



Update on 2019 preliminary results

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Admiral Group ("Admiral" or "The Group") anticipates a strong 2019 profit before tax due to higher than expected reserve releases in UK motor insurance.

Based on preliminary figures, Admiral expects to post a Group profit before tax for 2019 in the range of £510 to £540 million, approximately 6% to 13% higher than 2018's result.

The higher than expected profit is due to unusually positive development, during 2019, in the cost of UK motor bodily injury claims from a number of prior underwriting years. This has led to elevated reserve releases and profit commission revenue. Clarity over the new Personal Injury Discount Rate (the 'Ogden' rate) in July 2019 led to an increase in the number of large claims settling in 2019 compared to recent years which contributed to the level of releases. There has been no change to Admiral's prudent approach to reserving.

Current year profitability continues to be impacted by higher levels of claims inflation during 2019 and as a result, Admiral expects its 2019 loss ratio to be higher than recent years. The Group's UK motor insurance business grew marginally in customer numbers during 2019.

On the basis of these preliminary results and strong solvency position, the proposed final dividend for 2019 is expected to be in the range of 73 to 78 pence per share.

To recognise the contribution of Admiral's employees to the strong results, all Group staff ^{*1} will receive a special cash bonus of £500 (approximately £6 million in total) in the first half of 2020.

Figures shown in this release are preliminary and subject to completion of internal governance processes and external audit. Admiral will publish its final 2019 results on Thursday 5th March 2020.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014.

^{*1}Excluding Executive Directors