of net deferred tax assets	R0160	0		
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0.00

Total basic own funds	R0290	118,565	118,565	0

Ancillary own funds				
Unpaid and uncalled ordinary share capital callable on demand	R0300	0		
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0		
Unpaid and uncalled preference shares callable on demand	R0320	0		
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0		
Letters of credit and guarantees	R0340	30,000		30,000
Letters of credit and guarantees - other	R0350	0		
Supplementary members calls	R0360	0		
Supplementary members calls - other	R0370	0		
Other ancillary own funds	R0390	0		
Total ancillary own funds	R0400	30,000		30,000

Basic own funds		Total	Tier 1 unrestricted	Tier 2
Available and eligible own funds				
Total available own funds to meet the SCR	R0500	148,565	118,565	30,000
Total available own funds to meet the MCR	R0510	118,565	118,565	0
Total eligible own funds to meet the SCR	R0540	148,565	118,565	30,000
Total eligible own funds to meet the MCR	R0550	118,565	118,565	0
SCR	R0580	87,168		
MCR	R0600	39,226		
Ratio of Eligible own funds to SCR	R0620	170.43%		
Ratio of Eligible own funds to MCR	R0640	302.26%		

Reconciliation reserve		C0060
Excess of assets over liabilities	R0700	118,565
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	
Deductions for participations in financial and credit institutions	R0725	
Other basic own fund items	R0730	4,700
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring-fenced funds	R0740	0
Reconciliation reserve	R0760	113,865

IR.25.04.21 - £000's
Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

		C0010
Market risk		
Interest rate risk	R0070	4,686
Equity risk	R0080	6,619
Property risk	R0090	(0)
Spread risk	R0100	388
Concentration risk	R0110	106
Currency risk	R0120	8,679
Other market risk	R0125	0
Diversification within market risk	R0130	(6,483)
Total Market risk	R0140	13,995
Counterparty default risk		
Type 1 exposures	R0150	385
Type 2 exposures	R0160	4,466
Other counterparty risk	R0165	0
Diversification within counterparty default risk	R0170	(89)
Total Counterparty default risk	R0180	4,762
Non-life underwriting risk		
Non-life premium and reserve risk (ex catastrophe risk)	R0330	47,744
Non-life catastrophe risk	R0340	0
Lapse risk	R0350	73,550
Other non-life underwriting risk	R0355	0
Diversification within non-life underwriting risk	R0360	(33,607)
Non-life underwriting risk	R0370	87,687
Operational and other risks		
Operational risk	R0422	21,503
Other risks	R0424	0
Total Operational and other risks	R0430	21,503
Total before all diversification	R0432	168,127
Total before diversification between risk modules	R0434	127,947
Diversification between risk modules	R0436	(11,723)
Total after diversification	R0438	116,224
Loss absorbing capacity of technical provisions	R0440	0
Loss absorbing capacity of deferred tax	R0450	(29,056)
Other adjustments	R0455	0
Solvency capital requirement including undisclosed capital add-on	R0460	87,168
Disclosed capital add-on - excluding residual model limitation	R0472	0
Disclosed capital add-on - residual model limitation	R0474	0
Solvency capital requirement including capital add-on	R0480	87,168
Undisclosed capital add-on - residual model limitation	R0482	0

Capital add-on	R0484	0
Biting interest rate scenario	R0490	increase
Biting life lapse scenario	R0495	increase

	mkt	def	life	health	nl	SCR	ΣCorr x SCR
mkt	1	0.25	0.25	0.25	0.25	13,995	37,107
def	0.25	1	0.25	0.25	0.5	4,762	52,104
life	0.25	0.25	1	0.25	0	0	4,689
health	0.25	0.25	0.25	1	0	0	4,689
nl	0.25	0.5	0	0	1	87,687	93,567
					Solvency Capital Requirement - Standard Formula 3.1		94,721
							√ΣCorr x SCR x SCR

IR.28.01.01 - £000's
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

	C0010	
Linear formula component for non-life insurance and reinsurance obligations		
MCRNL Result	91,346	R0010

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	α	β	α.B + β.C
		C0020	C0030			
Medical expense insurance and proportional reinsurance	R0020	0	0	4.7%	4.7%	0
Income protection insurance and proportional reinsurance	R0030	0	0	13.1%	8.5%	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0	10.7%	7.5%	0
Motor vehicle liability insurance and proportional reinsurance	R0050	0	0	8.5%	9.4%	0
Other motor insurance and proportional reinsurance	R0060	0	0	7.5%	7.5%	0
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	0	10.3%	14.0%	0
Fire and other damage to property insurance and proportional reinsurance	R0080	0	0	9.4%	7.5%	0
General liability insurance and proportional reinsurance	R0090	262	0	10.3%	13.1%	27
Credit and suretyship insurance and proportional reinsurance	R0100	0	0	17.7%	11.3%	0
Legal expenses insurance and proportional reinsurance	R0110	0	0	11.3%	6.6%	0
Assistance and proportional reinsurance	R0120	0	0	18.6%	8.5%	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	748,517	18.6%	12.2%	91,319
Non-proportional health reinsurance	R0140	0	0	18.6%	15.9%	0
Non-proportional casualty reinsurance	R0150	0	0	18.6%	15.9%	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0	18.6%	15.9%	0
Non-proportional property reinsurance	R0170	0	0	18.6%	15.9%	0
					MCR 6.1	91,346

	C0040	
Linear formula component for life insurance and reinsurance obligations		
MCRL Result	0	R0200

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk		
		C0050	C0060		
Obligations with profit participation - guaranteed benefits	R0210	0		3.7%	0
Obligations with profit participation - future discretionary benefits	R0220	0		-5.2%	0
Index-linked and unit-linked insurance obligations	R0230	0		0.7%	0
Other life (re)insurance and health (re)insurance obligations	R0240	0		2.1%	0
Total capital at risk for all life (re)insurance obligations	R0250		0	0.07%	0
				MCR 3C	0

Overall MCR calculation	C0070	
Linear MCR	91,346	R0300
SCR	87,168	R0310
MCR cap	39,226	R0320
MCR floor	21,792	R0330
Combined MCR	39,226	R0340
Absolute floor of the MCR	2,400	R0350
Minimum Capital Requirement	39,226	R0400

DGIEU ANNEX – QUANTITATIVE REPORTING TEMPLATES (UNAUDITED)

The following templates form part of the published SFCR report:

S.02.01.02	Balance Sheet
S.05.01.02	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)
S.17.01.02	Non-life Technical Provisions
S.19.01.21	Non-life insurance claims information
S.23.01.01	Own funds (solo undertaking)
S.25.01.21	Solvency Capital Requirement – for undertakings on Standard Formula
S.28.01.01	Minimum Capital Requirement

All are in £000's

S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Goodwill	**R0010**	0
Deferred acquisition costs	**R0020**	0
Intangible assets	**R0030**	0
Deferred tax assets	**R0040**	0
Pension benefit surplus	**R0050**	0
Property, plant & equipment held for own use	**R0060**	1,126
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	18,026
Property (other than for own use)	**R0080**	0
Holdings in related undertakings, including participations	**R0090**	0
Equities	**R0100**	0
Equities - listed	**R0110**	0
Equities - unlisted	**R0120**	0
Bonds	**R0130**	18,026
Government Bonds	**R0140**	7,547
Corporate Bonds	**R0150**	10,479
Structured notes	**R0160**	0
Collateralised securities	**R0170**	0
Collective Investments Undertakings	**R0180**	0
Derivatives	**R0190**	0
Deposits other than cash equivalents	**R0200**	0
Other investments	**R0210**	0
Assets held for index-linked and unit-linked contracts	**R0220**	0
Loans and mortgages	**R0230**	0
Loans on policies	**R0240**	0
Loans and mortgages to individuals	**R0250**	0
Other loans and mortgages	**R0260**	0
Reinsurance recoverables from:	**R0270**	12,574
Non-life and health similar to non-life	**R0280**	12,574
Non-life excluding health	**R0290**	12,574
Health similar to non-life	**R0300**	0
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	0
Health similar to life	**R0320**	0
Life excluding health and index-linked and unit-linked	**R0330**	0
Life index-linked and unit-linked	**R0340**	0
Deposits to cedants	**R0350**	0
Insurance and intermediaries receivables	**R0360**	(148)
Reinsurance receivables	**R0370**	7,065
Receivables (trade, not insurance)	**R0380**	5,108
Own shares (held directly)	**R0390**	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	0
Cash and cash equivalents	**R0410**	9,125
Any other assets, not elsewhere shown	**R0420**	0
Total assets	**R0500**	52,876

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	(23,490)
Technical provisions – non-life (excluding health)	R0520	(23,490)
Technical provisions calculated as a whole	R0530	0
Best Estimate	R0540	(24,478)
Risk margin	R0550	988
Technical provisions - health (similar to non-life)	R0560	0
Technical provisions calculated as a whole	R0570	0
Best Estimate	R0580	0
Risk margin	R0590	0
Technical provisions - life (excluding index-linked and unit-linked)	R0600	0
Technical provisions - health (similar to life)	R0610	0
Technical provisions calculated as a whole	R0620	0
Best Estimate	R0630	0
Risk margin	R0640	0
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	0
Technical provisions calculated as a whole	R0660	0
Best Estimate	R0670	0
Risk margin	R0680	0
Technical provisions – index-linked and unit-linked	R0690	0
Technical provisions calculated as a whole	R0700	0
Best Estimate	R0710	0
Risk margin	R0720	0
Other technical provisions	R0730	0
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	8,699
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	9,043
Derivatives	R0790	0
Debts owed to credit institutions	R0800	1,865
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	4,999
Reinsurance payables	R0830	0
Payables (trade, not insurance)	R0840	0
Subordinated liabilities	R0850	0
Subordinated liabilities not in Basic Own Funds	R0860	0
Subordinated liabilities in Basic Own Funds	R0870	0
Any other liabilities, not elsewhere shown	R0880	21,674
Total liabilities	R0900	22,789
Excess of assets over liabilities	R1000	30,087

S.05.01.01
Premiums, claims and expenses by line of business

			Miscellaneous financial loss (12)	Total
			C0120	**C0200**
Premiums written				
Gross	Direct business	**R0110**	139,947	139,947
Gross	Proportional reinsurance accepted	**R0120**	0	0
Gross	Non-proportional reinsurance accepted	**R0130**		0
Reinsurers' share		**R0140**	121,789	121,789
Net		**R0200**	18,158	18,158
Premiums earned			0	0
Gross	Direct business	**R0210**	147,641	147,641
Gross	Proportional reinsurance accepted	**R0220**	0	0
Gross	Non-proportional reinsurance accepted	**R0230**		0
Reinsurers' share		**R0240**	131,739	131,739
Net		**R0300**	15,903	15,903
Claims incurred			0	0
Gross	Direct business	**R0310**	0	0
Gross	Proportional reinsurance accepted	**R0320**	0	0
Gross	Non-proportional reinsurance accepted	**R0330**		0
Reinsurers' share		**R0340**	34,791	34,791
Net		**R0400**	-34,791	-34,791
Changes in other technical provisions			0	0
Gross	Direct business	**R0410**	5,406	5,406
Gross	Proportional reinsurance accepted	**R0420**	0	0
Gross	Non-proportional reinsurance accepted	**R0430**		3,437
Reinsurers' share		**R0440**	0	0
Net		**R0500**	0	0
Expenses incurred		**R0550**	3,437	3,437
Administrative expenses			0	0
Gross	Direct business	**R0610**	0	0
Gross	Proportional reinsurance accepted	**R0620**	0	0
Gross	Non-proportional reinsurance accepted	**R0630**		0
Reinsurers' share		**R0640**	0	0
Net		**R0700**	0	0
Investment management expenses			0	0
Gross	Direct business	**R0710**	0	0
Gross	Proportional reinsurance accepted	**R0720**	0	0
Gross	Non-proportional reinsurance accepted	**R0730**		0
Reinsurers' share		**R0740**	0	0
Net		**R0800**	0	0
Claims management expenses			0	0
Gross	Direct business	**R0810**	72,180	72,180
Gross	Proportional reinsurance accepted	**R0820**	0	0
Gross	Non-proportional reinsurance accepted	**R0830**		0
Reinsurers' share		**R0840**	70,212	70,212
Net		**R0800**	1,969	1,969
Acquisition expenses			0	0
Gross	Direct business	**R0910**	0	0
Gross	Proportional reinsurance accepted	**R0920**	0	0
Gross	Non-proportional reinsurance accepted	**R0930**		0
Reinsurers' share		**R0940**	0	0
Net		**R01000**	0	0
Overhead expenses			0	0

Gross	Direct business	**R1010**	0	5,406
Gross	Proportional reinsurance accepted	**R1020**	0	0
Gross	Non-proportional reinsurance accepted	**R1030**		0
Reinsurers' share		**R1040**	0	45,288
Net		**R1000**	0	1,823
Other expenses		**R1200**		43,465
Total expenses		**R1300**		0

*All figures are presented in German GAAP

S.17.01.02 - £'000
Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance	**Total Non-Life obligation**
		Miscellaneous financial loss	
		C0130	C0180
Technical provisions calculated as a whole	R0010	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050	0	0
Technical provisions calculated as a sum of BE and RM			
Best estimate			
Premium provisions			
Gross	R0060	(27,435)	(27,435)
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	9,927	9,927
Net Best Estimate of Premium Provisions	R0150	(37,362)	(37,362)
Claims provisions			
Gross	R0160	2,957	2,957
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	2,647	2,647
Net Best Estimate of Claims Provisions	R0250	310	310
Total Best estimate - gross	R0260	(24,478)	(24,478)
Total Best estimate - net	R0270	(37,052)	(37,052)
Risk margin	R0280	988	988
Amount of the transitional on Technical Provisions			
Technical Provisions calculated as a whole	R0290	0	0
Best estimate	R0300	0	0
Risk margin	R0310	0	0
Technical provisions - total			
Technical provisions - total	R0320	(23,490)	(23,490)
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	12,574	12,574
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	(36,064)	(36,064)

S.19.01.21 - Non-life Insurance Claims Information

Gross Claims Paid (non-cumulative)

		S.19.01.01.01				S.19.01.01.02	
		Development year (absolute amount)				Current year, sum of years (cumulative)	
		0	1	2	3	In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0170	C0180
Prior	R0100						
N-14	R0110	0	0	0	0	0	0
N-13	R0120	0	0	0	0	0	0
N-12	R0130	0	0	0	0	0	0
N-11	R0140	0	0	0	0	0	0
N-10	R0150	0	0	0	0	0	0
N-9	R0160	0	0	0	0	0	0
N-8	R0170	0	0	0	0	0	0
N-7	R0180	0	0	0	0	0	0
N-6	R0190	0	0	0	0	0	0
N-5	R0200	831	368	0	0	0	1,199
N-4	R0210	17,196	3,556	0	0	0	20,752
N-3	R0220	37,080	2,558	0	0	0	39,638
N-2	R0230	38,253	2,655	0		0	40,909
N-1	R0240	40,286	2,661			2,661	42,948
N	R0250	35,951				35,951	35,951
Total	R0260					38,613	181,397

Gross undiscounted Best Estimate Claims Provisions

		S.19.01.01.03				S.19.01.01.04	
		Development year (absolute amount)				Current year, sum of years (cumulative)	
		0	1	2	3	In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0170	C0180
Prior	R0100						
N-14	R0110	0	0	0	0	0	0
N-13	R0120	0	0	0	0	0	0
N-12	R0130	0	0	0	0	0	0
N-11	R0140	0	0	0	0	0	0
N-10	R0150	0	0	0	0	0	0
N-9	R0160	0	0	0	0	0	0
N-8	R0170	0	0	0	0	0	0
N-7	R0180	0	0	0	0	0	0
N-6	R0190	0	0	0	0	0	0
N-5	R0200	0	0	0	0	0	0
N-4	R0210	1,552	0	0	0	0	1,552
N-3	R0220	4,677	0	0	0	0	4,677
N-2	R0230	3,622	0	0		0	3,622
N-1	R0240	3,112	0			0	3,112
N	R0250	2,989				2,989	2,989
Total	R0260					2,989	15,951

Gross Reported but not Settled Claims (RBNS)

S.19.01.01.05

		Development year (absolute amount)			
		0	1	2	3
		C0010	C0020	C0030	C0040
Prior	R0100				
N-14	R0110	0	0	0	0
N-13	R0120	0	0	0	0
N-12	R0130	0	0	0	0
N-11	R0140	0	0	0	0
N-10	R0150	0	0	0	0
N-9	R0160	0	0	0	0
N-8	R0170	0	0	0	0
N-7	R0180	0	0	0	0
N-6	R0190	0	0	0	0
N-5	R0200	0	0	0	0
N-4	R0210	0	0	0	0
N-3	R0220	0	0	0	0
N-2	R0230	0	0	0	
N-1	R0240	0	0		
N	R0250	0			
Total	R0260				

S.19.01.01.06

		Current year, sum of years (cumulative)	
		In Current year	Sum of years (cumulative)
		C0170	C0180
Prior	R0100		
N-14	R0110	0	0
N-13	R0120	0	0
N-12	R0130	0	0
N-11	R0140	0	0
N-10	R0150	0	0
N-9	R0160	0	0
N-8	R0170	0	0
N-7	R0180	0	0
N-6	R0190	0	0
N-5	R0200	0	0
N-4	R0210	0	0
N-3	R0220	0	0
N-2	R0230	0	0
N-1	R0240	0	0
N	R0250	0	0
Total	R0260	0	0

Reinsurance Recoveries received (non-cumulative)

S.19.01.01.07

		Development year (absolute amount)			
		0	1	2	3
		C0010	C0020	C0030	C0040
Prior	R0100				
N-14	R0110	0	0	0	0
N-13	R0120	0	0	0	0
N-12	R0130	0	0	0	0
N-11	R0140	0	0	0	0
N-10	R0150	0	0	0	0
N-9	R0160	0	0	0	0
N-8	R0170	0	0	0	0
N-7	R0180	0	0	0	0
N-6	R0190	0	0	0	0
N-5	R0200	0	0	0	0
N-4	R0210	0	0	0	0
N-3	R0220	0	0	0	0
N-2	R0230	0	0	0	
N-1	R0240	0	0		
N	R0250	0			
Total	R0260				

S.19.01.01.08

		Current year, sum of years (cumulative)	
		In Current year	Sum of years (cumulative)
		C0170	C0180
Prior	R0100		
N-14	R0110	0	0
N-13	R0120	0	0
N-12	R0130	0	0
N-11	R0140	0	0
N-10	R0150	0	0
N-9	R0160	0	0
N-8	R0170	0	0
N-7	R0180	0	0
N-6	R0190	0	0
N-5	R0200	0	0
N-4	R0210	0	0
N-3	R0220	0	0
N-2	R0230	0	0
N-1	R0240	0	0
N	R0250	0	0
Total	R0260	0	0

Undiscounted Best Estimate Claims Provisions - Reinsurance recoverable

S.19.01.01.09

		Development year (absolute amount)			
		0	1	2	3
		C0010	C0020	C0030	C0040
Prior	R0100				
N-14	R0110	0	0	0	0
N-13	R0120	0	0	0	0
N-12	R0130	0	0	0	0
N-11	R0140	0	0	0	0
N-10	R0150	0	0	0	0
N-9	R0160	0	0	0	0
N-8	R0170	0	0	0	0
N-7	R0180	0	0	0	0
N-6	R0190	0	0	0	0
N-5	R0200	0	0	0	0
N-4	R0210	0	0	0	0
N-3	R0220	0	0	0	0
N-2	R0230	0	0	0	
N-1	R0240	0	0		
N	R0250	0			
Total	R0260				

S.19.01.01.10

		Current year, sum of years (cumulative)	
		In Current year	Sum of years (cumulative)
		C0170	C0180
Prior	R0100		
N-14	R0110	0	0
N-13	R0120	0	0
N-12	R0130	0	0
N-11	R0140	0	0
N-10	R0150	0	0
N-9	R0160	0	0
N-8	R0170	0	0
N-7	R0180	0	0
N-6	R0190	0	0
N-5	R0200	0	0
N-4	R0210	0	0
N-3	R0220	0	0
N-2	R0230	0	0
N-1	R0240	0	0
N	R0250	0	0
Total	R0260	0	0

Reinsurance RBNS Claims

S.19.01.01.11

		Development year (absolute amount)			
		0	1	2	3
		C0010	C0020	C0030	C0040
Prior	R0100				
N-14	R0110	0	0	0	0
N-13	R0120	0	0	0	0
N-12	R0130	0	0	0	0
N-11	R0140	0	0	0	0
N-10	R0150	0	0	0	0
N-9	R0160	0	0	0	0
N-8	R0170	0	0	0	0
N-7	R0180	0	0	0	0
N-6	R0190	0	0	0	0
N-5	R0200	0	0	0	0
N-4	R0210	0	0	0	0
N-3	R0220	0	0	0	0
N-2	R0230	0	0	0	
N-1	R0240	0	0		
N	R0250	0			
Total	R0260				

S.19.01.01.12

		Current year, sum of years (cumulative)	
		In Current year	Sum of years (cumulative)
		C0170	C0180
Prior	R0100		
N-14	R0110	0	0
N-13	R0120	0	0
N-12	R0130	0	0
N-11	R0140	0	0
N-10	R0150	0	0
N-9	R0160	0	0
N-8	R0170	0	0
N-7	R0180	0	0
N-6	R0190	0	0
N-5	R0200	0	0
N-4	R0210	0	0
N-3	R0220	0	0
N-2	R0230	0	0
N-1	R0240	0	0
N	R0250	0	0
Total	R0260	0	0

Net Claims Paid (non-cumulative)

		S.19.01.01.13 Development year (absolute amount)				S.19.01.01.14 Current year, sum of years (cumulative)	
		0	1	2	3	In Current year	Sum of years (cumulative)
		C0010	**C0020**	**C0030**	**C0040**	**C0170**	**C0180**
Prior	**R0100**						
N-14	**R0110**	0	0	0	0	0	0
N-13	**R0120**	0	0	0	0	0	0
N-12	**R0130**	0	0	0	0	0	0
N-11	**R0140**	0	0	0	0	0	0
N-10	**R0150**	0	0	0	0	0	0
N-9	**R0160**	0	0	0	0	0	0
N-8	**R0170**	0	0	0	0	0	0
N-7	**R0180**	0	0	0	0	0	0
N-6	**R0190**	0	0	0	0	0	0
N-5	**R0200**	83	37	0	0	0	120
N-4	**R0210**	1,720	356	0	0	0	2,075
N-3	**R0220**	3,708	256	0	0	0	3,964
N-2	**R0230**	3,825	266	0		0	4,091
N-1	**R0240**	4,029	266			266	4,295
N	**R0250**	3,595				3,595	3,595
Total	**R0260**					3,861	18,140

Net Undiscounted Best Estimate Claims Provisions

		S.19.01.01.15 Development year (absolute amount)				S.19.01.01.16 Current year, sum of years (cumulative)	
		0	1	2	3	In Current year	Sum of years (cumulative)
		C0010	**C0020**	**C0030**	**C0040**	**C0170**	**C0180**
Prior	**R0100**						
N-14	**R0110**	0	0	0	0	0	0
N-13	**R0120**	0	0	0	0	0	0
N-12	**R0130**	0	0	0	0	0	0
N-11	**R0140**	0	0	0	0	0	0
N-10	**R0150**	0	0	0	0	0	0
N-9	**R0160**	0	0	0	0	0	0
N-8	**R0170**	0	0	0	0	0	0
N-7	**R0180**	0	0	0	0	0	0
N-6	**R0190**	0	0	0	0	0	0
N-5	**R0200**	0	0	0	0	0	0
N-4	**R0210**	211	0	0	0	0	211
N-3	**R0220**	718	0	0	0	0	718
N-2	**R0230**	499	0	0		0	499
N-1	**R0240**	317	0			0	317
N	**R0250**	304				304	304
Total	**R0260**					304	2,048

S.23.01.01

Own funds

		Total	Tier 1 - unrestricted	Tier 2	Tier 3
		C0010	C0020	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35					
Ordinary share capital (gross of own shares)	R0010	2,134	2,134	0	
Share premium account related to ordinary share capital	R0030	209	209	0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0	0	0	
Subordinated mutual member accounts	R0050	0		0	0
Surplus funds	R0070	0	0		
Preference shares	R0090	0		0	0
Share premium account related to preference shares	R0110	0		0	0
Reconciliation reserve	R0130	27,744	27,744		
Subordinated liabilities	R0140	0		0	0
An amount equal to the value of net deferred tax assets	R0160	0			0
Other items approved by supervisory authority as basic own funds not specified above	R0180	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0			
Deductions					
Deductions for participations in financial and credit institutions	R0230	0	0	0	0
Total basic own funds after deductions	R0290	30,087	30,087	0	0
Ancillary own funds					
Unpaid and uncalled ordinary share capital callable on demand	R0300	0		0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0		0	
Unpaid and uncalled preference shares callable on demand	R0320	0		0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0		0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0		0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0		0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0		0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0		0	0
Other ancillary own funds	R0390	0		0	0

		Total	Tier 1 - unrestricted	Tier 2	Tier 3
		C0010	C0020	C0040	C0050
Total ancillary own funds	**R0400**	0		0	0
Available and eligible own funds					
Total available own funds to meet the SCR	**R0500**	30,087	30,087	0	0
Total available own funds to meet the MCR	**R0510**	30,087	30,087	0	
Total eligible own funds to meet the SCR	**R0540**	30,087	30,087	0	0
Total eligible own funds to meet the MCR	**R0550**	30,087	30,087	0	
SCR	**R0580**	8,220			
MCR	**R0600**	2,259			
Ratio of Eligible own funds to SCR	**R0620**	366.00%			
Ratio of Eligible own funds to MCR	**R0640**	1331.74%			

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	30,087
Own shares (held directly and indirectly)	**R0710**	0
Foreseeable dividends, distributions and charges	**R0720**	0
Other basic own fund items	**R0730**	2,343
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring-fenced funds	**R0740**	0
Reconciliation reserve	**R0760**	27,744
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	0
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	17,599
Total Expected profits included in future premiums (EPIFP)	**R0790**	17,599

S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

Article 112	Z0010	2 - Regular reporting

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	1,216	1,216	0
Counterparty default risk	R0020	3,541	3,541	0
Life underwriting risk	R0030	0	0	0
Health underwriting risk	R0040	0	0	0
Non-life underwriting risk	R0050	5,621	5,621	0
Diversification	R0060	-1,947	-1,947	0
Intangible asset risk	R0070	0	0	0
Basic Solvency Capital Requirement	R0100	8,431	8,431	0

Calculation of Solvency Capital Requirement		C0100
Adjustment due to RFF/MAP nSCR aggregation	R0120	
Operational risk	R0130	2,529
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	(2,740)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency Capital Requirement excluding capital add-on	R0200	8,220
Capital add-on already set	R0210	0
Solvency capital requirement for undertakings under consolidated method	R0220	8,220
Other information on SCR		0
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	4 - No adjustment
Net future discretionary benefits	R0460	0

S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	R0010	1,749

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	0	0
Income protection insurance and proportional reinsurance	R0030	0	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	0	0
Other motor insurance and proportional reinsurance	R0060	0	0
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	0
Fire and other damage to property insurance and proportional reinsurance	R0080	0	0
General liability insurance and proportional reinsurance	R0090	0	0
Credit and suretyship insurance and proportional reinsurance	R0100	0	0
Legal expenses insurance and proportional reinsurance	R0110	0	0
Assistance and proportional reinsurance	R0120	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	14,337
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	0	0

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	0

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	0	0
Obligations with profit participation - future discretionary benefits	R0220	0	0
Index-linked and unit-linked insurance obligations	R0230	0	0
Other life (re)insurance and health (re)insurance obligations	R0240	0	0
Total capital at risk for all life (re)insurance obligations	R0250	0	0

Overall MCR calculation

		C0070
Linear MCR	R0300	1,749
SCR	R0310	8,220
MCR cap	R0320	3,699
MCR floor	R0330	2,055
Combined MCR	R0340	2,055
Absolute floor of the MCR	R0350	2,259
Minimum Capital Requirement	R0400	2,259

DGI Group ANNEX – QUANTITATIVE REPORTING TEMPLATES

The following templates form part of the published SFCR report:

IR.02.01.02	Balance sheet
IR.05.02.01	Premiums, claims and expenses by country
IR.05.04.02	Non-life income and expenditure: reporting period
IR.23.01.04	Own Funds
IR.25.04.22	Solvency Capital Requirement
IR.32.01.22	Undertakings in the scope of the group

All are in £000's

IR.02.01.02 - £000's
Balance sheet

		Solvency II value
Assets		C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	0
Deferred tax assets	R0040	5,089
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	1,126
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	49,609
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	8,925
Equities	R0100	0
Equities - listed	R0110	0
Equities - unlisted	R0120	0
Bonds	R0130	37,933
Government Bonds	R0140	16,157
Corporate Bonds	R0150	21,776
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	0
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	2,751
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	0
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	0
Reinsurance recoverables from:	R0270	0
Non-life and health similar to non-life	R0280	0
Life and health similar to life, excluding index-linked and unit-linked	R0315	0
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	8,652
Reinsurance receivables	R0370	0
Receivables (trade, not insurance)	R0380	3,756
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	11,766
Any other assets, not elsewhere shown	R0420	22,169
Total assets	**R0500**	**102,167**

		Solvency II value
Liabilities		C0010
Technical provisions - total	**R0505**	**(192,204)**
Technical provisions - non-life	R0510	(192,204)
Technical provisions - life	R0515	0
Best estimate - total	**R0542**	**(199,206)**
Best estimate - non-life	R0544	(199,206)
Risk margin - non-life	R0554	7,002
Risk margin - life	R0556	0
Transitional (TMTP) - life	**R0565**	**0**
Other technical provisions	R0730	
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	13,287
Derivatives	R0790	0
Debts owed to credit institutions	R0800	2,034
Financial liabilities other than debts owed to credit institutions	R0810	5,459
Insurance & intermediaries payables	R0820	50,481
Reinsurance payables	R0830	0
Payables (trade, not insurance)	R0840	18,524
Subordinated liabilities	R0850	0
Subordinated liabilities not in Basic Own Funds	R0860	0
Subordinated liabilities in Basic Own Funds	R0870	0
Any other liabilities, not elsewhere shown	R0880	51,546
Total liabilities	**R0900**	**(50,873)**
Excess of assets over liabilities	**R1000**	**153,041**

IR.05.02.01 - £000’s
Premiums, claims and expenses by country

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
Non-life		**Home Country**	**Top 5 countries (by amount of gross premiums written) - non-life obligations**					**Total Top 5 and home country**
	R0010		**ES**	**DE**	**PT**	**FR**	**NL**	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	*R0110*	618,925	24,074	38,407	68,027	5,116	3,397	757,946
Gross - Proportional reinsurance accepted	*R0120*	0	0	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	*R0130*	0	0	0	0	0	0	0
Reinsurers' share	*R0140*	0	0	0	0	0	0	0
Net	*R0200*	618,925	24,074	38,407	68,027	5,116	3,397	757,946
Premiums earned								
Gross - Direct Business	*R0210*	578,244	43,788	37,706	64,481	4,792	3,509	732,520
Gross - Proportional reinsurance accepted	*R0220*	0	0	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	*R0230*	0	0	0	0	0	0	0
Reinsurers' share	*R0240*	0	0	0	0	0	0	0
Net	*R0300*	578,244	43,788	37,706	64,481	4,792	3,509	732,520
Claims incurred								
Gross - Direct Business	*R0310*	291,392	14,103	8,791	12,194	1,962	1,370	329,811
Gross - Proportional reinsurance accepted	*R0320*	0	0	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	*R0330*	0	0	0	0	0	0	0
Reinsurers' share	*R0340*	0	0	0	0	0	0	0
Net	*R0400*	291,392	14,103	8,791	12,194	1,962	1,370	329,811
Net expenses incurred	**R0550**	268,827	28,071	20,544	38,390	2,347	1,469	359,648

IR.05.04.02 - £000's
Non-life income and expenditure : reporting period

		All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)	All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)	Non-life insurance and accepted proportional reinsurance obligations - Miscellaneous financial loss
		C0010	C0015	C0260
Income				
Premiums written				
Gross written premiums	R0110		762,815	762,815
Gross written premiums - insurance (direct)	R0111		762,815	762,815
Gross written premiums - accepted reinsurance	R0113		0	0
Net written premiums	R0160		762,815	762,815
Premiums earned and provision for unearned				
Gross earned premiums	R0210		736,804	736,804
Net earned premiums	R0220		736,804	736,804
Expenditure				
Claims incurred				
Gross (undiscounted) claims incurred	R0610		331,666	331,666
Gross (undiscounted) direct business	R0611		331,666	331,666
Gross (undiscounted) reinsurance accepted	R0612		0	0
Net (undiscounted) claims incurred	R0690		331,666	331,666
Net (discounted) claims incurred	R0730	331,666	331,666	
Analysis of expenses incurred				
Technical expenses incurred net of reinsurance ceded	R0910	0		
Acquisition costs, commissions, claims management costs	R0985	173,938	173,938	173,938
Other expenditure				
Other expenses	R1140	192,491		
Total expenditure	R1310	698,095		

IR.23.01.04 - £000's
Own Funds

Basic own funds		**Total**	**Tier 1 unrestricted**	**Tier 2**
		C0010	C0020	C0040
Ordinary share capital (gross of own shares)	R0010	238,738	238,738	0
Non-available called but not paid in ordinary share capital at group level	R0020	0	0	0
Share premium account related to ordinary share capital	R0030	0	0	0
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	R0040	0	0	0
Subordinated mutual member accounts	R0050	0	0	0
Non-available subordinated mutual member accounts at group level	R0060	0	0	0
Surplus funds	R0070	0	0	
Non-available surplus funds at group level	R0080	0	0	
Preference shares	R0090	0		0
Non-available preference shares at group level	R0100	0		0
Share premium account related to preference shares	R0110	0		0
Non-available share premium account related to preference shares at group level	R0120	0		0
Reconciliation reserve	R0130	(85,697)	(85,697)	0
Subordinated liabilities	R0140	0		0
Non-available subordinated liabilities at group level	R0150	0		0
An amount equal to the value of net deferred tax assets	R0160	0		
The amount equal to the value of net deferred tax assets not available at the group level	R0170	0		
Other items approved by supervisory authority as basic own funds not specified above	R0180	0	0	0
Non available own funds related to other own funds items approved by supervisory authority	R0190	0	0	0
Minority interests (if not reported as part of a specific own fund item)	R0200	0	0	0
Non-available minority interests at group level	R0210	0	0	0

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as own funds

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as own funds	R0220	0

Deductions				
Deductions for participations where there is non-availability of information	R0250	0	0	0
Deduction for participations included by using D&A when a combination of methods is used	R0260	0	0	0
Total of non-available own fund items	R0270	0	0	0
Total deductions	R0280	0	0	0

Total basic own funds after deductions	R0290	153,041	153,041	0

Basic own funds		Total	Tier 1 unrestricted	Tier 2
		C0010	C0020	C0040
Ancillary own funds				
Unpaid and uncalled ordinary share capital callable on demand	R0300	0		0
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0		0
Unpaid and uncalled preference shares callable on demand	R0320	0		0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0		0
Letters of credit and guarantees	R0340	30,000		30,000
Letters of credit and guarantees - other	R0350	0		0
Supplementary members calls	R0360	0		0
Supplementary members calls - other	R0370	0		0
Non available ancillary own funds at group level	R0380	0		0
Other ancillary own funds	R0390	0		0
Total ancillary own funds	R0400	30,000		30,000
Own funds of other financial sectors				
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies - total	R0410	0	0	0
Institutions for occupational retirement provision	R0420	0	0	0
Non regulated entities carrying out financial activities	R0430	0	0	0
Total own funds of other financial sectors	R0440	0	0	0
Own funds when using the D&A, exclusively or in combination of method 1				
Own funds aggregated when using the D&A and combination of method	R0450	0	0	0
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	0	0	0
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	183,041	153,041	30,000
Total available own funds to meet the minimum consolidated group SCR	R0530	153,041	153,041	0
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	183,041	153,041	30,000
Total eligible own funds to meet the minimum consolidated group SCR (group)	R0570	153,041	153,041	0

Basic own funds		**Total**	**Tier 1 unrestricted**	**Tier 2**
		C0010	C0020	C0040
Consolidated Group SCR	R0590	96,902		
Minimum consolidated Group SCR	R0610	41,485		
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)	R0630	0		
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	369%		
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	183,041	153,041	30,000
SCR for entities included with D&A method	R0670	0		
Group SCR	R0680	96,902		
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	189%		

Reconciliation reserve		C0060
Excess of assets over liabilities	R0700	153,041
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	0
Deductions for participations in financial and credit institutions	R0725	0
Other basic own fund items	R0730	238,738
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring-fenced funds	R0740	0
Other non-available own funds	R0750	0
Reconciliation reserve	R0760	(85,697)

IR.25.04.22
Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

		C0010
Market risk		
Interest rate risk	R0070	5,164
Equity risk	R0080	0
Property risk	R0090	282
Spread risk	R0100	766
Concentration risk	R0110	1,021
Currency risk	R0120	9,612
Other market risk	R0125	0
Diversification within market risk	R0130	(4,563)
Total Market risk	**R0140**	**12,282**
Counterparty default risk		
Type 1 exposures	R0150	752
Type 2 exposures	R0160	4,785
Other counterparty risk	R0165	0
Diversification within counterparty default risk	R0170	(165)
Total Counterparty default risk	**R0180**	**5,372**
Non-life underwriting risk		
Non-life premium and reserve risk (ex-catastrophe risk)	R0330	46,880
Non-life catastrophe risk	R0340	0
Lapse risk	R0350	77,737
Other non-life underwriting risk	R0355	0
Diversification within non-life underwriting risk	R0360	(33,838)
Total Non-life underwriting risk	R0370	90,778
Operational and other risks		
Operational risk	R0422	22,108
Other risks	R0424	0
Total Operational and other risks	R0430	22,108
Total before all diversification	R0432	169,107
Total before diversification between risk modules	R0434	130,541
Diversification between risk modules	R0436	(10,972)
Total after diversification	R0438	119,569

		C0010
Loss absorbing capacity of technical provisions	R0440	0
Loss absorbing capacity of deferred tax	R0450	(29,892)
Other adjustments	R0455	0
Solvency capital requirement including undisclosed capital add-on	R0460	89,677
Disclosed capital add-on - excluding residual model limitation	R0472	0
Disclosed capital add-on - residual model limitation	R0474	0
Solvency capital requirement including capital add-on	R0480	89,677
Undisclosed capital add-on - residual model limitation	R0482	0
Capital add-on	R0484	0
Biting interest rate scenario	R0490	increase
Biting life lapse scenario	R0495	increase
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	0
Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	0
Institutions for occupational retirement provisions	R0520	0
Capital requirement for non- regulated entities carrying out financial activities	R0530	0
Capital requirement for non-controlled participation requirements	R0540	0
Capital requirement for residual undertakings	R0550	7,226
Overall SCR		
Solvency capital requirement (consolidation method)	R0555	**96,902**
SCR for undertakings included via D and A	R0560	0
SCR for sub-groups included via D and A	R0565	0
Solvency capital requirement	R0570	**96,902**

IR.32.01.22
Undertakings in the scope of the group

Country	Identification code and type of code of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights		Level of influence	Proportional share used for group solvency calculation	Inclusion in the scope of Group supervision (Yes/No)	Date of decision if excluded	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
JERSEY	LEI/213800P22ZBPONCRBR53	Domestic & General Acquisitions Limited	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	LTD	Non-mutual	PRA	100%	100%	100%		Dominant	100%	Yes	N/A	Method 1: Full consolidation
UNITED KINGDOM	LEI/254900G3S1VMXRQ9I612	Domestic & General Group Limited	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	LTD	Non-mutual	PRA	100%	100%	100%		Dominant	100%	Yes	N/A	Method 1: Full consolidation
UNITED KINGDOM	LEI/21380059P63GBU6TUF44	Domestic & General Insurance PLC	Non-Life undertakings	PLC	Non-mutual	PRA	100%	100%	100%		Dominant	100%	Yes	N/A	Method 1: Full consolidation
UNITED KINGDOM	SC/213800P22ZBPONCRBR53GB45306	Copleys Limited	Other	LTD	Non-mutual	PRA	100%	100%	100%		Dominant	100%	Yes	N/A	Method 1: Adjusted equity method
UNITED KINGDOM	SC/312303	Inkish Financial Services Limited	Other	LTD	Non-mutual	PRA	100%	100%	100%		Dominant	100%	Yes	N/A	Method 1: Adjusted equity method
UNITED KINGDOM	SC/460661	Domestic & General Insurance Services Limited	Other	LTD	Non-mutual	PRA	100%	100%	100%		Dominant	100%	Yes	N/A	Method 1: Adjusted equity method
ITALY	SC/213800P22ZBPONCRBR53IT91622	Servizi Domestic & General Italia S.r.l (Italian Company)	Other	SRL	Non-mutual	PRA	100%	100%	100%		Dominant	100%	Yes	N/A	Method 1: Adjusted equity method
AUSTRALIA	SC/213800P22ZBPONCRBR53AU21032	Domestic & General Services Pty Ltd (Australian Company)	Other	LTD	Non-mutual	PRA	100%	100%	100%		Dominant	100%	Yes	N/A	Method 1: Adjusted equity method
SPAIN	SC/213800P22ZBPONCRBR53ES12345	Servicios Domestic & General Espana S.L. (Spanish Company)	Other	SL	Non-mutual	PRA	100%	100%	100%		Dominant	100%	Yes	N/A	Method 1: Adjusted equity method
GERMANY	SC/213800P22ZBPONCRBR53DE54321	Domesti & General Service Gmbh (German Company)	Other	GMBH	Non-mutual	PRA	100%	100%	100%		Dominant	100%	Yes	N/A	Method 1: Adjusted equity method
GERMANY	LEI/391200XMCIX2BEXRSI58	Domestic & General Insurance Europe AG	Non-Life undertakings	AG	Non-mutual	BAFin	100%	100%	100%		Dominant	100%	Yes	N/A	Method 1: Full consolidation