



Source: Admiral Group PLC

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Half-year report

15 August 2024

2024 Interim Results Highlights

Admiral Group reports strong growth and increased profits for H1 2024

	Six months ended:		
	30 June 2024	30 June 2023	% change vs. 2023
Group profit before tax	£309.8m	£233.9m	+32%
Earnings per share	77.5p	57.6p	+35%
Interim dividend per share	71.0p	51.0p	+39%
Return on equity ^{*1}	45%	39%	+6pts
Group turnover ^{*1}	£3.21bn	£2.24bn	+43%
Insurance revenue	£2.21bn	£1.61bn	+38%
Group customers ^{*1}	10.53m	9.41m	+12%
UK insurance customers ^{*1}	8.23m	7.01m	+17%
International insurance customers ^{*1}	2.12m	2.21m	-4%
Admiral Money gross loan balances	£1.03bn	£1.03bn	—
Solvency ratio (post-dividend) ^{*1}	198%	182%	+16pts

^{*1} Alternative Performance Measures – refer to the end of the report for definition and explanation.

Over 12,500 employees each receive free share awards worth up to £1,800 under the employee share scheme based on the interim 2024 results.

Comment from Milena Mondini de Focatiis, Group Chief Executive Officer:

“We have delivered a strong set of results in the first half, growing profits, revenues and customer numbers, demonstrating our resilience and agility in changing market dynamics.

“Given our earlier pricing response to inflation in previous years, we have been able to be more competitive in H1 and this helped grow our customer base 12 per cent to 10.5 million. This was driven by a record 5.5 million vehicles on cover in the UK and nearly half a million more customers across other product lines in the UK.

“Our Group turnover increased 43 per cent to £3.2 billion and Group profit has increased by 32 per cent to £310 million, led by strong UK Motor performance. We maintained a strong capital position with a solvency ratio of 198 per cent after a higher interim dividend per share of 71p.

“We continue to evolve our core technical competences leveraging new data and technology. Our focus now is on unlocking the benefit for our customers of scaled agile for faster delivery and enhancing our capabilities in AI application.

“I am pleased to announce that our science-based targets have been approved by the SBTi and our ESG score was recently upgraded to AAA by MSCI.

“Looking ahead, we remain well-positioned for continued success.

“As always, I am particularly proud of our people and hearing how they have been there for our customers. Because of their hard work, they have been an instrumental part of our financial strength and our success so far.”

Dividend

The Board has declared an interim dividend of 71.0 pence per share (2023 interim: 51.0 pence per share) representing a normal dividend (65% of post-tax profits) of 51.3 pence per share and a special dividend of 19.7 pence per share. The interim dividend will be paid on 4 October 2024. The ex-dividend date is 5 September 2024 and the record date is 6 September 2024.

Management presentation

Analysts and investors will be able to access the Admiral Group management presentation which commences at 9.30 BST on Thursday 15 August 2024 by registering at the following link to attend the presentation in person, or access the presentation live via webcast or conference call: [2024 Interim Results | Admiral Group Plc](#). A copy of the presentation slides will be available at the following link: [Results, reports and presentations | Admiral Group Plc](#) (www.admiralgroup.co.uk).

H1 2024 Group overview

£m	30 June 2024	30 June 2023	% change vs. 2023*4
Group turnover (£bn) ^{*1*3}	3.21	2.24	+43%
Net insurance and investment result	280.9	181.4	+55%
Net interest income from financial services	36.3	31.7	+14%
Other income and expenses	6.5	27.1	-76%
Operating profit	323.7	240.2	+35%
Group profit before tax	309.8	233.9	+32%

Analysis of profit

UK Insurance	363.3	303.9	+20%
International Insurance	1.7	(7.6)	nm
International Insurance – European Motor	1.1	4.7	-77%
International Insurance – US Motor	3.0	(10.4)	nm
International Insurance – Other	(2.4)	(1.9)	-27%
Admiral Money	6.8	2.7	+154%
Other	(62.0)	(65.1)	+5%
Group profit before tax	309.8	233.9	+32%

Key metrics

Reported Group loss ratio ^{*1*2}	57.3%	63.5%	+6pts
Reported Group expense ratio ^{*1*2}	23.1%	26.3%	+3pts
Reported Group combined ratio ^{*1*2}	80.4%	89.8%	+9pts
Insurance service margin ^{*1*2}	11.9%	10.7%	+1pts
Customer numbers (million) ^{*1}	10.53	9.41	+12%
Earnings per share	77.5p	57.6p	+35%
Dividend per share	71.0p	51.0p	+39%
Return on equity ^{*1}	45%	39%	+6pts
Solvency ratio ^{*1}	198%	182%	+16pts

*1 Alternative Performance Measures – refer to the end of the report for definition and explanation.

*2 Reported Group loss and expense ratios are calculated on a basis inclusive of all insurance revenue – this includes insurance premium revenue, net of excess of loss reinsurance plus revenue from underwritten ancillaries, an allocation of instalment income and administration fees/related commissions. See glossary for an explanation of the ratios and Appendix 1a for a reconciliation of reported loss and expense ratios, and insurance service margin, to the financial statements.

*3 Refer to note 14 for reconciliation to statutory income statement measures.

*4 For % change vs 2023, + shows favourable movements, - shows unfavourable movements. Nm – not meaningful.

Group Highlights

Admiral reports strong growth in its UK motor insurance business and increased profits for the first half of 2024. Highlights are as follows:

- 10.53 million Group customers at 30 June 2024, a 12% increase driven by UK Motor where over the past six months Admiral's prices were very competitive relative to the market
- Group turnover 43% higher driven both by growth in the number of customers and the impact of higher average premiums across the Group
- Group pre-tax profits of £310 million, 32% higher than the first half of 2023, driven by an improved current year underwriting performance and continued significant prior period releases
- The UK Insurance business generated strong year-on-year growth in customers (+17%) and turnover (+57%). The increase in turnover is due to the significant rate increases in 2022 and 2023 in response to the elevated claims inflation experienced over the past few years. Admiral decreased rates modestly around the start of 2024 as market rates were still increasing, leading to an improved competitive position and significant growth in UK Motor customer numbers
- UK Insurance profit was £363 million, 20% higher than H1 2023 (£304 million), as a result of the higher average premiums now earning through which positively impacted the current period combined ratio, along with continued significant releases of prior period claims reserves
- Positive performance from UK Household, with pre-tax profit of £11 million (H1 2023: £9 million) driven by favourable prior year development and an improved current year combined ratio. Customer numbers grew by 8% to 1.8 million
- The More Than acquisition completed in March 2024, with renewals having started in late July 2024 for UK Household and due to commence later in August for UK Pet
- An improved International Insurance result (profit of £2 million v loss of £8 million in H1 2023), featuring a positive result in US Motor and a small profit in European Motor. The result includes the adverse impact of updating Italian reserves for the recent Milan court update on injury claims costs
- Another encouraging period for Admiral Money, where loan balances were flat half-year on half-year, but higher than 31 December 2023, and profit increased to £6.8 million (H1 2023: £2.7 million).

Earnings per share

Earnings per share for the first half of 2024 is 77.5 pence (H1 2023: 57.6 pence), with the increase of 35% slightly higher than the growth in pre-tax profit (32%). This is as a result of a lower effective tax rate in the first half of 2024.

Return on equity

The Group's return on equity was 45% in the first half of 2024, 6 points higher than the 39% reported for H1 2023. The increase is the result of significantly higher profit recognised in H1 2024, partially offset by higher average equity.

Dividends and solvency

The Group's dividend policy is to pay 65% of post-tax profits as a normal dividend and to pay a further special dividend comprising earnings not required to be held in the Group for solvency, buffers or purchasing shares for the Group's employee share plans. No shares are expected to be purchased for the share plans until 2026.

The Board has declared an interim dividend of 71.0 pence per share (approximately £213 million) split as follows:

- 51.3 pence per share normal dividend
- A special dividend of 19.7 pence per share

The 2024 interim dividend reflects a pay-out ratio of 92% of earnings per share. 71.0 pence per share is 39% higher than the interim 2023 dividend (51.0 pence per share), in line with the growth in earnings per share.

The 2024 interim dividend payment date is 4 October 2024, ex-dividend date 5 September 2024 and record date 6 September 2024.

The Group reports a strong post-dividend solvency ratio of 198%. The ratio has decreased by 2 percentage points compared to the end of 2023, the strong underwriting performance in UK Motor being more than offset by a reduction of circa 11 points as a result of the exclusion of intangible assets recognised from the More Than acquisition, and an increase in the solvency capital requirement as a result of growth in the business.

The Group's results are presented in the following sections:

- UK Insurance – including UK Motor (Car and Van), Household, Travel and Pet
- International Insurance – including L'olivier (France), Admiral Seguros (Spain), ConTe (Italy), and Elephant (US)
- Admiral Money
- Other Group Items – including Admiral Pioneer and other central costs

Economic background

Whilst remaining higher than its long-term average, the elevated inflation observed over the course of 2022 and 2023 appeared to be reducing in the first half of the year, including in the Group's main UK market. Price increases implemented to mitigate the impact of the higher inflation have resulted in a stronger current period underwriting performance compared to the prior year, particularly in UK Motor.

Admiral focuses on medium term profitability and has maintained a disciplined approach to business volumes. The customer base in UK Motor grew significantly in H1 2024 as price reductions by Admiral around the start of the year significantly improved the competitive position. The Group continues to set claims reserves prudently.

Admiral Money continuously evolves its underwriting criteria to reflect the macroeconomic environment. The business continues to hold appropriately cautious provisions for credit losses.

UK Insurance

			31
£m	30 June	30 June	December
	2024	2023	2023
Turnover ^{*1}	2,675.2	1,708.3	3,776.0
Total premiums written ^{*1}	2,511.6	1,581.9	3,502.6
Insurance revenue	1,761.3	1,178.9	2,596.9
Underwriting result including net investment income ^{*1}	293.1	217.5	438.6
Co-insurer profit commission and net other revenue	70.2	86.4	157.9
UK Insurance profit before tax ^{*1}	363.3	303.9	596.5

^{*1} Alternative Performance Measures – refer to the end of this report for definition and explanation.

Split of UK Insurance profit before tax

			31
£m	30 June	30 June	December
	2024	2023	2023
Motor	358.9	298.2	593.3
Household	11.3	8.7	7.9
Travel and Pet	(6.9)	(3.0)	(4.7)
UK Insurance profit before tax	363.3	303.9	596.5

Key performance indicators

			31
	30 June	30 June	December
	2024	2023	2023
Vehicles insured at period end	5.48m	4.76m	4.94m
Households insured at period end	1.81m	1.67m	1.76m
Travel and Pet policies at period end	0.94m	0.58m	0.69m
Total UK Insurance customers	8.23m	7.01m	7.39m

Highlights for the UK Insurance business include:

- **In UK Motor Insurance:**
 - An increase in customer numbers of 15% to 5.48 million compared to a year earlier (30 June 2023: 4.76 million). As noted above, after a period of prices moving higher to address significant claims inflation, Admiral reduced prices around the start of the year and significantly improved competitiveness. Turnover increased as a result by 58% to £2.4bn (H1 2023: £1.5bn)
 - Profit growth of 20% to £358.9 million (v £298.2 million) as a result of higher earned premiums contributing to a strong current period underwriting result, along with continued significant reserve releases on prior periods.
- **In UK Household Insurance:**
 - An increase in customer numbers of 8% to 1.81 million compared to a year earlier (30 June 2023: 1.67 million), with growth continuing despite further rate increases in response to high inflation. Turnover increased as a result by 37% to £214.6 million (H1 2023: £156.6 million)
 - Profit growth of 31% to £11.3 million (v £8.7 million) as a result of strong releases on back year reserves, along with a lower current period combined ratio driven by the higher earned premiums and relatively benign weather.
- **In UK Travel and Pet Insurance:**
 - Both business lines continued to grow customers and turnover. The Travel result was slightly better than break-even, whilst the increased loss in Pet was largely due to around £3 million of IT integration costs in relation to the More Than acquisition.
- **Acquisition of More Than:**
 - In March 2024, the Group completed its first significant acquisition of the direct Household and Pet insurance renewal rights, the More Than brand and the transfer of circa 300 colleagues from Royal Sun Alliance ('RSA'). Liabilities relating to existing policies and those up to renewal remain with RSA
 - The integration of the business is progressing well, with renewals having commenced in July 2024 for Household and due to start in later in August 2024 for Pet. The H1 2024 results therefore do not include any premium income or claims costs in relation to the acquired business. See note 13 to the financial statements for further details.

UK Motor Insurance

			31
	30 June	30 June	December
£m	2024	2023	2023
Turnover ^{*1*2}	2,402.7	1,520.9	3,371.8
Total premiums written ^{*1*2}	2,250.5	1,403.4	3,118.2
Gross earned premium ^{*1*2}	1,448.6	961.2	2,115.4
Gross other insurance revenue	90.9	58.8	134.8
Insurance revenue	1,539.5	1,020.0	2,250.2
Insurance revenue net of XoL ^{*1*2*4}	1,493.0	994.0	2,188.6
Insurance expenses ^{*1*2*3}	(288.0)	(220.5)	(451.2)
Insurance claims incurred net of XoL ^{*1*2*4}	(1,032.0)	(834.2)	(1,729.0)
Insurance claims releases net of XoL ^{*1*2*4}	218.7	237.1	392.8
Quota share reinsurance result ^{*1*2*3}	(132.0)	13.1	(16.8)
Movement in onerous loss component net of reinsurance ^{*2}	0.8	–	4.1
Underwriting result ^{*1}	260.5	189.5	388.5
Investment income	69.5	50.9	111.8
Net insurance finance expenses	(38.3)	(25.3)	(58.2)
Net investment income	31.2	25.6	53.6
Co-insurer profit commission	24.5	44.8	76.5
Other net income	42.7	38.3	74.7
UK Motor Insurance profit before tax ^{*1}	358.9	298.2	593.3

^{*1} Alternative Performance Measures – refer to the end of this report for definition and explanation.

^{*2} Alternative Performance Measures – refer to Appendix 1 for reconciliation to statutory income statement measures.

^{*3} Insurance expenses and quota share reinsurance result excludes gross and reinsurers' share of share scheme charges respectively. For share scheme charges refer to Other Group Items.

^{*4} XoL refers to Excess of Loss (non-proportional) reinsurance; see glossary at end of report for further information.

Key performance indicators

			31
	30 June	30 June	December
	2024	2023	2023
Reported Motor loss ratio ^{*1*2}	54.5%	60.1%	61.1%
Reported Motor expense ratio ^{*1*3}	19.3%	22.2%	20.6%
Reported Motor combined ratio ^{*1}	73.8%	82.3%	81.7%
Reported Motor Insurance service margin ^{*1*4}	17.4%	19.1%	17.7%
Core motor loss ratio before releases ^{*1*5}	75.3%	92.7%	87.0%
Core motor claims releases ^{*1*5}	(16.1%)	(26.9%)	(20.2%)
Core motor loss ratio ^{*1*5}	59.2%	65.8%	66.8%
Core motor expense ratio ^{*1*6}	19.7%	23.4%	21.4%
Core motor combined ratio ^{*1}	78.9%	89.2%	88.2%

Core motor written expense ratio ^{*1*7}	15.5%	19.5%	17.8%
Vehicles insured at period end ^{*1}	5.48m	4.76m	4.94m
Other revenue per vehicle ^{*8}	£62	£60	£62

^{*1} Alternative Performance Measures – refer to the end of this report for definition and explanation.

^{*2} Reported Motor loss ratio defined as insurance claims incurred and claims releases divided by insurance revenue, net of excess of loss reinsurance. Reconciliation in Appendix 1b.

^{*3} Reported Motor expense ratio defined as insurance expenses divided by insurance revenue, net of excess of loss reinsurance. Reconciliation in Appendix 1b.

^{*4} Reported Motor insurance service margin defined as underwriting result divided by insurance revenue, net of excess of loss reinsurance.

^{*5} Core motor loss ratio defined as insurance claims incurred and claims releases divided by core product insurance premium revenue, net of excess of loss reinsurance. Presented to enable analysis of core motor result excluding other ancillary income. Reconciliation in Appendix 1b.

^{*6} Core motor expense ratio defined as insurance expenses divided by core product insurance premium revenue, net of excess of loss reinsurance. Reconciliation in Appendix 1b.

^{*7} Core motor written expense ratio defined as insurance expenses divided by core product written insurance premium for the current underwriting year, net of excess of loss reinsurance.

^{*8} Other revenue per vehicle includes other revenue included within insurance revenue. See “Other Revenue” section for explanation and reconciliation.

UK Motor profit in the first six months of 2024 was £358.9 million, 20% higher than the same period in 2023 (H1 2023: £298.2 million) as a result of an improved current period combined ratio driven by higher average premiums now earning through, following rate increases over the course of 2022 and 2023, along with continued positive development of prior year claims. This was partly offset by recognising the reinsurer's share of releases on underwriting years 2021 – 2023, and minimal reinsurance recoveries on underwriting year 2024 due to the low combined ratio. Higher investment income, as a result of increased assets and higher average return, is somewhat offset by the higher net insurance finance expenses, as the discounting of claims incurred in higher interest rate environments in 2022 and 2023 is now unwinding.

Customer numbers increased by 15% year-on-year, with the majority of that impact (11%) in H1 2024. This was primarily due to the improved competitive position noted above. Gross earned premium at £1,448.6 million is 51% higher than H1 2023, reflecting growth in customer numbers over the last 12 months and significantly higher average premiums.

The core motor expense ratio decreased to 19.7% (H1 2023: 23.4%), driven by the increased earned premium, whilst the written expense ratio also decreased to 15.5% (H1 2023: 19.5%) also mainly a result of higher average premiums. Actual insurance expenses are higher in H1 2024, driven by the growth in customers resulting in significantly higher acquisition costs, along with the continuing impact of inflationary wage pressures and amortisation of intangible assets (mainly software).

Claims Incurred

Claims inflation, whilst still high, is reducing, with Admiral's current estimate of average claims cost inflation for full year 2024 (compared to full year 2023) being approximately in high single digits (2023: around 10%). There has been no significant change in claims frequency.

The longer-term impacts of inflation on bodily injury claims remains uncertain. Admiral has not observed material changes in inflation for bodily injury claims settled in 2024 to date, when compared to 2023. However, an allowance in the best estimate reserve continues to be held to reflect the potential impacts of higher than historic levels of future wage inflation on certain elements of large bodily injury claims reserves.

There remains uncertainty within motor claims across the market arising from inflation, and future developments relating to both whiplash reforms, regulatory developments and the Personal Injury ('Ogden') discount rate.

The review of the Ogden discount rate commenced in July 2024, with the new rate, and any change to methodology, due to be announced by 11 January 2025. Admiral's assumption for the Ogden discount rate within best estimate reserves continues to be the prevailing rate of minus 0.25 percent.

In addition, in line with the FCA's multi-firm review into total loss claims valuations, Admiral is conducting a review of its total loss and related processes which considers current practice and customer outcomes in the recent past. The work is likely to conclude that some action is required.

Although the process remains ongoing and there is uncertainty over the final position, when fully concluded the cost is not expected to have a significant impact on the financial statements. Taking account of current information, an appropriate amount is included within insurance contracts liabilities at 30 June 2024.

Admiral continues to hold a prudent risk adjustment above best estimate reserves, with a consistent confidence level being maintained (30 June 2024 and 31 December 2023: 93rd percentile; 30 June 2023: 94th percentile), given the relatively strong releases in the best estimate, and growth in the UK motor book. The reserve risk distribution from which the percentile is selected is consistent with 2023.

The core motor loss ratio has reduced to 59.2% (H1 2023: 65.8%) with offsetting movements in the current period loss ratio and prior year reserve releases, as follows:

	Core motor loss ratio before releases	Impact of claims reserve releases	Core motor loss ratio
Core Motor loss ratio ^{*1}			
H1 2023	92.7%	(26.9%)	65.8%
Change in current period loss ratio	(17.4%)	—	(17.4%)
Change in claims reserve release	—	10.8%	10.8%
H1 2024	75.3%	(16.1%)	59.2%

^{*1} Reported core motor loss ratio shown on a discounted basis, excluding unwind of finance expenses.

The core Motor loss ratio decreased by 6.6 points which can be primarily attributed to:

- The rate increases that were put through over the course of 2022 and 2023 leading to a very significant improvement in the current period loss ratio. Note that the current period loss ratio reflects the earned loss ratio for H1 2024. The loss ratio development for underwriting year 2024 is expected to be less favourable than the progression seen on underwriting year 2023.
- The benefit from prior period releases decreased by 10.8 points to 16.1%. This includes both the positive development of the best estimate reserve and the unwind of the risk adjustment for prior period claims.

The lower release percentage is mainly a result of the significant increase in earned premium, with a strong level of absolute releases for the core product of £215.9 million (H1 2023: £237.1 million; H2 2023: £155.7 million) continuing, largely due to favourable development in the best estimate loss ratios (as noted, the risk adjustment remained at the same confidence level at 30 June 2024 relative to 31 December 2023).

Quota share reinsurance

Under IFRS 17, Admiral's quota share reinsurance result reflects the net movement on ceded premiums, reinsurer margins and expected recoveries (claims and expenses) for each underwriting year on which quota share reinsurance is in place (primarily 2022 underwriting year onwards, with the majority of contracts for 2021 and prior now commuted).

Admiral's UK motor quota share contracts operate on a funds withheld basis, with Admiral retaining ceded premium (net of the reinsurer margin) and then covering claims costs and expenses. If an underwriting year is not profitable, investment income is allocated to the withheld fund and used to delay the point at which cash recoveries are collected from the reinsurer. Other features of the arrangements include expense ratio caps and commutation options for Admiral that become available 24-36 months after the start of the underwriting year.

The quota share reinsurance result by underwriting year, and remaining claims asset position at 30 June 2024, is as follows:

Quota share reinsurance result

£m	30 June 2024	30 June 2023	31 December 2023	Quota share claims asset 30 June 2024
2020 & prior	—	0.3	2.3	5.5 ^{*1}
2021	(16.7)	(42.6)	(57.6)	22.1
2022	(45.2)	45.6	8.2	96.1
2023	(58.9)	9.8	30.3	15.2
2024	(11.2)	—	—	—
Total	(132.0)	13.1	(16.8)	138.9

^{*1} This balance relates to 2018. No further income statement impact expected on commutation.

The adverse quota share result in H1 2024 is driven by:

- The favourable developments in the underlying loss ratios on underwriting years 2021 - 2023, which results in the reversal of quota share recoveries previously recognised. In underwriting year 2023, the significant favourable development in the loss ratio more than offset the earned recovery of expense commissions in the period.
- Only the cost of the quota share reinsurer margin is recognised on underwriting year 2024. No quota share recoveries have been recognised at H1 2024 due to the booked combined ratio being below 100% as a result of the strong current underwriting year performance.

Co-insurer profit commission

Co-insurer profit commission is lower in H1 2024 (£24.5 million) compared to H1 2023 (£44.8 million). In H1 2024, profit commission has been recognised on underwriting years 2020 and prior following continued favourable development in both the best estimate and release of the risk adjustment. There continues to be no profit commission recognised on underwriting years 2021 and onwards, due to the current booked combined ratio positions on those years. Profit commission on underwriting years 2023 and 2024 will be recognised after accounting for the cumulative losses recognised on a booked basis on underwriting years 2021 and 2022.

Net investment income

Net investment income benefitted from higher investment income, partially offset by increased net insurance finance expenses. Investment income grew by 37% to £69.5 million (H1 2023: £50.9 million), as a result of increased assets (due to strong growth in premium collected) and higher average return. Further information on the Group's investment portfolio and the income generated in the period is provided later in the report.

Net insurance finance expense reflects the unwind of the discounting benefit recognised when claims are initially incurred. The expense has increased notably in H1 2024 (£38.3 million; H1 2023 £25.3 million) as a result of the unwind of discounting benefit recognised from early 2022 onwards, when there was a significant increase in risk-free interest rates. A significant proportion of the insurance finance expense in H1 2024 relates to claims incurred during 2022 and 2023.

Other revenue

UK Motor Insurance Other revenue

£m	30 June 2024		
	Within underwriting result	Other net income	Total
Premium and revenue from additional products & fees ^{*1}	64.7	41.5	106.2
Instalment income and administration fees ^{*2}	90.9	19.8	110.7
Other revenue	155.6	61.3	216.9
Claims costs and allocated expenses ^{*3}	(46.1)	(18.6)	(64.7)
Net other revenue	109.5	42.7	152.2

Other revenue per vehicle ^{*4}	£62
Other revenue per vehicle net of internal costs	£52

£m	30 June 2023		
	Within underwriting result	Other net income	Total
Premium and revenue from additional products & fees ^{*1}	53.5	46.3	99.8
Instalment income and administration fees ^{*2}	58.8	12.4	71.2
Other revenue	112.3	58.7	171.0
Claims costs and allocated expenses ^{*3}	(31.1)	(20.4)	(51.5)
Net other revenue	81.2	38.3	119.5
Other revenue per vehicle ^{*4}			£60
Other revenue per vehicle net of internal costs			£50

£m	31 December 2023		
	Within underwriting result	Other net income	Total
Premium and revenue from additional products & fees ^{*1}	107.8	89.4	197.2
Instalment income and administration fees ^{*2}	134.8	29.3	164.1
Other revenue	242.6	118.7	361.3
Claims costs and allocated expenses ^{*3}	(70.0)	(44.0)	(114.0)
Net other revenue	172.6	74.7	247.3
Other revenue per vehicle ^{*4}			£62
Other revenue per vehicle net of internal costs			£52

^{*1} Premium from underwritten ancillaries is recognised within the insurance service result (underwriting result). Other income from non-underwritten products and fees is included within other net income, below the underwriting result but part of the insurance segment result.

^{*2} Instalment income and administration fees are recognised within insurance revenue (% aligned to Admiral's share of premium, net of co-insurance) and other revenue (% aligned to co-insurance share of premium).

^{*3} Claims costs relating to underwritten ancillary products, along with an allocation of related expenses, are recognised within the insurance result. Expenses allocated to the generation of revenue from non-underwritten ancillaries are recognised within other net income.

^{*4} Other revenue per vehicle (before internal costs) divided by average active vehicles, rolling 12-month basis. Presented here based on all ancillary income.

Admiral generates other revenue from a portfolio of insurance products that complement the core car insurance product, and also fees generated over the life of the policy. The most material contributors to other revenue continue to be:

- Profit earned from Motor policy upgrade products underwritten by Admiral, including breakdown, car hire and personal injury covers
- Revenue from other insurance products, not underwritten by Admiral
- Fees such as administration and cancellation fees
- Interest charged to customers paying for cover in instalments.

Under IFRS 17, income from underwritten ancillaries and an allocation of instalment income and administration fees in line with Admiral's gross share of the core motor product premium, are included within Insurance Revenue in the underwriting result. The remaining income from instalment income and fees, as well as income from other non-underwritten ancillary products is presented in other net income.

Overall contribution increased to £152.2 million (H1 2023: £119.5 million), primarily as a result of the growth in customers, along with a higher proportion of customers choosing to pay via monthly payments resulting in increased instalment income.

Other revenue was equivalent to £62 per vehicle (gross of costs), with net other revenue per vehicle at £52 per vehicle, both up compared to 2023 in line with the increased contribution.

UK Household Insurance

£m	31		
	30 June 2024	30 June 2023	December 2023
Turnover ^{*1}	214.6	156.6	338.6

Total premiums written ^{*1}	203.2	147.7	318.8
Insurance revenue	179.6	136.2	292.8
Insurance revenue net of XoL ^{*1*3}	167.2	128.3	275.3
Insurance expenses ^{*2}	(46.5)	(38.7)	(80.9)
Insurance claims incurred net of XoL ^{*1*3}	(113.5)	(94.9)	(199.8)
Insurance claims releases net of XoL ^{*1*3}	32.1	3.9	6.4
Underwriting result, net of XoL reinsurance^{*1*3}	39.3	(1.4)	1.0
Quota share reinsurance result ^{*1*2}	(32.8)	6.2	(1.4)
Underwriting result^{*1}	6.5	4.8	(0.4)
Net insurance investment income	1.7	0.4	1.6
Other income	3.1	3.5	6.7
UK Household Insurance profit before tax^{*1}	11.3	8.7	7.9

^{*1} Alternative Performance Measures – refer to the end of this report for definition and explanation

^{*2} Insurance expenses and quota share reinsurance result excludes gross and reinsurers' share of share scheme charges respectively. For share scheme charges refer to Other Group Items.

^{*3} XoL refers to Excess of Loss (non-proportional) reinsurance; see glossary at end of report for further information.

Key performance indicators

	30 June 2024	30 June 2023	31 December 2023
Reported Household loss ratio ^{*1*2}	48.7%	71.0%	70.2%
Reported Household expense ratio ^{*1}	27.8%	30.2%	29.4%
Reported Household combined ratio ^{*1}	76.5%	101.2%	99.6%
Household insurance service margin ^{*1}	3.9%	3.7%	(0.1%)
Household loss ratio before releases ^{*1*2}	67.9%	74.0%	72.6%
Households insured at period end (m) ^{*1}	1.81	1.67	1.76

^{*1} Alternative Performance Measures – refer to the end of this report for definition and explanation

^{*2} Impact of severe weather and subsidence on reported loss ratios within expectations across all reporting periods therefore not separately reported

The UK Household insurance business reported strong growth in turnover which increased by 37% to £214.6 million (H1 2023: £156.6 million). The number of households insured increased by 8% to 1.81 million (30 June 2023: 1.67 million), despite continued price increases made by Admiral during the first half of 2024 to reflect continued higher claims inflation. Competitors are also increasing prices though Admiral's competitiveness in the price comparison channel is relatively unchanged.

Profit before tax for the period was £11.3 million (H1 2023: £8.7 million), the increase arising as a result of strong releases on prior periods, along with a lower current period combined ratio driven by higher earned premiums, with H1 2023 benefiting from a one-off recognition of reinsurer profit commission following a commutation.

The reported loss ratio decreased significantly to 49% (H1 2023: 71%) as a result of strong prior period releases contributing 19% (H1 2023: 3%), with a current period loss ratio of 68%, improving by 6 points from H1 2023 (H1 2023: 74%).

The impact of weather was not significant in either period. Whilst there was some impact of freeze, flood and storm events, this was considered within expectations for weather and therefore the loss ratio impact has not been separately disclosed.

Prior period releases are significant and primarily reflect the unwind of best estimate reserves in relation to the freeze event at the end of 2022, with a significant proportion of settlements on those events now complete.

Admiral's expense ratio was 28%, an improvement from the first half of 2023, as a result of the earning through of increased average premiums. Higher absolute expenses were driven by higher acquisition costs following the growth in customers, and a small charge for IT integration costs related to the More Than acquisition.

The quota share result for the period of a loss of £32.8 million (H1 2023: profit of £6.2 million) arises as a result of the sharing of the positive underlying underwriting result with no profit commission currently recognised on the 2023 and 2024 underwriting years.

UK Insurance Co- and Reinsurance

Admiral makes significant use of proportional risk sharing agreements (co-insurance and quota share reinsurance) which include profit commission terms that allow Admiral to retain a significant portion of the profit generated.

Munich Re and its subsidiary entity Great Lakes currently underwrite 40% of Admiral's UK Car insurance business. The details of these arrangements with Munich Re are as set out in the 2023 Annual Report, with agreements in place until at least the end of 2026.

Admiral has other UK Car quota share agreements covering 38% of business written until 2024 and expects to conclude on extension options in Q3.

For UK Household insurance, Admiral retains 30% and has quota share contracts covering 70% of the business. Good progress is being made on renewal options for the 30% quota share contract that expires at the end of 2024.

The Group tends to commute its UK Motor insurance quota share agreements 24-36 months after inception of an underwriting year, assuming there is sufficient confidence in the profitability of the business covered by the reinsurance contract and having assessed the solvency implications of the commutation for the Group and its underwriting subsidiary. During the first half of 2024, there were UK

motor commuted previously), along with the majority of underwriting year 2021.

International Insurance financial review

	31		
£m	30 June 2024	30 June 2023	December 2023
Turnover ^{*1}	450.2	464.3	894.9
Total premiums written ^{*1}	421.0	437.6	840.0
Insurance revenue	422.1	407.2	842.6
Insurance revenue net of XoL ^{*1}	403.3	396.8	811.8
Insurance expenses ^{*2}	(117.5)	(125.8)	(249.4)
Insurance claims net of XoL ^{*1}	(289.2)	(269.7)	(565.2)
Underwriting result, net of XoL^{*1}	(3.4)	1.3	(2.8)
Quota share reinsurance result ^{*1*3}	(0.9)	(13.1)	(22.1)
Movement in net onerous loss component	1.6	0.8	0.6
Underwriting result^{*1}	(2.7)	(11.0)	(24.3)
Net investment income	4.5	1.9	4.3
Net other revenue	(0.1)	1.5	2.0
International Insurance profit/(loss) before tax^{*1*4}	1.7	(7.6)	(18.0)

*1 Alternative Performance Measures – refer to the end of this report for definition and explanation.

*2 Insurance expenses excluding share scheme costs.

*3 Quota share reinsurance result within the segment result excludes reinsurers' share of share scheme costs.

*4 Costs related to the settlement of a historic Italian tax matter during 2023 are excluded from the International Insurance result and presented within Group other costs, given that these are not reflective of the underlying trading performance of the International Insurance business.

Key performance indicators

	31		
	30 June 2024	30 June 2023	December 2023
Loss ratio ^{*1}	71.7%	68.0%	69.6%
Expense ratio ^{*1}	29.1%	31.6%	30.7%
Combined ratio ^{*1}	100.8%	99.6%	100.3%
Insurance service margin ^{*1}	(0.7%)	(2.8%)	(3.0%)
Customers insured at period end (million) ^{*1}	2.12	2.21	2.17

*1 Alternative Performance Measures – refer to the end of this report for definition and explanation

International Motor Insurance – Geographical analysis^{*1}

30 June 2024	Spain	Italy	France	US	Total
Vehicles insured at period end	0.44m	1.00m	0.43m	0.16m	2.03m
Turnover (£m)	67.7	148.2	117.5	109.4	442.8
30 June 2023					
Vehicles insured at period end	0.46m	1.07m	0.41m	0.22m	2.16m
Turnover (£m)	62.6	145.1	113.4	138.4	459.5
31 December 2023					
Vehicles insured at period end	0.45m	1.04m	0.42m	0.19m	2.10m
Turnover (£m)	121.8	272.4	219.1	271.2	884.5

*1 Alternative Performance Measures – refer to the end of this report for definition and explanation

Split of International Insurance result

	31		
£m	30 June 2024	30 June 2023	December 2023
European Motor	1.1	4.7	6.1
US Motor	3.0	(10.4)	(19.6)
Other	(2.4)	(1.9)	(4.5)
International Insurance profit/(loss) before tax	1.7	(7.6)	(18.0)

Admiral's International insurance businesses reported a small reduction in customer numbers at 30 June 2024 to 2.12 million (30 June 2023: 2.21 million), driven by a continued reduction in the US, and a reduction in Italy as the business prioritised margin over growth. Turnover fell slightly to £450.2 million (H1 2023: £464.3 million), driven by a significant reduction in the US, mostly offset by continued turnover growth in the European businesses as a result of higher average premiums.

The combined result for the segment was an overall profit of £1.7 million (H1 2023: loss of £7.6 million), driven by a significantly improved result in the US offset by lower profits in the European motor businesses.

The combined ratio increased slightly to 100.8% (H1 2023: 99.6%), driven by a higher loss ratio as a result of adverse claims development in Italy (refer below for more details), which was largely offset by improvements in the US loss ratio and a decrease in the expense ratio, across all businesses, to 29.1% (H1 2023: 31.6%). The lower expense ratio arises from the combined effect of higher premiums as well as lower acquisition expenses and an ongoing focus on the cost base.

The European insurance operations in Spain, Italy and France insured 1.87 million vehicles at 30 June 2024 – 3% lower than a year earlier (30 June 2023: 1.93 million). Motor turnover was up 4% to £333.4 million (H1 2023: £321.1 million), driven by continued price increases following continued focus on improving loss ratios.

The combined European Motor profit was £1.1 million (H1 2023: £4.7 million), with the combined ratio increasing to 104.7% (H1 2023: 93.2%).

The lower European motor profit results from adverse claims cost development on prior underwriting years in ConTe in Italy, largely due to the significant increase to the settlement inflation rate for large bodily injury claims provided by the court of Milan (known as the Milano tables) reducing profit by circa £12 million. Action has been taken with price increases to mitigate the ongoing impact of the change. Admiral continues to focus on medium term profitability through risk selection and reducing expenses. Vehicles insured decreased by 6% to 1.00 million (30 June 2023: 1.07 million) as a result of pricing action, with turnover increasing by 2% to £148.2 million (H1 2023: £145.1 million).

L'olivier assurance (France) continued to grow, with the customer base increasing by 4% to 0.43 million at 30 June 2024 (30 June 2023: 0.41 million), and turnover increasing by 4% to £117.5 million (H1 2023: £113.4 million). The business reported notably increased profits in H1 2024 as a result of its focus over the past year on risk selection and loss ratio improvements, as well as cost reduction.

In Admiral Seguros (Spain) customer numbers fell by 3% to 0.44 million over the past year (H1 2023: 0.46 million), as the business increased prices to target loss ratio improvements. The business continues to focus on sustainable growth through distribution diversification through the broker channel and other partnerships. The result for the first half was nearing break even.

In the US, Admiral underwrites motor insurance through its Elephant Auto business. In the first half of 2024, as expected, Elephant delivered a significantly improved result due to strong management action on pricing, underwriting and expense control.

The Group is considering the best way forward for the Elephant business and team and will provide an update as soon as possible. The focus in the meantime remains on protecting the pre-tax result.

Admiral Money

	30 June	30 June	31
£m	2024	2023	December
			2023
Total interest income	52.4	43.6	94.7
Interest expense ^{*1}	(18.3)	(12.7)	(28.3)
Net interest income	34.1	30.9	66.4
Other fee income	0.1	0.1	0.1
Total income	34.2	31.0	66.5
Credit loss charge	(14.0)	(16.6)	(33.4)
Expenses	(13.4)	(11.7)	(22.9)
Admiral Money profit before tax^{*2}	6.8	2.7	10.2

^{*1} Includes £1.9 million intra-group interest expense (H1 2023: £0.8 million, FY 2023: £1.5 million).

^{*2} Alternative Performance Measures – refer to the end of this report for definition and explanation

Admiral Money distributes and underwrites unsecured personal loans and car finance products for UK consumers through the comparison channel, credit scoring applications and direct to consumers via the Admiral website. The aim of the proposition is to provide customers with affordable guaranteed rates, ensuring transparency and certainty.

Gross loans balances totaled £1,029.2 million at the end of June 2024 (31 December 2023: £956.8 million; 30 June 2023: £1,033.9 million), with a £87.4 million (31 December 2023: £81.7 million; 30 June 2023: £74.6 million) expected credit loss provision. This leads to a net loans balance of £941.8 million (31 December 2023: £875.1 million; 30 June 2023: £959.3 million).

In 2024, Admiral Money has continued to focus on writing high quality loans and the business generated a pre-tax profit of £6.8 million (improving from £2.7 million in H1 2023), the fifth consecutive half year of profit for the business. The increase in profit was largely driven by strong net interest income growth of 10% to £34.1 million (30 June 2023: £30.9 million) resulting from higher net interest margins, as well as a reduced provision charge driven by a focus on high quality risk selection and a more stable economic environment.

Credit loss models reflect the latest economic assumptions and appropriate post model adjustments remain in place to maintain an appropriately cautious provision. The provision to loans balance coverage ratio is consistent at 8.5% (31 December 2023: 8.5%; June 2023: 7.2%), with a £5.7 million increase in absolute provision size in the period to £87.4 million. The provision includes post model adjustments of £8.5 million (31 December 2023: £9.2 million; June 2023: £12.6 million), reflecting the current uncertainty in the UK economic environment.

Admiral Money is funded through a combination of internal and external funding sources. The external funding is secured against certain loans via a transfer of the rights to the cash-flows to two special purpose entities ("SPEs"). The securitisation and subsequent issue of notes via SPEs does not result in a significant transfer of risk from the Group.

Other Group Items

Other Group items financial review

	30 June	30 June	31
£m	2024	2023	December
			2023
Share scheme charges ^{*1}	(27.4)	(22.7)	(54.4)
Other central costs	(20.2)	(15.2)	(41.7)
Admiral Pioneer result	(5.0)	(12.7)	(16.2)
Business development costs	(13.9)	(7.9)	(15.3)

Finance charges ^{*2}	(14.1)	(6.3)	(20.3)
Compare.com loss before tax	—	(2.6)	(2.6)
Sale of shares in Insurify	12.5	—	—
Other interest and investment income	6.1	2.3	4.6
Total	(62.0)	(65.1)	(145.9)

^{*1} Share scheme charges are shown net of the reinsurers' share of share scheme costs. See Appendix 1a for further details.

^{*2} Finance charges within other group items include £0.9 million (H1 2023: £0.9 million, FY 2023: £1.7 million) that relate to intra-group arrangements, with the corresponding income presented within the UK Insurance result.

Share scheme charges relate to the Group's two employee share schemes. The increase in charge in the period is driven primarily by higher vesting assumptions.

Other central costs consist of Group-related expenses and include an allocation of group employee costs as well as the cost of a number of significant Group projects. Additional expenses in H1 2024 relative to H1 2023 arise primarily from projects costs for the internal capital model development and the strategic review of the US insurance business, as well as an increased allocation of group employee expenses to central costs.

Admiral launched Admiral Pioneer in 2020 to focus on new product diversification opportunities. Pioneer businesses include Veygo (short term and learner driver car insurance in the UK) and Admiral Business (small business insurance in the UK). Pioneer reported a loss of £5.0 million in H1 2024 (H1 2023: £12.7 million). The adverse result in H1 2023 was impacted by an increase in large claims experience in Veygo (one large claim in particular); the improved result in H1 2024 is the result of better claims experience, with the loss reflecting continued investment in the development of new products.

Business development costs increased to £13.9 million (H1 2023: £7.9 million), primarily as a result of non-recurring transaction and other costs of £8.5 million related to the More Than acquisition.

Finance charges of £14.1 million (H1 2023: £6.3 million) primarily related to interest on the £250 million subordinated notes issued in July 2023 at a rate of 8.5%, with the charge in H1 2023 based on the original £200 million subordinated loan notes issued in July 2014. The increase in finance charges is partially offset by the increase in other interest and investment income.

A loss of £2.6 million was attributed to compare.com in H1 2023 following its disposal. As part of the disposal, the Group received shares as a minority interest shareholder of the acquirer. In H1 2024 the Group sold those shares, and realised a one-off gain of £12.5 million.

Group capital structure and financial position

Group capital position (estimated)

£bn	30 June 2024	30 June 2023	31 December 2023
Eligible Own Funds (post-dividend)	1.56	1.25	1.42
Solvency II capital requirement ^{*1}	0.79	0.69	0.71
Surplus over capital requirement	0.77	0.56	0.71
Solvency ratio (post-dividend)	198%	182%	200%

^{*1} Solvency capital requirement includes updated, unapproved 'dynamic' capital add-on.

At the date of this report, the Group reports a strong post-dividend solvency ratio of 198%, 2 percentage points lower than reported with the Group's 2023 year end results.

The increase in own funds at H1 2024 is the result of the strong underwriting performance in UK Motor in the current period, and prior period releases, offset by a reduction of around 11 points of solvency ratio as a result of the de-recognition of intangible assets recognised in the More Than acquisition due to Solvency II rules, and a higher foreseeable dividend. The increased solvency capital requirement arises primarily from the growth in the UK motor book.

The Group solvency on a regulatory basis as at 30 June 2024 is estimated at 185% (31 December 2023: 182%). In the regulatory basis, the capital add-on approved by the PRA is fixed and so does not reflect changes in risk profile (primarily profit commission risk) across the underwriting cycle.

Admiral continues to develop its partial internal model to form the basis of future capital requirements and entered a pre-application process with its regulators during H1 2024. Once feedback is received, Admiral expects to be able to communicate timelines for a full application for model approval. In the interim period before model approval, the current capital add-on of £24 million will continue to be used to calculate the regulatory capital requirement.

Solvency ratio sensitivities

	30 June 2024	30 June 2023	31 December 2023
UK Motor – incurred loss ratio +5% ^{*1}	-20%	-11%	-11%
UK Motor – 1 in 200 catastrophe event	-3%	-1%	-1%
UK Household – 1 in 200 catastrophe event	-3%	-5%	-5%
Interest rate – yield curve up 100 bps	-2%	-3%	-1%
Interest rate – yield curve down 100 bps	+1%	+2%	+1%
Credit spreads widen 100 bps ^{*2}	-3%	-6%	-5%
Currency – 25% movement in euro and US dollar	-4%	-3%	-3%
ASHE – long term inflation assumption up 50 bps	-1%	-2%	-3%

Loans – 100% weighting to 'severe'
scenario^{*3}

-1% -1% -1%

*1 Increased sensitivity due to growth in exposure and relative profitability of the most recent underwriting years.

*2 H1 2023 credit spread sensitivity restated to include benefit of offsetting movements in the volatility adjusted yield curve used for discounting liabilities. In addition, the H1 2024 stress has been recalibrated to include only assets that are materially exposed to corporate bond spread risk, resulting in a reduction in the overall impact on solvency ratio.

*3 Refer to note 7 to the financial statements for further information on the 'severe' scenario.

Investments and cash

Investment strategy

Admiral Group's investment strategy focuses on capital preservation and low volatility of returns. The business follows an asset liability matching strategy to control interest rate, inflation and currency risk. A prudent level of liquidity is held and the investment portfolio has a high-quality credit profile.

Investment return

£m	30 June	30 June	31
	2024	2023	December 2023
Underlying investment income yield	3.9%	3.0%	3.3%
Investment return	86.1	58.4	124.4
Unrealised losses on derivatives	(0.2)	(0.2)	(0.2)
Movement in provision for expected credit losses	(2.8)	(0.5)	2.5
Total investment return	83.1	57.7	126.7

Investment income for the first half of 2024 was £83.1 million (H1 2023: £57.7 million). Provisions for expected credit losses increased, driven by growth in the portfolio, leading to a £2.8 million charge (H1 2023: £0.5 million charge).

The investment return on the Group's investment portfolio (excluding unrealised gains and losses on derivatives and the movement in provision for expected credit losses) was £86.1 million in H1 2024 (compared to £58.4 million in H1 2023). The rate of return was higher at 3.9% (H1 2023: 3.0%), mainly as a result of higher reinvestment yields.

The increase in interest rates in H1 2024 resulted in a reduction in the market value of the portfolio of £8.4 million (H1 2023: £22.4 million reduction). That movement is reflected in the Statement of Other Comprehensive Income.

The Group continues to generate significant amounts of cash and its capital-efficient business model enables the distribution of the majority of post-tax profits as dividends. Total cash and investments at 30 June 2024 was £4,789.4 million (30 June 2023: £4,043.9 million; 31 December 2023: £4,214.5 million), the higher balance at the end of the current period reflecting collections from higher written premium in UK Insurance. The net increase in cash and investments in the period is £574.9 million.

Cash and investments analysis

£m	30 June	30 June	31
	2024	2023	December 2023
Fixed income and debt securities	3,200.5	2,762.3	2,825.9
Money market funds and other fair value instruments	1,108.0	713.1	918.8
Cash deposits	117.3	105.8	116.7
Cash	363.6	462.7	353.1
Total^{*1}	4,789.4	4,043.9	4,214.5

*1 Total Cash and Investments include £301.0 million (30 June 2023: £259.0 million, 31 December 2023: £278.2 million) of Level 3 investments. Refer to note 6c for further information.

Taxation

The tax charge for the period is £72.6 million (H1 2023: £60.0 million), which equates to 23.4% (H1 2023: 25.6%) of profit before tax. The reduction in effective tax rate is the result of a higher proportion of profits generated in lower tax rate territories in H1 2024, along with higher prior period adjustments in H1 2023 which were not repeated to the same extent in the current period.

Principal Risks and Uncertainties

Admiral continually reviews and assesses its principal risks and uncertainties (PR&Us), including those which could have a major impact on its customers, financial position, or reputation. This ongoing assessment has concluded that Admiral's PR&Us remain consistent with those reported in the Group's 2023 Annual Report (pages 98-107). However, given the evolution of the following topics, additional commentary has been provided on their specific impact on Admiral's PR&Us: an improving economic outlook, ongoing geopolitical instability, UK and US elections, Consumer Duty, cyber and operational resilience, and sustainability.

Improving Economic Outlook

The UK macroeconomic environment has improved over the first half of the year, suggesting that the economy is recovering from the short, shallow recession seen in H2 2023. Inflation fell to 2.0% in May, and GDP grew by 0.7% in Q1. Admiral will closely monitor the economic environment, taking into consideration any trends and incidents that could affect strategic planning and operations. Admiral has conducted a number of reviews of such trends and incidents to analyse their effect on the economy and therefore the financial services environment and potential impact on Admiral, with examples including the ongoing conflict in the Middle East, the Red Sea Crisis, the collapse of the Francis Scott Key Bridge in Baltimore, and inflation and weak economic growth in Admiral markets.

Admiral maintains a long-term, disciplined approach to financial resilience and sustainable growth, including responsible management of the insurance pricing cycle, practicing prudent reserving, and managing risk through its investment portfolio with an emphasis on liquidity and short-maturity, high quality assets. Admiral is also committed to engaging with customers, staff, third-parties, and other

stakeholders to identify where support is needed to help address financial challenges, given recent economic pressures and the effects on the cost of living and business operating costs.

Geopolitical instability

Admiral is closely monitoring geopolitical risk, which remains elevated following the Russian invasion of Ukraine in February 2022. The outbreak of the Israel-Hamas War and the Red Sea Crisis triggered a review of potential exposure across the Group. At that time, the two potential avenues of impact identified were on Admiral's supply chain and wider macro-economy disruptions. The review concluded that Admiral's exposure from recent geopolitical events was not material.

While this conclusion cannot guarantee that Admiral will weather future incidents successfully, this should provide some reassurance around the flexibility of supply chains and the robustness of Admiral's repair network.

UK and US elections

The Labour Party secured a 172-seat majority in July's election, giving the incoming government a strong mandate to enact its policy platform. Admiral is monitoring and pro-actively preparing for any changes that will affect the insurance sector or wider UK corporate environment. The outcome of November's US election may have an impact on trade flows, financial markets, growth and the global economy, as well as geopolitics.

Consumer Duty

The Consumer Duty remains a key priority within Admiral, with the focus on the delivery of good outcomes remaining strong as the work has transitioned into business as usual. A significant amount of work has been undertaken to improve processes and procedures to allow for better identification of any areas where customer outcomes can be improved. Admiral recognises that this is a cycle and will look to actively address issues that impact customer outcomes.

Cyber and Operational Resilience

Information Security, Technology and Cyber/Operational Resilience continue to be a key focus for Admiral Group and its businesses. Key developments in these areas have been:

- Enhancements to the technology infrastructure with the migration of business-critical customer management applications from on-premise to cloud environments
- Improving the mitigation of brand infringement by closing fraudulent websites more quickly
- Improvements to security operations tooling for vulnerability management and threat landscape monitoring
- Embedding of operational resilience requirements as part of BAU processes for Important Business Services
- Providing governance and assurance assessments for new technology, cloud, and information security policies and standards
- Implementing proactive training and cyber awareness campaigns for staff in new areas such as AI-related cyber-crime.

In July 2024, a faulty update from CrowdStrike's security software caused widespread disruption to various technology services, including Microsoft Azure. Whilst Admiral's own systems were not directly impacted, some third-party systems experienced temporary outages which were successfully managed by switching customer-facing services to alternative platforms and putting emergency measures in place for vulnerable customers. The issue however shows the continued risk posed by third and fourth party technology providers and the importance of Admiral's on-going focus on all aspects of operational resilience.

Sustainability

Admiral continues to mature its approach to sustainability. The Company is working on its Net Zero Transition Plan, incorporating IFRS S1 and S2¹ into TCFD disclosure, and the management of a Corporate Sustainability Reporting Directive (CSRD) regulatory change project, ahead of CSRD coming into force on 1 January 2025 for our European businesses. The Science-Based Targets Initiative (SBTi) have formally approved Admiral's Scope 1, 2, and partial Scope 3 GHG emissions reduction targets. The Group Sustainability team is also strengthening Admiral's approach to monitoring and reporting on sustainability performance and raising awareness across the business.

Disclaimer on forward-looking statements

Persons receiving this announcement should not place undue reliance on forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, the Group does not undertake to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

¹ The UK Government has endorsed IFRS (sustainability) S1 and S2 standards as part of its Green Finance Strategy and both standards are effective for annual reporting periods beginning on 1 January 2024. IFRS S1 and S2 incorporate the existing recommendations of the TCFD, which means that companies already aligning to the TCFD recommendations are starting from a strong place when they turn their attention to the International Sustainability Standards Board IFRS S1 and S2.

Condensed Consolidated Income Statement (Unaudited)

		Six months ended		Year ended
	Note	30 June 2024 (unaudited) £m	30 June 2023 (unaudited) £m	31 December 2023 £m
Insurance revenue	5b	2,213.8	1,607.0	3,486.1
Insurance service expenses	5c	(1,696.2)	(1,437.7)	(3,093.2)
Insurance service result before reinsurance		517.6	169.3	392.9
Net expense from reinsurance contracts held	5d	(280.6)	(16.8)	(87.1)
Insurance service result		237.0	152.5	305.8
Investment return	6a	85.8	58.0	122.9

Finance expenses from insurance contracts issued		(61.2)	(47.4)	(94.5)
Finance income from reinsurance contracts held		19.3	18.3	28.9
Net insurance finance expenses		(41.9)	(29.1)	(65.6)
Net insurance and investment result		280.9	181.4	363.1
Interest income from financial services		52.7	43.6	94.9
Interest expense related to financial services		(16.4)	(11.9)	(26.8)
Net interest income from financial services		36.3	31.7	68.1
Other revenue and profit commission	8	89.0	108.6	205.7
Other operating expenses	9	(127.9)	(120.2)	(250.8)
Other operating expenses recoverable from co-insurers		62.3	55.8	107.8
Expected credit losses		(16.9)	(17.1)	(31.0)
Other income and expenses		6.5	27.1	31.7
Operating profit		323.7	240.2	462.9
Finance costs	6	(14.1)	(7.2)	(20.5)
Finance costs recoverable from co- and reinsurers	6	0.2	0.9	0.4
Net finance costs		(13.9)	(6.3)	(20.1)
Profit before tax		309.8	233.9	442.8
Taxation expense	10	(72.6)	(60.0)	(105.6)
Profit after tax		237.2	173.9	337.2
Profit after tax attributable to:				
Equity holders of the parent		237.4	174.5	338.0
Non-controlling interests (NCI)		(0.2)	(0.6)	(0.8)
		237.2	173.9	337.2
Earnings per share				
Basic	12	77.5p	57.6p	111.2p
Diluted	12	77.5p	57.5p	110.8p
Dividends declared and paid (total)	12	156.2	154.9	307.1
Dividends declared and paid (per share)	12	52.0p	52.0p	103.0p

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

	Six months ended		Year ended
	30 June	30 June	31
	2024	2023	December
	(unaudited)	(unaudited)	2023
	£m	£m	£m
Profit for the period	237.2	173.9	337.2
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Movements in fair value reserve	(8.4)	(22.4)	98.1
Deferred tax charge in relation to movement in fair value reserve	2.1	1.5	(5.7)
Movements in insurance finance reserve	17.9	16.4	(78.9)
Deferred tax in relation to movement in insurance finance reserve	(2.2)	(2.6)	9.7
Exchange differences on translation of foreign operations	(1.9)	(2.5)	3.7
Movement in hedging reserve	0.3	11.6	(18.1)
Deferred tax charge in relation to movement in hedging reserve	(0.1)	(2.9)	4.5
Other comprehensive income for the period, net of income tax	7.7	(0.9)	13.3
Total comprehensive income for the period	244.9	173.0	350.5
Total comprehensive income for the period attributable to:			
Equity holders of the parent	245.1	173.6	351.3
Non-controlling interests	(0.2)	(0.6)	(0.8)
	244.9	173.0	350.5

Condensed Consolidated Statement of Financial Position (Unaudited)

	Note	As at		
		30 June 2024 (unaudited) £m	30 June 2023 (unaudited) £m	31 December 2023 £m
ASSETS				
Property and equipment		82.0	81.4	90.1
Intangible assets	11	335.7	241.8	242.9
Deferred tax asset		20.8	12.2	46.1
Corporation tax asset		16.2	—	20.4
Reinsurance contract assets	5	1,055.6	1,113.4	1,191.9
Loans and advances to customers	7	952.1	961.1	879.4
Other receivables	6	481.8	373.2	409.9
Financial investments	6	4,435.9	3,583.4	3,862.4
Cash and cash equivalents	6	363.6	462.7	353.1
Total assets		7,743.7	6,829.2	7,096.2
EQUITY				
Share capital		0.3	0.3	0.3
Share premium account		13.1	13.1	13.1
Other reserves		(32.8)	(54.7)	(40.5)
Retained earnings		1,129.7	968.7	1,018.9
Total equity attributable to equity holders of the parent		1,110.3	927.4	991.8
Non-controlling interests		0.8	1.2	1.0
Total equity		1,111.1	928.6	992.8
LIABILITIES				
Insurance contracts liabilities	5	4,946.6	4,139.7	4,581.7
Subordinated and other financial liabilities	6	1,204.1	1,187.3	1,129.8
Trade and other payables	6	384.9	480.3	305.8
Lease liabilities	6	73.1	83.2	81.2
Corporation tax liabilities		23.9	10.1	4.9
Total liabilities		6,632.6	5,900.6	6,103.4
Total equity and total liabilities		7,743.7	6,829.2	7,096.2

Condensed Consolidated Cash Flow Statement (Unaudited)

	Note	Six months ended		Year ended
		30 June 2024 (unaudited) £m	30 June 2023 (unaudited) £m	31 December 2023 £m
Profit after tax		237.2	173.9	337.2
Adjustments for non-cash items:				
- Depreciation of property, plant and equipment and right-of-use assets		8.4	9.2	18.2
- Impairment/ disposal of property, plant and equipment and right-of-use assets		8.5	1.1	(4.0)
- Amortisation and impairment of intangible assets	11	27.4	17.9	40.5
- Movement in expected credit loss provision		8.6	11.5	15.7
- Share scheme charges		31.9	27.4	63.3
- Interest expense on funding for loans and advances to customers		14.2	11.4	26.2
- Investment return	6	(84.1)	(58.0)	(119.3)
- Profit on disposal of Insurify share option	9	(12.5)	—	—
- Finance costs, including unwinding of discounts on lease liabilities		14.1	7.3	20.5
- Taxation expense	10	72.6	60.0	105.6
Change in gross insurance contract liabilities	5	410.6	134.7	451.3
Change in reinsurance assets	5	113.8	(102.0)	(141.8)
Change in insurance and other receivables		(73.0)	(56.8)	(94.7)
Change in gross loans and advances to customers	7	(78.5)	(148.2)	(73.6)

Change in trade and other payables, including tax and social security	80.6	225.4	52.4
Cash flows from operating activities, before movements in investments	779.8	314.8	697.5
Purchases of financial instruments	(3,742.1)	(1,399.2)	(3,538.4)
Proceeds on disposal/ maturity of financial instruments	3,209.1	1,217.3	3,176.1
Interest and investment income received	48.2	21.2	76.8
Cash flows from operating activities, net of movements in investments	295.0	154.1	412.0
Taxation payments	(35.7)	(43.3)	(133.0)
Net cash flow from operating activities	259.3	110.8	279.0
Cash flows from investing activities:			
Purchases of property, equipment and software	(32.9)	(45.8)	(75.9)
Intangible assets acquired through business combinations net of deferred tax	(85.2)	—	—
Net cash used in investing activities	(118.1)	(45.8)	(75.9)
Cash flows from financing activities:			
Proceeds on issue of loan backed securities	59.8	147.9	44.9
Proceeds from other financial liabilities	14.2	105.0	136.2
Finance costs paid, including interest expense paid on funding for loans	(27.3)	(26.6)	(35.1)
Repayment of lease liabilities	(11.1)	(1.8)	(10.7)
Equity dividends paid	12 (156.2)	(154.9)	(307.1)
Net cash used in financing activities	(120.6)	69.6	(171.8)
Net increase in cash and cash equivalents	20.6	134.6	31.3
Cash and cash equivalents at 1 January	353.1	297.0	297.0
Effects of changes in foreign exchange rates	(10.1)	31.1	24.8
Cash and cash equivalents at end of period	6 363.6	462.7	353.1

Condensed Consolidated Statement of Changes in Equity (unaudited)

Attributable to the owners of the Company

	Note	Share Capital £m	Share premium account £m	Fair value reserve £m	Hedging reserve £m	Foreign exchange reserve £m	Insurance finance reserve £m	Retained profit and loss £m	Total £m	Non- controlling interests £m	Total equity £m
At 1 January 2023		0.3	13.1	(205.9)	21.1	0.1	134.5	922.6	885.8	1.2	887.0
Profit/(loss) for the period		—	—	—	—	—	—	174.5	174.5	(0.6)	173.9
Other comprehensive income		—	—	(20.9)	8.7	(2.5)	13.8	—	(0.9)	—	(0.9)
Total comprehensive income for the period		—	—	(20.9)	8.7	(2.5)	13.8	174.5	173.6	(0.6)	173.0
Transactions with equity holders											
Dividends	12	—	—	—	—	—	—	(154.9)	(154.9)	—	(154.9)
Share scheme credit		—	—	—	—	—	—	27.4	27.4	—	27.4
Deferred tax charge on share scheme credit		—	—	—	—	—	—	(0.9)	(0.9)	—	(0.9)
Transfer to loss on disposal of assets held for sale		—	—	—	—	(3.6)	—	—	(3.6)	0.6	(3.0)
Total transactions with equity holders		—	—	—	—	(3.6)	—	(128.4)	(132.0)	0.6	(131.4)
As at 30 June 2023		0.3	13.1	(226.8)	29.8	(6.0)	148.3	968.7	927.4	1.2	928.6
At 1 January 2023		0.3	13.1	(205.9)	21.1	0.1	134.5	922.6	885.8	1.2	887.0
Profit/(loss) for the period		—	—	—	—	—	—	338.0	338.0	(0.8)	337.2

Other comprehensive income	—	—	92.4	(13.6)	3.7	(69.2)	—	13.3	—	13.3
Total comprehensive income for the period	—	—	92.4	(13.6)	3.7	(69.2)	338.0	351.3	(0.8)	350.5
Transactions with equity holders										
Dividends	12	—	—	—	—	—	(307.1)	(307.1)	—	(307.1)
Share scheme credit		—	—	—	—	—	63.3	63.3	—	63.3
Deferred tax credit on share scheme credit		—	—	—	—	—	2.1	2.1	—	2.1
Transfer to loss on disposal of assets held for sale		—	—	—	—	(3.6)	—	(3.6)	0.6	(3.0)
Total transactions with equity holders		—	—	—	—	(3.6)	(241.7)	(245.3)	0.6	(244.7)
At 31 December 2023		0.3	13.1	(113.5)	7.5	0.2	65.3	1,018.9	991.8	1.0

Condensed Consolidated Statement of Changes in Equity (unaudited) (continued)

Attributable to the owners of the Company

	Note	Share Capital £m	Share premium account £m	Fair value reserve £m	Hedging reserve £m	Foreign exchange reserve £m	Insurance finance reserve £m	Retained profit and loss £m	Total £m	Non- controlling interests £m	Total equity £m
At 1 January 2024 (unaudited)		0.3	13.1	(113.5)	7.5	0.2	65.3	1,018.9	991.8	1.0	992.8
Profit/(loss) for the period		—	—	—	—	—	—	237.4	237.4	(0.2)	237.2
Other comprehensive income		—	—	(6.3)	0.2	(1.9)	15.7	—	7.7	—	7.7
Total comprehensive income for the period		—	—	(6.3)	0.2	(1.9)	15.7	237.4	245.1	(0.2)	244.9
Transactions with equity holders											
Dividends	12	—	—	—	—	—	—	(156.2)	(156.2)	—	(156.2)
Share scheme credit		—	—	—	—	—	—	31.9	31.9	—	31.9
Deferred tax charge on share scheme credit		—	—	—	—	—	—	(2.3)	(2.3)	—	(2.3)
Transfer to loss on disposal of assets held for sale		—	—	—	—	—	—	—	—	—	—
Total transactions with equity holders		—	—	—	—	—	—	(126.6)	(126.6)	—	(126.6)
As at 30 June 2024 (unaudited)		0.3	13.1	(119.8)	7.7	(1.7)	81.0	1,129.7	1,110.3	0.8	1,111.1

Notes to the consolidated financial statements

General information

Admiral Group plc is a public limited company incorporated in England and Wales. Its registered office is at Tŷ Admiral, David Street, Cardiff, CF10 2EH and its shares are listed on the London Stock Exchange.

The condensed interim financial statements comprise the results and balances of the Company and its subsidiaries (the Group) for the six-month period ended 30 June 2024 and the comparative periods for the six-months ended 30 June 2023 and the year ended 31 December 2023. This condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the UK, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2023 ("last annual financial statements"), prepared in accordance with United Kingdom adopted international accounting standards in conformity with the requirements of the Companies Act 2006. They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

As required by the FCA's Disclosure and Transparency Rules, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 December 2023, except where new accounting standards apply as noted below.

The financial statements of the Company's subsidiaries are consolidated in the Group financial statements. In accordance with IAS 24, transactions or balances between Group companies that have been eliminated on consolidation are not reported as related party transactions.

The comparative figures for the financial year ended 31 December 2023 are the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the registrar of companies. The report of the auditors was:

- I. unqualified;
- II. did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report; and

III. did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The accounts have been prepared on a going concern basis. In considering the appropriateness of this assumption, the Board have reviewed the Group's projections for the next 12 months and beyond. Further information is given in note 1 below.

1. Basis of preparation

The condensed set of interim financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 December 2023.

A number of other IFRS and interpretations have been endorsed by the UK in the period to 30 June 2024 and although they have been adopted by the Group, none of them has had a material impact on the Group's financial statements.

The Group's assessment of the impact of other standards that have yet to be adopted remains consistent with that reported on page 222 of the Group's 2023 Annual Report.

The consolidated financial statements have been prepared on a going concern basis. In considering this requirements, the directors have taken into account the following:

- The Group's profit projections, including:
 - Changes in premium rates and projected policy volumes across the Group's insurance businesses
 - Projected cost of settling claims across all of the Group's insurance businesses, including the impact of continuing, albeit reducing, high levels of inflation
 - Projected trends in motor claims frequency
 - Projected trends in other revenue generated by the Group's insurance business from fees and the sale of ancillary products
 - Projected contributions to profit from businesses other than the UK Motor insurance business
 - Expected trends in unemployment in the context of credit risks and the growth of the Group's consumer lending business
 - The impact of the More Than acquisition, which completed in the first half of 2024.
- The Group's solvency position, which has been closely monitored through periods of market volatility. The Group continues to maintain a strong solvency position above target levels
- The adequacy of the Group's liquidity position after considering all the factors noted above
- The results of business plan scenarios and stress tests on the projected profitability, solvency and liquidity positions including the impact of severe downside scenarios that assume severe adverse economic, credit and trading stresses
- The regulatory environment, focusing on regulatory guidance issued by the FCA and the PRA in the UK and regular communications between management and regulators
- A review of the Company's principal risks and uncertainties and the assessment of emerging risks including climate related risks.

Following consideration of all of the above, the Directors have reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report, and that it is therefore appropriate to adopt the going concern basis in preparing the consolidated financial statements.

The accounting policies set out in the notes to the financial statements have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

The financial statements are prepared on the historical cost basis, except for the revaluation of financial assets classified as fair value through profit or loss or as fair value through other comprehensive income. The Group and Company financial statements are presented in pounds sterling, rounded to the nearest £0.1 million.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

2. Critical accounting judgements and estimates

The Group's 2023 Annual Report provides full details of significant judgements and estimates used in the application of the Group's accounting policies, other than:

- in relation to the additional intangible assets acquired in the period, for which the relevant information is included in notes 11 and 13
- in relation to the calculation of insurance reserves where the estimation basis has been updated both for the growth of the UK motor book and for motor total loss claims settled in previous periods, where management exercises judgement in assessing which customers should be remediated and applies estimation techniques in deriving the remediation amounts.

There have been no additional critical judgements or estimates applied in the period.

Notes 3 and 5 provide further information as to the changes in the estimates with respect to the calculation of insurance reserves.

Note 7 provides further information as to changes in the estimates with respect to the calculation of the expected credit loss provision for the Admiral Money business.

3. Insurance and financial risk

3a. Insurance risk sensitivity analysis

The following sensitivity analysis shows the impact on profit for reasonably possible movements in key assumptions with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions have been changed on an individual basis. It should be noted that movements in these assumptions are non-linear.

The sensitivities are shown for UK motor only, being the line of business where such a material impact at a Group level. The sensitivities are shown on a gross and net of quota share reinsurance basis to illustrate the impacts on shareholder profit and equity before and after risk mitigation from quota share reinsurance. The sensitivities (both gross and net) include the impacts of movements in co-insurance profit commission, given that underwriting year loss ratios including risk adjustment are a direct input to the calculation of profit commission.

Ogden discount rate

The sensitivities reflect the impact on profit before tax and equity in H1 2024 for changes to the Ogden discount rate from the current rate of minus 0.25%, with all other assumptions (including the absolute level of risk adjustment) remaining unchanged. The sensitivities assume the change in rate takes place from 1 January 2025.

£m	30 June 2024 (unaudited)			
	Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance	Impact on equity gross of reinsurance	Impact on equity net of reinsurance
Ogden discount rate increase by 125 bps to +1.00%	154.8	121.3	124.2	111.4
Ogden discount rate increase by 75 bps to +0.50%	99.5	75.5	79.8	71.0
Ogden discount rate increase by 25 bps to 0.00%	35.1	25.7	28.2	24.6
Ogden discount rate decrease by 75 bps to -1.00%	(120.4)	(85.8)	(96.9)	(82.8)

Should the Ogden discount rate change in future periods, the ultimate impacts on profit before tax and equity are likely to be slightly larger than those set out above, as a result of including the impacts on claims arising in relation to premium written and earned beyond 30 June 2024. It is also expected that some of the ultimate impact of a change in Ogden rate will flow into future financial periods.

Risk adjustment

The sensitivities reflect the impact on profit before tax and equity in 2024 for changes in the selection of the UK motor risk adjustment confidence level at 30 June 2024, with all other assumptions remaining unchanged.

£m	30 June 2024 (unaudited)			
	Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance	Impact on equity gross of reinsurance	Impact on equity net of reinsurance
Risk adjustment increase to 95th percentile	(40.2)	(26.2)	(33.0)	(21.3)
Risk adjustment decrease to 90th percentile	58.1	40.2	47.7	32.5
Risk adjustment decrease to 85th percentile	117.2	85.1	96.1	69.1

Undiscounted loss ratios, including risk adjustment (unaudited)

The sensitivities reflect the impact on profit before tax and equity in 2024 of a change in the booked loss ratios for individual underwriting years (UWY) as at 30 June 2024, with all other assumptions remaining unchanged.

£m	UWY 2020 impact on:		UWY 2021 impact on:		UWY 2022 impact on:		UWY 2023 impact on:	
	PBTEquity	PBTEquity	PBTEquity	PBTEquity	PBTEquity	PBTEquity	PBTEquity	PBTEquity
Increase of 1%: gross of reinsurance	(19.7)	(14.7)	(13.8)	(10.6)	(14.4)	(12.1)	(17.9)	(15.3)
Increase of 5%: gross of reinsurance	(98.3)	(73.5)	(68.9)	(53.2)	(72.2)	(60.4)	(86.5)	(74.0)
Increase of 10%: gross of reinsurance	(196.6)	(147.0)	(137.8)	(106.4)	(144.4)	(120.9)	(172.3)	(147.3)
Decrease of 1%: gross of reinsurance	19.7	14.7	13.8	10.6	14.4	12.1	16.4	14.0
Decrease of 5%: gross of reinsurance	98.3	73.5	68.9	53.2	72.2	60.4	85.0	72.6
Decrease of 10%: gross of reinsurance	196.6	147.0	157.2	121.0	144.4	120.9	199.1	167.2
Increase of 1%: net of reinsurance	(19.7)	(14.7)	(10.4)	(8.0)	(4.3)	(3.5)	(10.2)	(8.6)
Increase of 5%: net of reinsurance	(98.3)	(73.5)	(54.0)	(41.5)	(21.3)	(17.5)	(44.8)	(37.7)
Increase of 10%: net of reinsurance	(196.6)	(147.0)	(108.4)	(83.4)	(46.1)	(37.9)	(79.6)	(66.9)
Decrease of 1%: net of reinsurance	19.7	14.7	12.0	9.2	7.7	6.4	11.6	9.8

Decrease of 5%: net of reinsurance	98.3	73.5	54.9	42.2	21.3	17.5	71.9	61.3
Decrease of 10%: net of reinsurance	196.6	147.0	134.8	103.4	64.7	53.7	186.0	155.8

* 'Booked' loss ratios are undiscounted underwriting year loss ratios, including risk adjustment.

3b. Financial risk: Interest rate sensitivity analysis

Impact on insurance contracts liabilities and reinsurance contract assets

The impact on profit and loss (before tax) and equity arising from the impact of 100 basis point and 200 basis point increases and decreases in interest rates on insurance contract liabilities and reinsurance contract assets, is as follows:

£m	30 June 2024 (unaudited)			
	Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance	Impact on equity gross of reinsurance	Impact on equity net of reinsurance
Increase of 100 basis points	13.3	12.9	57.4	52.5
Decrease of 100 basis points	(14.3)	(13.9)	(64.4)	(59.3)
Increase of 200 basis points	25.6	24.9	109.3	99.8
Decrease of 200 basis points	(29.9)	(29.1)	(138.5)	(127.9)

Impact on investments and cash

The impact on profit before tax of a 100 basis and 200 basis point move in relation to investments and cash is not significant, at £6.7 million and £13.4 million respectively. The impact on equity is more significant, at £84.7 million and £162.9 million respectively, as a result of the gains and losses on the majority of the financial investment portfolio being reflected in Other Comprehensive Income.

4. Operating segments

The Group has four reportable segments; UK Insurance, International Insurance, Admiral Money, and Other. These reportable segments are consistent with those set out on page 238 of the Group's 2023 Annual Report.

An analysis of the Group's revenue and results for the period ended 30 June 2024, by reportable segment, is shown below. The accounting policies of the reportable segments are consistent with those presented in the notes to the 2023 Group financial statements.

	Six months ended 30 June 2024 (unaudited)					
	UK Insurance £m	Int. Insurance £m	Admiral Money £m	Other £m	Eliminations £m ^{*3}	Total £m
Turnover ^{*1}	2,675.2	450.2	50.4	32.0	–	3,207.8
Insurance revenue	1,761.3	422.1	–	30.4	–	2,213.8
Insurance revenue net of XoL	1,701.9	403.3	–	27.5	–	2,132.7
Insurance services expenses	(360.6)	(117.5)	–	(14.8)	–	(492.9)
Insurance claims net of XoL	(917.1)	(289.2)	–	(15.9)	–	(1,222.2)
Quota share reinsurance result	(164.9)	(0.9)	–	–	–	(165.8)
Net movement in onerous loss component	0.8	1.6	–	–	–	2.4
Underwriting result	260.1	(2.7)	–	(3.2)	–	254.2
Net investment income ^{*2}	33.0	4.5	0.1	0.3	(2.8)	35.1
Net interest income from financial services	–	–	34.1	0.3	1.9	36.3
Net other revenue and operating expenses	70.2	(0.1)	(27.4)	(5.0)	–	37.7
Segment profit/(loss) before tax^{*4}	363.3	1.7	6.8	(7.6)	(0.9)	363.3
Other central revenue and expenses, including share scheme charges ^{*4}						(46.4)
Investment and interest income						6.1
Finance costs						(13.2)
Consolidated profit before tax						309.8
Taxation expense						(72.6)
Consolidated profit after tax						237.2

Revenue and results for the corresponding reportable segments for the period ended 30 June 2023 are shown below.

Six months ended 30 June 2023 (unaudited)

	UK Insurance £m	Int. Admiral Insurance £m	Money £m	Other £m	Eliminations £m ^{*3}	Total £m
Turnover ^{*1}	1,708.3	464.3	43.6	21.3	–	2,237.5
Insurance revenue	1,178.9	407.5	–	20.6	–	1,607.0
Insurance revenue net of XoL	1,144.8	396.8	–	19.7	–	1,561.3
Insurance services expenses	(271.7)	(125.7)	–	(14.2)	–	(411.6)
Insurance claims net of XoL	(701.1)	(269.7)	–	(19.9)	–	(990.7)
Quota share reinsurance result	19.4	(13.2)	–	(0.1)	–	6.1
Net movement in onerous loss component	0.6	0.8	–	–	–	1.4
Underwriting result	192.0	(11.0)	–	(14.5)	–	166.5
Net investment income ^{*2}	25.5	1.9	0.3	0.1	(1.6)	26.2
Net interest income from financial services	–	–	31.0	–	0.7	31.7
Net other revenue and operating expenses	86.4	1.5	(28.6)	(3.4)	–	55.9
Segment profit/(loss) before tax^{*4}	303.9	(7.6)	2.7	(17.8)	(0.9)	280.3
Other central revenue and expenses, including share scheme charges ^{*4}						(42.4)
Investment and interest income						2.3
Finance costs						(6.3)
Consolidated profit before tax						233.9
Taxation expense						(60.0)
Consolidated profit after tax						173.9

Revenue and results for the corresponding reportable segments for the year ended 31 December 2023 are shown below.

	Year ended 31 December 2023					
	UK Insurance £m	Int. Admiral Insurance £m	Money £m	Other £m	Eliminations £m ^{*3}	Total £m
Turnover ^{*1}	3,776.0	894.9	92.1	48.5	–	4,811.5
Insurance revenue	2,596.8	842.6	–	46.7	–	3,486.1
Insurance revenue net of XoL	2,517.3	811.8	–	44.4	–	3,373.5
Insurance services expenses	(559.6)	(249.4)	–	(27.9)	–	(836.9)
Insurance claims net of XoL	(1,560.2)	(565.2)	–	(33.1)	–	(2,158.5)
Quota share reinsurance result	(18.4)	(22.1)	–	0.1	–	(40.4)
Net movement in onerous loss component	4.3	0.6	–	–	–	4.9
Underwriting result	383.4	(24.3)	–	(16.5)	–	342.6
Net investment income ^{*2}	55.2	4.3	–	0.3	(3.2)	56.6
Net interest income from financial services	–	–	66.4	0.2	1.5	68.1
Net other revenue and operating expenses	157.9	2.0	(56.2)	(12.4)	–	91.3
Segment profit/(loss) before tax^{*4}	596.5	(18.0)	10.2	(28.4)	(1.7)	558.6
Other central revenue and expenses, including share scheme charges ^{*4}						(101.8)
Investment and interest income						4.6
Finance costs						(18.6)
Consolidated profit before tax						442.8

Taxation expense	(105.6)
Consolidated profit after tax	337.2

*1 Turnover is an Alternative Performance Measure presented before intra-group eliminations. Refer to the glossary and note 14 for further information.

*2 Net Investment income is reported net of impairment of financial assets, in line with management reporting.

*3 Eliminations are in respect of the intra-group trading between the Group's comparison and UK and International insurance entities and intra-group interest charges related to the UK Insurance and Admiral Money segment.

*4 Segment results are presented net of gross share scheme charges, and any quota share reinsurance recoveries; these net share scheme charges are presented within 'Other central revenue and expenses, including share scheme charges in line with internal management reporting.'

5. Insurance Service result

5a. Accounting policies

The full accounting policies are provided in the Group's 2023 Annual Report.

Discount rates

A bottom-up approach has been applied in the determination of discount rates. Under this approach, the discount rate is determined as the risk-free yield adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cashflows (known as an illiquidity premium).

The following weighted average rates, based on the yield curves derived using the above methodology, were used to discount the liability for incurred claims at the end of the current and prior periods:

	30 June 2024 (unaudited)				30 June 2023 (unaudited)				31 December 2023			
	1	3	5	10	1	3	5	10	1	3	5	10
	year	years	years	years	year	years	years	years	year	years	years	years
UK Insurance	5.5%	4.9%	4.6%	4.5%	6.7%	6.3%	5.7%	4.9%	5.4%	4.3%	4.0%	3.9%
International (European motor)	4.1%	3.6%	3.4%	3.4%	4.6%	4.2%	3.8%	3.5%	4.0%	3.1%	3.0%	3.0%

5b. Insurance revenue

Insurance revenue for the corresponding reportable segments for the period ended 30 June 2024 are shown below.

	30 June 2024 (unaudited)				
	UK Motor £m	UK Non- motor £m	Int. Insurance £m	Other £m	Total Group £m
Insurance revenue related movement in liability for remaining coverage	1,539.5	221.8	422.1	30.4	2,213.8

Insurance revenue for the corresponding reportable segments for the period ended 30 June 2023 are shown below.

	30 June 2023 (unaudited)				
	UK Motor £m	UK Non- motor £m	Int. Insurance £m	Other £m	Total Group £m
Insurance revenue related movement in liability for remaining coverage	1,020.0	158.9	407.5	20.6	1,607.0

Insurance revenue for the corresponding reportable segments for the year ended 31 December 2023 are shown below.

	31 December 2023				
	UK Motor £m	UK Non- motor £m	Int. Insurance £m	Other £m	Total Group £m
Insurance revenue related movement in liability for remaining coverage	2,250.2	346.6	842.6	46.7	3,486.1

The Group's share of its insurance business was underwritten by Admiral Insurance (Gibraltar) Limited, Admiral Insurance Company Limited, Admiral Europe Compañía Seguros ('AECS') and Elephant Insurance Company. The majority of contracts are short term in duration, lasting for between 6 and 12 months.

5c. Insurance service expenses

Insurance service expenses for the corresponding reportable segments for the period ended 30 June 2024 are shown below.

	30 June 2024 (unaudited)				
	UK Motor £m	UK Non- motor £m	Int. Insurance £m	Other £m	Total Group £m

Incurring claims					
Claims incurred in the period	1,049.1	138.0	271.0	17.7	1,475.8
Changes to liabilities for incurred claims	(274.6)	(37.5)	20.1	(1.9)	(293.9)
Total incurred claims	774.5	100.5	291.1	15.8	1,181.9
Movement in onerous contracts	(3.6)	(0.3)	(1.9)	—	(5.8)
Directly attributable expenses					
Administration expenses	226.3	49.6	87.6	9.3	372.8
Acquisition expenses	61.7	23.0	29.9	5.5	120.1
Insurance expenses	288.0	72.6	117.5	14.8	492.9
Share scheme expenses	19.1	2.4	5.0	0.7	27.2
Total insurance expenses including share scheme expenses	307.1	75.0	122.5	15.5	520.1
Total Insurance service expenses	1,078.0	175.2	411.7	31.3	1,696.2

Insurance services expenses for the corresponding reportable segments for the period ended 30 June 2023 are shown below.

	30 June 2023 (unaudited)				
	UK	UK	Int.	Other	Total
	Motor	Non-	Insurance	£m	Group
	£m	motor	£m	£m	£m
Incurring claims					
Claims incurred in the period	851.1	109.1	287.6	15.5	1,263.3
Changes to liabilities for incurred claims	(249.1)	(5.1)	(5.1)	3.5	(255.8)
Total incurred claims	602.0	104.0	282.5	19.0	1,007.5
Movement in onerous contracts	(3.4)	—	(1.5)	—	(4.9)
Directly attributable expenses					
Administration expenses	189.6	33.8	89.6	9.4	322.4
Acquisition expenses	30.9	17.5	36.2	4.7	89.3
Insurance expenses	220.5	51.3	125.8	14.1	411.7
Share scheme expenses	17.9	1.6	3.6	0.3	23.4
Total insurance expenses including share scheme expenses	238.4	52.9	129.4	14.4	435.1
Total Insurance service expenses	837.0	156.9	410.4	33.4	1,437.7

Insurance service expenses for the corresponding reportable segments for the year ended 31 December 2023 are shown below.

	31 December 2023				
	UK	UK	Int.	Other	Total
	Motor	Non-	Insurance	£m	Group
	£m	motor	£m	£m	£m
Incurring claims					
Claims incurred in the period	1,755.5	255.0	618.2	36.4	2,665.1
Changes to liabilities for incurred claims	(406.9)	(9.1)	(21.3)	(3.3)	(440.6)
Total incurred claims	1,348.6	245.9	596.9	33.1	2,224.5
Movement in onerous contracts	(18.6)	(2.4)	(2.4)	—	(23.4)
Directly attributable expenses					
Administration expenses	377.8	73.5	184.0	19.0	654.3
Acquisition expenses	73.4	34.8	65.4	8.9	182.5
Insurance expenses	451.2	108.3	249.4	27.9	836.8
Share scheme expenses	43.2	2.4	8.9	0.8	55.3
Total insurance expenses including share scheme expenses	494.4	110.7	258.3	28.7	892.1
Total Insurance service expenses	1,824.4	354.2	852.8	61.8	3,093.2

5d. Net expenses from reinsurance contracts held

Net expenses from reinsurance contracts held for the corresponding reportable segments for the period ended 30 June 2024 are shown below.

	30 June 2024 (unaudited)				
	UK	UK	Int.	Other	Total
	Motor	Non-	Insurance	£m	Group
	£m	motor	£m	£m	£m
Allocation of reinsurance premiums	66.9	23.9	82.4	2.8	176.0
Amounts recoverable from reinsurers for incurred insurance service expenses					
Incurred claims	(27.0)	(4.4)	(154.1)	—	(185.5)
Changes to liabilities for incurred claims	172.2	28.0	86.5	—	286.7

Net expense from reinsurance contracts excluding movement in onerous loss component	212.1	47.5	14.8	2.8	277.2
Other reinsurance recoveries including movement in onerous loss component	2.9	0.2	0.3	—	3.4
Net expenses from reinsurance contracts held	215.0	47.7	15.1	2.8	280.6

Net expenses from reinsurance contracts held for the corresponding reportable segments for the period ended 30 June 2023 are shown below.

	30 June 2023 (unaudited)				
	UK Motor £m	UK Non-motor £m	Int. Insurance £m	Other £m	Total Group £m
Allocation of reinsurance premiums	41.6	25.2	93.2	0.9	160.9
Amounts recoverable from reinsurers for incurred insurance service expenses					
Incurred claims	(120.1)	(20.3)	(129.6)	—	(270.0)
Changes to liabilities for incurred claims	81.4	(4.1)	44.1	0.8	122.2
Net expense from reinsurance contracts excluding movement in onerous loss component	2.9	0.8	7.7	1.7	13.1
Other reinsurance recoveries including movement in onerous loss component	3.0	—	0.7	—	3.7
Net expenses from reinsurance contracts held	5.9	0.8	8.4	1.7	16.8

Net expenses from reinsurance contracts held for the corresponding reportable segments for the year ended 31 December 2023 are shown below.

	31 December 2023				
	UK Motor £m	UK Non-motor £m	Int. Insurance £m	Other £m	Total Group £m
Allocation of reinsurance premiums	93.6	49.5	190.0	2.2	335.3
Amounts recoverable from reinsurers for incurred insurance service expenses					
Incurred claims	(173.8)	(52.0)	(270.3)	—	(496.1)
Changes to liabilities for incurred claims	135.1	(1.4)	95.9	(0.1)	229.5
Net expense from reinsurance contracts excluding movement in onerous loss component	54.9	(3.9)	15.6	2.1	68.7
Other reinsurance recoveries including movement in loss recovery component	14.5	2.2	1.7	—	18.4
Net expenses/(income) from reinsurance contracts held	69.4	(1.7)	17.3	2.1	87.1

5e. Finance (expenses)/income from insurance contracts held and reinsurance contracts issued

	30 June 2024 (unaudited)	30 June 2023 (unaudited)	31 December 2023
£m			
Amounts recognised through the income statement			
Insurance finance expenses from insurance contracts issued	(61.2)	(47.4)	(94.5)
Insurance finance income from reinsurance contracts held	19.3	18.3	28.9
Net finance expense from insurance / reinsurance contracts issued	(41.9)	(29.1)	(65.6)
Amounts recognised in other comprehensive income			
Gains/ (losses) due to changes in discount rates – insurance contracts	31.0	20.4	(128.1)
(Losses)/gains due to changes in discount rates – reinsurance contracts	(13.1)	(4.0)	49.2

Total gains before tax recognised in other comprehensive income 17.9 16.4 (78.9)

5f. Insurance Liabilities and Reinsurance assets

(i). Analysis of recognised amounts

£ million	Period ended 30 June 2024 (unaudited)			Year ended 30 June 2023 (unaudited)			Year ended 31 December 2023		
	Liability for remaining coverage	Liability for incurred claims	Total	Liability for remaining coverage	Liability for incurred claims	Total	Liability for remaining coverage	Liability for incurred claims	Total
Insurance contracts issued									
UK Motor	989.5	2,649.3	3,638.8	663.1	2,337.4	3,000.5	769.0	2,546.7	3,315.7
UK Non-motor	173.6	195.3	368.9	123.5	181.7	305.2	136.2	217.5	353.7
International Motor	227.1	645.4	872.5	223.5	569.6	793.1	221.0	641.5	862.5
Other	4.7	61.7	66.4	2.7	38.2	40.9	3.5	46.3	49.8
Total insurance contracts issued	1,394.9	3,551.7	4,946.6	1,012.8	3,126.9	4,139.7	1,129.7	3,452.0	4,581.7

£ million	Period ended 30 June 2024 (unaudited)			Year ended 30 June 2023 (unaudited)			Year ended 31 December 2023		
	Asset/(liability) for remaining coverage	Asset for incurred claims	Total	Asset/(liability) for remaining coverage	Asset for incurred claims	Total	Asset/(liability) for remaining coverage	Asset for incurred claims	Total
Reinsurance contracts held									
UK Motor	48.4	351.4	399.8	39.2	466.3	505.5	23.1	496.8	519.9
UK Non-Motor	(29.9)	179.6	149.7	25.1	150.0	175.1	21.4	170.2	191.6
International Motor	(25.5)	525.1	499.6	(51.5)	485.0	433.5	(21.0)	502.8	481.8
Other	(0.3)	6.8	6.5	(0.8)	0.1	(0.7)	(1.4)	—	(1.4)
Total reinsurance contracts held	(7.3)	1,062.9	1,055.6	12.0	1,101.4	1,113.4	22.1	1,169.8	1,191.9

£ million	Period ended 30 June 2024 (unaudited)			Year ended 30 June 2023 (unaudited)			Year ended 31 December 2023		
	Liability/(asset) for remaining coverage	Liability/(asset) for incurred claims	Total	Liability/(asset) for remaining coverage	Liability/(asset) for incurred claims	Total	Asset for remaining coverage	Asset for incurred claims	Total
Net									
UK Motor	941.1	2,297.9	3,239.0	623.9	1,871.1	2,495.0	745.9	2,049.9	2,795.8
UK other	203.5	15.7	219.2	98.4	31.7	130.1	114.8	47.3	162.1
International Motor	252.6	120.3	372.9	275.0	84.6	359.6	242.0	138.7	380.7
Other	5.0	54.9	59.9	3.5	38.1	41.6	4.9	46.3	51.2
Total insurance contracts issued	1,402.2	2,488.8	3,891.0	1,000.8	2,025.5	3,026.3	1,107.6	2,282.2	3,389.8

(ii). Roll-forward of net asset or liability for insurance contracts issued

The following tables reconcile the opening and closing balances of the LRC and LIC for UK Motor.

30 June 2024 (unaudited)	Liability for remaining coverage			Liability for incurred claims		
	Excluding loss component	Loss component	Total	Present cashflows	Risk adj. value of for non-future financial risk	Total
Opening assets	—	—	—	—	—	—
Opening liabilities	(766.0)	(3.0)	(769.0)	(2,202.8)	(343.9)	(2,546.7)
Net opening balance	(766.0)	(3.0)	(769.0)	(2,202.8)	(343.9)	(2,546.7)
Insurance revenue	1,539.5	—	1,539.5	—	—	—
Insurance service expenses	—	—	—	(1,252.6)	(103.6)	(1,356.2)
Incurring claims and insurance service expenses	—	—	—	(1,252.6)	(103.6)	(1,356.2)

Changes to liabilities for incurred claims	—	—	—	166.7	107.9	274.6	274.6
Losses and reversals of losses on onerous contracts	—	3.6	3.6	—	—	—	3.6
Insurance service result	1,539.5	3.6	1,543.1	(1,085.9)	4.3	(1,081.6)	461.5
Insurance finance income/(expense) recognised in profit or loss	—	(1.0)	(1.0)	(39.8)	(7.2)	(47.0)	(48.0)
Insurance finance income/(expense) recognised in OCI	—	0.4	0.4	23.6	2.2	25.8	26.2
Total changes in comprehensive income	1,539.5	3.0	1,542.5	(1,102.1)	(0.7)	(1,102.8)	439.7
Other changes	—	—	—	—	—	—	—
Cashflows							
Premiums received	(1,763.0)	—	(1,763.0)	—	—	—	(1,763.0)
Claims and other insurance service expenses paid	—	—	—	1,000.2	—	1,000.2	1,000.2
Other movements	—	—	—	—	—	—	—
Total cashflows	(1,763.0)	—	(1,763.0)	1,000.2	—	1,000.2	(762.8)
Net closing balance	(989.5)	—	(989.5)	(2,304.7)	(344.6)	(2,649.3)	(3,638.8)
Closing assets	—	—	—	—	—	—	—
Closing liabilities	(989.5)	—	(989.5)	(2,304.7)	(344.6)	(2,649.3)	(3,638.8)

30 June 2023 (unaudited)	Liability for remaining coverage			Liability for incurred claims			
	Excluding loss component	Loss component	Total	Present cashflows	Risk adj. value of for non-future financial risk	Total	Total
Opening assets	—	—	—	—	—	—	—
Opening liabilities	(534.1)	(8.1)	(542.2)	(1,984.5)	(426.6)	(2,411.1)	(2,953.3)
Net opening balance	(534.1)	(8.1)	(542.2)	(1,984.5)	(426.6)	(2,411.1)	(2,953.3)
Insurance revenue	1,020.0	—	1,020.0	—	—	—	1,020.0
Insurance service expenses							
Incurred claims and insurance service expenses	—	—	—	(1,009.2)	(80.3)	(1,089.5)	(1,089.5)
Changes to liabilities for incurred claims	—	—	—	88.8	160.3	249.1	249.1
Losses and reversals of losses on onerous contracts	—	3.4	3.4	—	—	—	3.4
Insurance service result	1,020.0	3.4	1,023.4	(920.4)	80.0	(840.4)	183.0
Insurance finance income/(expense) recognised in profit or loss	—	(6.3)	(6.3)	(27.0)	(5.4)	(32.4)	(38.7)
Insurance finance income/(expense) recognised in OCI	—	(4.2)	(4.2)	29.9	(1.9)	28.0	23.8
Total changes in comprehensive income	1,020.0	(7.1)	1,012.9	(917.5)	72.7	(844.8)	168.1
Other changes	—	—	—	—	—	—	—
Cashflows							

Premiums received	(1,133.8)	—	(1,133.8)	—	—	—	(1,133.8)
Claims and other insurance service expenses paid	—	—	—	918.5	—	918.5	918.5
Other movements	—	—	—	—	—	—	—
Total cashflows	(1,133.8)	—	(1,133.8)	918.5	—	918.5	(215.3)
Net closing balance	(647.9)	(15.2)	(663.1)	(1,983.5)	(353.9)	(2,337.4)	(3,000.5)
Closing assets	—	—	—	—	—	—	—
Closing liabilities	(647.9)	(15.2)	(663.1)	(1,983.5)	(353.9)	(2,337.4)	(3,000.5)

31 December 2023	Liability for remaining coverage			Liability for incurred claims			
	Excluding loss component	Loss component	Total	Present cashflows	Risk adj. value of for non-future financial risk	Total	Total
Opening assets	—	—	—	—	—	—	—
Opening liabilities	(534.1)	(8.1)	(542.2)	(1,984.5)	(426.6)	(2,411.1)	(2,953.3)
Net opening balance	(534.1)	(8.1)	(542.2)	(1,984.5)	(426.6)	(2,411.1)	(2,953.3)
Insurance revenue	2,250.2	—	2,250.2	—	—	—	2,250.2
Insurance service expenses							
Incurred claims and insurance service expenses	—	—	—	(2,105.1)	(144.8)	(2,249.9)	(2,249.9)
Changes to liabilities for incurred claims	—	—	—	140.1	266.8	406.9	406.9
Losses and reversals of losses on onerous contracts	—	18.6	18.6	—	—	—	18.6
Insurance service result	2,250.2	18.6	2,268.8	(1,965.0)	122.0	(1,843.0)	425.8
Insurance finance income/(expense) recognised in profit or loss	—	(4.1)	(4.1)	(59.0)	(12.3)	(71.3)	(75.4)
Insurance finance income/(expense) recognised in OCI	—	(9.4)	(9.4)	(60.5)	(27.0)	(87.5)	(96.9)
Total changes in comprehensive income	2,250.2	5.1	2,255.3	(2,084.5)	82.7	(2,001.8)	253.5
Other changes	—	—	—	—	—	—	—
Cashflows							
Premiums received	(2,482.1)	—	(2,482.1)	—	—	—	(2,482.1)
Claims and other insurance service expenses paid	—	—	—	1,866.2	—	1,866.2	1,866.2
Other movements	—	—	—	—	—	—	—
Total cashflows	(2,482.1)	—	(2,482.1)	1,866.2	—	1,866.2	(615.9)
Net closing balance	(766.0)	(3.0)	(769.0)	(2,202.8)	(343.9)	(2,546.7)	(3,315.7)
Closing assets	—	—	—	—	—	—	—
Closing liabilities	(766.0)	(3.0)	(769.0)	(2,202.8)	(343.9)	(2,546.7)	(3,315.7)

(iii). Roll-forward of net asset or liability for reinsurance contracts issued

UK Motor

The following tables reconcile the opening and closing balances of the ARC and AIC for UK Motor.

30 June 2024 (unaudited)	Asset for remaining coverage			Asset for incurred claims			
	Excluding loss component	Loss-recovery component	Total	Present cashflows	Risk adj. value of for non-future financial risk	Total	Total
£ million							

				future financial			
				cashflows	risk		
Opening assets	20.8	2.3	23.1	313.2	183.6	496.8	519.9
Opening liabilities	—	—	—	—	—	—	—
Net opening balance	20.8	2.3	23.1	313.2	183.6	496.8	519.9
Allocation of reinsurance premiums	(66.9)	—	(66.9)	—	—	—	(66.9)
Amounts recoverable from reinsurers for incurred claims							
Incurred claims	—	—	—	15.8	11.2	27.0	27.0
Changes to liabilities for incurred claims	—	—	—	(98.3)	(73.9)	(172.2)	(172.2)
Changes in the loss recovery component	—	(2.9)	(2.9)	—	—	—	(2.9)
Net income/(expense) from reinsurance contracts held	(66.9)	(2.9)	(69.8)	(82.5)	(62.7)	(145.2)	(215.0)
Reinsurance finance income/(expense) recognised in profit or loss	—	0.9	0.9	5.5	4.0	9.5	10.4
Reinsurance finance income/(expense) recognised in OCI	—	(0.3)	(0.3)	(5.9)	(3.8)	(9.7)	(10.0)
Total changes in comprehensive income	(66.9)	(2.3)	(69.2)	(82.9)	(62.5)	(145.4)	(214.6)
Cashflows							
Premiums paid	94.5	—	94.5	—	—	—	94.5
Claims recoveries	—	—	—	—	—	—	—
Recoveries as a result of commutations	—	—	—	—	—	—	—
Total cashflows	94.5	—	94.5	—	—	—	94.5
Net closing balance	48.4	—	48.4	230.3	121.1	351.4	399.8
Closing assets	48.4	—	48.4	230.3	121.1	351.4	399.8
Closing liabilities	—	—	—	—	—	—	—

£ million	30 June 2023 (unaudited)			Asset for remaining coverage		Asset for incurred claims	
	Excluding loss component	Loss-recovery component	Total	Present cashflows	Risk adj. value of for non-future financial		Total
					risk	Total	
Opening assets	20.2	6.3	26.5	255.4	175.6	431.0	457.5
Opening liabilities	—	—	—	—	—	—	—
Net opening balance	20.2	6.3	26.5	255.4	175.6	431.0	457.5
Allocation of reinsurance premiums	(41.6)	—	(41.6)	—	—	—	(41.6)
Amounts recoverable from reinsurers for incurred claims							
Incurred claims	—	—	—	69.2	50.9	120.1	120.1
Changes to liabilities for incurred claims	—	—	—	(24.1)	(57.3)	(81.4)	(81.4)
Changes in the loss recovery component	—	(3.0)	(3.0)	—	—	—	(3.0)

Net income/ (expense) from reinsurance contracts held	(41.6)	(3.0)	(44.6)	45.1	(6.4)	38.7	(5.9)
Reinsurance finance income/(expense) recognised in profit or loss	—	5.1	5.1	4.3	3.3	7.6	12.7
Reinsurance finance income/(expense) recognised in OCI	—	3.5	3.5	(8.0)	(2.3)	(10.3)	(6.8)
Total changes in comprehensive income	(41.6)	5.6	(36.0)	41.4	(5.4)	36.0	—
Cashflows							
Premiums paid	48.7	—	48.7	—	—	—	48.7
Claims recoveries	—	—	—	(0.7)	—	(0.7)	(0.7)
Recoveries as a result of commutations	—	—	—	—	—	—	—
Total cashflows	48.7	—	48.7	(0.7)	—	(0.7)	48.0
Net closing balance	27.3	11.9	39.2	296.1	170.2	466.3	505.5
Closing assets	27.3	11.9	39.2	296.1	170.2	466.3	505.5
Closing liabilities	—	—	—	—	—	—	—

31 December 2023	Asset for remaining coverage			Asset for incurred claims			
	Excluding loss component	Loss-recovery component	Total	Present Risk adj. value of cashflows	for non-risk risk	Present Risk adj. value of financial	
£ million							
Opening assets	20.2	6.3	26.5	255.4	175.6	431.0	457.5
Opening liabilities	—	—	—	—	—	—	—
Net opening balance	20.2	6.3	26.5	255.4	175.6	431.0	457.5
Allocation of reinsurance premiums	(93.6)	—	(93.6)	—	—	—	(93.6)
Amounts recoverable from reinsurers for incurred claims							
Incurred claims	—	—	—	96.7	77.1	173.8	173.8
Changes to liabilities for incurred claims	—	—	—	(43.1)	(92.0)	(135.1)	(135.1)
Changes in the loss recovery component	—	(14.5)	(14.5)	—	—	—	(14.5)
Net income/ (expense) from reinsurance contracts held	(93.6)	(14.5)	(108.1)	53.6	(14.9)	38.7	(69.4)
Reinsurance finance income/(expense) recognised in profit or loss	—	3.2	3.2	9.4	7.5	16.9	20.1
Reinsurance finance income/(expense) recognised in OCI	—	7.3	7.3	12.5	15.4	27.9	35.2
Total changes in comprehensive income	(93.6)	(4.0)	(97.6)	75.5	8.0	83.5	(14.1)
Cashflows							
Premiums paid	94.2	—	94.2	—	—	—	94.2
Claims recoveries	—	—	—	(2.2)	—	(2.2)	(2.2)
Recoveries as a result of	—	—	—	(15.5)	—	(15.5)	(15.5)

commutations						
Total cashflows	94.2	—	94.2	(17.7)	—	(17.7)
Net closing balance	20.8	2.3	23.1	313.2	183.6	496.8
Closing assets	20.8	2.3	23.1	313.2	183.6	496.8
Closing liabilities	—	—	—	—	—	—

(iv). UK Motor Loss ratios and Changes to liabilities for incurred claims (unaudited)

The table below shows the development of UK Motor Insurance loss ratios for the past four financial periods, presented on an underwriting year basis, both using undiscounted amounts (i.e. cashflows) and discounted amounts.

	31 December			30 June (unaudited)
	2021	2022	2023	2024
UK Motor Insurance loss ratio development - undiscounted, gross net of excess of loss reinsurance				
Underwriting year				
2019	73%	71%	67%	65%
2020	68%	65%	58%	57%
2021	95%	91%	86%	84%
2022	—	104%	96%	93%
2023	—	—	94%	85%
2024	—	—	—	79%

	31 December			30 June (unaudited)
	2021	2022	2023	2024
UK Motor Insurance loss ratio development - discounted*, gross net of excess of loss reinsurance				
Underwriting year				
2019	71%	69%	65%	63%
2020	67%	63%	57%	56%
2021	92%	86%	81%	79%
2022	—	97%	88%	85%
2023	—	—	86%	78%
2024	—	—	—	73%

*Loss ratios using discounted locked-in curves, excluding finance expenses are presented from the transition date of IFRS 17 (1 January 2022) onwards.

The following table analyses the impact of movements in changes to liabilities from incurred claims by underwriting year on a gross and net of excess of loss reinsurance basis for UK Motor.

	Unaudited		
	30 June 2024 £m	30 June 2023 £m	31 December 2023 £m
Gross			
Underwriting year			
2018 & prior	67.9	55.1	91.5
2019	29.5	36.9	61.4
2020	16.1	44.1	98.2
2021	36.4	60.2	76.4
2022	57.0	52.8	79.4
2023	64.9	—	—
Total UK motor gross changes to liabilities for incurred claims *1	271.8	249.1	406.9
Net			
Underwriting year			
2018 & prior	28.5	47.9	80.6
2019	23.5	39.4	65.0
2020	17.3	44.8	97.7
2021	28.3	62.1	80.1
2022	56.1	42.9	69.4
2023	62.2	—	—
Total UK motor net of excess of loss changes to liabilities for incurred claims *1	215.9	237.1	392.8

*1 Excludes releases on non-core products.

6. Investment income and finance costs

6a. Investment return

	Unaudited		31
	30 June 2024	30 June 2023	December 2023
	£m	£m	£m
Investment return			
On assets classified as FVTPL	33.1	20.7	43.3
On debt securities classified as FVOCI ^{*1*3}	48.0	34.1	73.4
On assets classified as amortised cost	3.3	2.1	4.1
Net unrealised losses			
Unrealised loss on forward contracts	(0.2)	(0.2)	(0.2)
Share of associate profit/(loss)	(0.1)	(0.2)	(1.3)
Interest receivable on cash and cash equivalents ^{*1}	1.7	1.5	3.6
Total investment and interest income^{*2}	85.8	58.0	122.9

*1 Interest received during the year was £48.2 million (30 June 2023: £21.2 million, 31 December 2023: £76.8 million).

*2 Total investment return excludes £2.8 million of intra-group interest (30 June 2023: £1.6 million, 31 December 2023: £3.2 million).

*3 Realised losses on sales of debt securities classified as FVOCI are £0.6 million.

6b. Finance costs

	Unaudited		31
	30 June 2024	30 June 2023	December 2023
	£m	£m	£m
Interest payable on subordinated loan notes and other credit facilities ^{*1}	13.2	6.3	18.5
Interest payable on lease liabilities	0.9	0.9	2.0
Interest recoverable from co and re-insurers	(0.2)	(0.9)	(0.4)
Total finance costs	13.9	6.3	20.1

*1 Interest paid during the year was £14.1 million (30 June 2023: £7.2 million, 31 December 2023: £20.5 million).

Finance costs represent interest payable on the £305.1 million (31 December 2023: £305.1 million) subordinated notes and other financial liabilities. £55.1 million in relation to the subordinated loan notes issued on 25 July 2014 at a fixed rate of 5.5% per annum have been repaid in July 2024.

Interest payable on lease liabilities represents the unwinding of the discount on lease liabilities under IFRS 16 and does not result in a cash payment.

6c. Financial assets and liabilities

The Group's financial instruments can be analysed as follows:

	Unaudited		31
	30 June 2024	30 June 2023	December 2023
	£m	£m	£m
Financial investments measured at FVTPL			
Money market funds	751.0	464.7	587.5
Other funds ^{*1}	311.1	195.1	301.3
Derivative financial instruments	10.4	43.6	17.6
Equity investments (designated FVTPL) ^{*3}	35.7	9.7	12.4
	1,108.2	713.1	918.8
Financial investments classified as FVOCI			
Corporate debt securities	2,289.5	1,866.9	2,040.6
Government debt securities	633.6	646.2	519.6
Private debt securities	255.8	224.5	242.7
	3,178.9	2,737.6	2,802.9
Equity investments (designated FVOCI)	21.6	24.7	23.0
	3,200.5	2,762.3	2,825.9
Financial assets measured at amortised cost			
Deposits with credit institutions	117.3	105.8	116.7
Investment in Associate	0.9	2.2	1.0
Investment Property	9.0	–	–
Total financial investments	4,435.9	3,583.4	3,862.4

Other financial assets			
Insurance receivables	331.1	225.0	272.7
Trade and other receivables (measured at amortised cost)	81.6	92.4	75.0
Insurance and other receivables*⁴	412.7	317.4	347.7
Loans and advances to customers (note 7)	952.1	961.1	879.4
Cash and cash equivalents	363.6	462.7	353.1
Total financial assets	6,164.3	5,324.6	5,442.6

Financial liabilities

Subordinated notes* ²	315.3	204.4	315.2
Loan backed securities	819.4	857.7	759.6
Other borrowings	69.2	125.0	55.0
Derivative financial instruments	0.2	0.2	–
Subordinated and other financial liabilities	1,204.1	1,187.3	1,129.8
Trade and other payables	384.9	480.3	305.8
Lease liabilities	73.1	83.2	81.2
Total financial liabilities	1,662.1	1,750.8	1,516.8

*1 Other funds include fixed income securities recognised as fair value through profit and loss.

*2 The fair value of subordinated notes (level one valuation) at 30 June 2024 is £331.8 million (30 June 2023: £196.9 million, 31 December 2023: £329.8 million).

*3 Equity investments include a £12.5m receivable relating to the sale of shares in Insurify.

*4 Other receivables (HY 2024: £481.8 million; HY 2023: £373.2 million; FY 2023: £409.9 million) includes insurance and other receivables (HY 2024: £412.7 million; HY 2023: £317.4 million; FY 2023: £347.7 million), prepayments (HY 2024: £56.9 million; HY 2023: £43.3 million; FY 2023: £49.2 million) and accrued income and other debtors (HY 2024: £12.2 million; HY 2023: £12.5 million; FY 2023: £13.0 million).

The table below shows how the financial assets held at fair value have been measured using the fair value hierarchy:

	Unaudited					
	30 June 2024		30 June 2023		31 December 2023	
	FVTPL £m	FVOCI £m	FVTPL £m	FVOCI £m	FVTPL £m	FVOCI £m
Level one (quoted prices in active markets)	1,061.5	2,923.1	659.7	2,513.1	888.8	2,560.1
Level two (use of observable inputs)	22.9	–	43.6	–	17.6	–
Level three (use of significant unobservable inputs)	23.6	277.4	9.8	249.2	12.4	265.8
Total*¹	1,108.0	3,200.5	713.1	2,762.3	918.8	2,825.9

*1 There were no transfers between fair value hierarchy levels in the reporting period.

Level three investments consist of debt securities and equity securities.

Debt securities are comprised primarily of investments in debt funds which are valued at the proportion of the Group's holding of the Net Asset Value (NAV) reported by the investment vehicle. These include funds that invest in corporate direct lending, residential and commercial mortgages, and other private debt. In addition, there is a small allocation of privately placed bonds which do not trade on active markets, these are valued using discounted cash-flow models designed to appropriately reflect the credit and illiquidity of these instruments; these valuations are performed by the external fund managers. The key unobservable input across private debt securities is the discount rate which is based on the credit performance of the assets. A deterioration of the credit performance or expected future performance will result in higher discount rates and lower values.

Equity securities are primarily comprised of investments in Private Equity and Infrastructure Equity funds, which are valued at the proportion of the Group's holding of the NAV reported by the investment vehicle. These are based on several unobservable inputs including market multiples and cashflow forecasts.

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

The table below presents the movement in the period relating to financial instruments valued using a level three valuation:

	Unaudited		
	30 June 2024 £m	30 June 2023 £m	31 December 2023 £m
Level Three Investments			
Balance as at 1 January	278.2	198.2	198.2
Gains recognised in the Income Statement	4.2	1.2	9.9
Losses recognised in Other Comprehensive Income	(2.7)	(0.1)	(0.2)
Purchases	37.4	67.4	95.7
Disposals	(16.1)	(7.6)	(25.4)
Translation differences	–	(0.1)	–
Balance as at 30 June/ 31 December	301.0	259.0	278.2

7. Loans and Advances to Customers

	Unaudited		31
	30 June 2024	30 June 2023	December 2023
Loans and advances to customers – gross carrying amount	1,029.2	1,033.9	956.8
Loans and advances to customers – provision	(87.4)	(74.6)	(81.7)
Total loans and advances to customers – Admiral Money	941.8	959.3	875.1
Total loans and advances to customers – Other	10.3	1.8	4.3
Total loans and advances to customers	952.1	961.1	879.4

Gross loans and advances to customers are comprised of the following:

	Unaudited		31
	30 June 2024	30 June 2023	December 2023
Unsecured personal loans	1,015.4	1,008.3	937.7
Finance leases	13.8	25.6	19.1
Other	10.5	1.9	4.4
Total loans and advances to customers, gross	1,039.7	1,035.8	961.2

Forward-looking information (unaudited)

Under IFRS 9 the provision must reflect an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The means by which the Group has addressed this is to run scenario analysis across a range of different macroeconomic scenarios.

Management judgment has been used to define the weighting and severity of the different scenarios, with the scenarios and forecasts themselves updated in conjunction with a third-party economics provider.

The key economic driver of credit losses from the scenarios is the likelihood of a customer entering hardship through unemployment. Unemployment forecasts include a risk grade split of the Probability of Default ('PD') based on the correlation between grade-level default rates observed relative to the change in unemployment rates in the previous downturn, adjusted for the unemployment forecast expected in the current economic environment.

The scenario weighting assumptions used are detailed below, along with the unemployment rate assumed in each scenario.

	30 June 2024	31 December 2023		
	Scenario peak Unemployment rate	30 June 2024 Weighting	Scenario peak Unemployment rate	31 December 2023 Weighting
Base	4.4%	50%	4.7%	50%
Upturn	3.5%	10%	3.5%	10%
Downturn	6.0%	30%	6.0%	30%
Severe	8.0%	10%	8.0%	10%

The probability weightings reflect the view that there is a probability of 90% attached to recessionary outcomes i.e. all but the upturn scenario.

Sensitivities to key areas of estimation uncertainty (unaudited)

The key areas of estimation uncertainty identified, as per note 3 to the financial statements, are in the PD and the forward-looking scenarios.

	30 June 2024		31 December 2023	
	30 June 2024 Weighting	30 June 2024 Sensitivity £m	31 December 2023 Weighting	31 December 2023 Sensitivity £m
Base	50%	(1.6)	50%	(1.1)
Upturn	10%	(5.2)	10%	(5.2)
Downturn	30%	2.3	30%	2.5
Severe	10%	5.4	10%	8.2

The sensitivities in the above tables show the variance to ECL that would be expected if the given scenario unfolded rather than the weighted position the provision is based on. At 30 June 2024 the implied weighted peak unemployment rate is 5.2%: the table shows that in a downturn scenario with a 6.0% peak unemployment rate the provision would increase by £2.3 million, whilst the upturn would reduce the provision by £5.2 million, base case reduce by £1.6 million and severe increase the provision by £5.4 million.

Stage 1 assets represent 84% of the total loan assets; 0.1% increase in the stage 1 PD, i.e. from 2.2% to 2.3% would result in a £0.6 million increase in ECL.

Post Model Adjustments ('PMA's) (unaudited)

As at 30 June 2024, the expected credit loss allowance included PMAs totaling £8.5 million (2023: £9.2 million).

Post Model Adjustments	30 June	30 June	31
	2024 (£m)	2023 (£m)	December 2023 (£m)
Model performance	2.0	4.1	2.0
Cost of Living	6.5	4.5	6.5
Economic scenarios	—	4.0	0.7
	8.5	12.6	9.2

PMAs are calculated using management judgement and analysis. The key categories of PMAs are as follows:

Model performance

The model has been calibrated on historical data that may not fully reflect the risk of losses in the recent uncertainty in the UK economic environment. In addition, interest rate rises in 2023 created the potential for performance uncertainty. For this reason a Model Performance PMA has been made. It effectively recalibrates the modelled probability of default of the loans to reflect recent monitored performance.

Cost of Living

This PMA captures the risk of customers falling into a negative affordability position, whereby customers are no longer able to meet their credit commitments due to higher expenditure driven by higher prices and increased mortgage payments, when their standard variable or fixed term rate comes to an end. A PMA is held to acknowledge this, using both external and internal data.

Credit grade information

Credit grade is the internal credit banding given to a customer at origination and is based on external credit rating information. The credit grading at 30 June 2024 and comparative period is as follows:

	Unaudited			Total £m	Total £m	31 December 2023 Total £m
	Stage 1	Stage 2	Stage 3			
	12-month ECL £m	Lifetime ECL £m	Lifetime ECL £m			
Credit Grade ^{*1}						
Higher	666.4	71.4	—	737.8	711.8	649.3
Medium	156.3	24.0	—	180.3	220.6	186.6
Lower	37.4	8.8	—	46.2	57.3	65.4
Credit impaired	—	—	64.9	64.9	44.2	55.5
Gross carrying amount	860.1	104.2	64.9	1,029.2	1,033.9	956.8
Expected credit loss allowance	(14.1)	(27.3)	(45.4)	(86.8)	(74.0)	(81.1)
Other loss allowance ^{*2}	(0.5)	(0.1)	—	(0.6)	(0.6)	(0.6)
Carrying amount – Admiral Money	845.5	76.8	19.5	941.8	959.3	875.1
Carrying amount – Other	10.1	0.1	0.1	10.3	1.8	4.3
Carrying amount	855.6	76.9	19.6	952.1	961.1	879.4

^{*1} Credit grade is the internal credit banding given to a customer at origination. This is based on external credit rating information.

^{*2} Other loss allowance covers losses due to a reduction in current or future vehicle value or costs associated with recovery and sale of vehicles and those as a result of changes in the performance of the effective interest rate (EIR) asset.

8. Other revenue and co-insurer profit commission

Major products/service line	30 June 2024 (unaudited)				
	UK Insurance £m	International Insurance £m	Admiral Money £m	Other £m	Total £m
Fee and commission revenue	56.2	—	0.1	—	56.3
Revenue from law firm	8.2	—	—	—	8.2
Comparison income	—	—	—	—	—
Total other revenue	64.4	—	0.1	—	64.5
Profit commission from co-insurers	24.5	—	—	—	24.5
Total other revenue and co-insurer profit commission	88.9	—	0.1	—	89.0

Timing of revenue recognition

Point in time	64.6	—	0.1	—	64.7
Over time	9.5	—	—	—	9.5
Revenue outside the scope of IFRS 15	14.8	—	—	—	14.8
	88.9	—	0.1	—	89.0

30 June 2023 (unaudited)

	UK Insurance £m	International Insurance £m	Admiral Money £m	Other £m	Total £m
Major products/service line					
Fee and commission revenue	51.3	—	0.1	—	51.4
Revenue from law firm	10.8	—	—	—	10.8
Comparison income	—	—	—	1.6	1.6
Total other revenue	62.1	—	0.1	1.6	63.8
Profit commission from co-insurers	44.8	—	—	—	44.8
Total other revenue and co-insurer profit commission	106.9	—	0.1	1.6	108.6

Timing of revenue recognition

Point in time	86.4	—	0.1	1.6	88.1
Over time	11.7	—	—	—	11.7
Revenue outside the scope of IFRS 15	8.8	—	—	—	8.8
	106.9	—	0.1	1.6	108.6

31 December 2023 (unaudited)

	UK Insurance £m	International Insurance £m	Admiral Money £m	Other £m	Total £m
Major products/service line					
Fee and commission revenue	107.2	—	0.1	—	107.3
Revenue from law firm	18.3	—	—	—	18.3
Comparison income	—	—	—	1.6	1.6
Total other revenue	125.5	—	0.1	1.6	127.2
Profit commission from co-insurers	76.5	2.0	—	—	78.5
Total other revenue and co-insurer profit commission	202.0	2.0	0.1	1.6	205.7

Timing of revenue recognition

Point in time	160.4	2.0	0.1	1.6	164.1
Over time	20.1	—	—	—	20.1
Revenue outside the scope of IFRS 15	21.5	—	—	—	21.5
	202.0	2.0	0.1	1.6	205.7

Profit commission analysis

	Unaudited		
	30 June 2024 £m	30 June 2023 £m	31 December 2023 £m
Underwriting year			
2020 & prior	24.5	46.6	76.5
2021	—	—	—
2022	—	—	—
2023	—	(1.8)	—
2024	—	—	—
Total UK motor profit commission	24.5	44.8	76.5

9. Directly attributable and other expenses

	30 June 2024 (unaudited)		
	Directly attributable expenses	Other operating expenses	Total expenses
	£m	£m	£m
Administration and acquisition expenses	492.9	54.9	547.8
Expenses relating to additional products and fees	—	21.9	21.9
Share scheme expenses	27.2	14.8	42.0
Loan expenses (excluding movement on ECL provision)	—	13.4	13.4
Movement in expected credit loss provision	—	16.9	16.9
Profit on disposal of Insurify share option	—	(12.5)	(12.5)
Other* ¹	—	35.4	35.4
Total expenses	520.1	144.8	664.9

	30 June 2023 (unaudited)		
	Directly attributable expenses	Other operating expenses	Total expenses
	£m	£m	£m
Administration and acquisition expenses	411.6	52.2	463.8
Expenses relating to additional products and fees	—	20.8	20.8
Share scheme expenses	23.3	13.0	36.3
Loan expenses (excluding movement on ECL provision)	—	12.2	12.2
Movement in expected credit loss provision	—	17.1	17.1
Other* ¹	—	22.0	22.0
Total expenses	434.9	137.3	572.2

	31 December 2023		
	Directly attributable expenses	Other operating expenses	Total expenses
	£m	£m	£m
Administration and acquisition expenses	836.8	100.8	937.6
Expenses relating to additional products and fees	—	41.4	41.4
Share scheme expenses	55.3	28.5	83.8
Loan expenses (excluding movement on ECL provision)	—	23.0	23.0
Movement in expected credit loss provision	—	31.0	31.0
Other* ¹	—	57.1	57.1
Total expenses	892.1	281.8	1,173.9

*¹ Other includes centralised costs (HY 2024: £19.9 million; HY 2023 £13.2 million; FY 2023: £34.5 million), business development costs (HY 2024: £14.1 million; HY 2023: £7.9 million; FY 2023: £15.3 million) and other costs (HY 2024: £1.4 million; HY 2023: £0.9 million; FY 2023: £7.3 million).

10. Taxation

	Unaudited		
	30 June 2024	30 June 2023	31 December 2023
	£m	£m	£m
Current tax			
Corporation tax on profits for the year	47.5	39.1	91.6
Under/(over) provision relating to prior periods	—	9.4	21.3
Pillar Two income taxes	11.4	—	—
Current tax charge	58.9	48.5	112.9
Deferred tax			
Current period deferred taxation movement	7.2	11.5	0.7
Under/(Over) provision relating to prior periods	6.5	—	(8.0)

Total tax charge per Consolidated Income Statement	72.6	60.0	105.6
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Factors affecting the total tax charge are:

	Unaudited		
	30 June 2024 £m	30 June 2023 £m	31 December 2023 £m
Profit before tax	309.8	233.9	442.8
Corporation tax thereon at effective UK corporation tax rate of 25% (2023: 23.5%)	77.5	55.0	104.1
Expenses and provisions not deductible for tax purposes	2.3	1.1	3.0
Non-taxable income	(4.2)	(5.7)	(13.4)
Impact of change in UK tax rate on deferred tax balances	—	(0.6)	(0.4)
Adjustments relating to prior periods	6.5	9.4	13.5
Impact of different overseas tax rates	(11.9)	(2.3)	(8.9)
Unrecognised deferred tax	2.4	2.4	7.7
Loss on disposal of compare.com	—	0.7	—
Total tax charge for the period as above	72.6	60.0	105.6

The UK corporation tax rate for 2024 is 25.0% (2023: 23.5%) following the increase from 19% to 25% that took effect from 1 April 2023.

Legislation to introduce a global minimum effective tax rate of 15% known as the Pillar Two rules was substantively enacted in the UK on 20 June 2023 under Finance (No.2) Act 2023. The rules introduce a domestic top-up tax and multinational top-up tax effective for accounting periods starting on or after 31 December 2023. Top-up taxes are expected to arise in relation to our operations in Gibraltar, where the statutory corporate tax rate is 12.5% and an estimate has been included in the current tax charge above.

The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

The Government in Gibraltar have enacted a change in the taxation of interest income for accounting periods beginning on or after 1 February 2024 and announced planned changes to the corporation tax rate to 15% and utilisation of tax losses. These are not expected to have a material impact on the Group tax charge.

11. Other Assets and Other Liabilities

11a. Intangible assets

Accounting Policies

Renewal Rights (included within Customer contracts, relationships and brand)

Renewal rights are recognised as an intangible asset and amortised using the reducing balance method over an expected useful life determined as ranging between nine and fourteen years. Renewal rights on initial recognition have been recognised at fair value arising through an acquisition.

The carrying value of renewal rights is reviewed every six months for evidence of impairment, with the value being written down if any impairment exists. Impairment may be reversed if conditions subsequently improve.

Brand (included within Customer contracts, relationships and brand)

Brand rights are recognised as an intangible asset and amortised using the straight line method over an expected useful life of fifteen years. Brand rights on initial recognition have been recognised at its fair value arising through an acquisition.

The carrying value of brand rights is reviewed every six months for evidence of impairment, with the value being written down if any impairment exists. Impairment may be reversed if conditions subsequently improve.

Goodwill

All business combinations are accounted for using the acquisition method. Goodwill has been recognised on acquisitions of trade and assets representing a business and/or acquisition of subsidiaries and represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment loss. Goodwill is allocated to cash generating units (CGUs) according to business segment and is reviewed every six months for evidence of impairment and tested annually for impairment.

	Goodwill £m	Customer contracts, Software – relationships and brand Internally generated £m	Software – Other £m	Total £m
At 1 January 2023	62.3	—	136.4	217.6
Additions	—	8.5	29.3	43.1
Amortisation charge	—	—	(14.8)	(17.9)
Disposals	—	—	—	—
Impairment	—	—	—	—
Foreign exchange movement	—	(0.1)	0.2	(1.0)
At 30 June 2023	62.3	8.4	151.1	241.8

At 1 January 2023	62.3	—	136.4	18.9	217.6
Additions	—	7.9	51.1	7.7	66.7
Amortisation charge	—	—	(34.8)	(5.5)	(40.3)
Disposals	—	—	(0.1)	—	(0.1)
Impairment	—	—	(0.2)	—	(0.2)
Foreign exchange movement	—	—	(0.4)	(0.4)	(0.8)
At 31 December 2023	62.3	7.9	152.0	20.7	242.9
Additions	49.8	44.6	25.0	1.5	120.9
Amortisation charge	—	(0.3)	(24.8)	(2.3)	(27.4)
Transfers	—	—	5.6	(5.6)	—
Foreign exchange movement & other	—	(0.2)	(0.2)	(0.3)	(0.7)
At 30 June 2024	112.1	52.0	157.6	14.0	335.7

11b. Contingent liabilities

The Group's legal entities operate in numerous tax jurisdictions and on a regular basis are subject to review and enquiry by the relevant tax authority.

One of the Group's previously owned subsidiaries was subject to a Spanish Tax Audit which concluded with the Tax Authority denying the application of the VAT exemption relating to insurance intermediary services. The Company has appealed this decision via the Spanish Courts and is confident in defending its position which is, in its view, in line with the EU Directive and is also consistent with the way similar supplies are treated throughout Europe. Whilst the Company is no longer part of the Admiral Group, the contingent liability which the Company is exposed to has been indemnified by the Admiral Group up to a cap of €24 million.

No material provisions have been made in these financial statements in relation to the matters noted above.

The Group is, from time to time, subject to threatened or actual litigation and/or legal and/or regulatory disputes, investigations or similar actions both in the UK and overseas. All potentially material matters are assessed, with the assistance of external advisers if appropriate, and in cases where it is concluded that it is more likely than not that a payment will be made, a provision is established to reflect the best estimate of the liability. In some cases it will not be possible to form a view, for example if the facts are unclear or because further time is needed to properly assess the merits of the case or form a reliable estimate of its financial effect. In these circumstances, specific disclosure of a contingent liability and an estimate of its financial effect will be made where material, unless it is not practicable to do so.

The Directors do not consider that the final outcome of any such current case will have a material adverse effect on the Group's financial position, operations or cashflows, and as such, no material provisions are currently held in relation to such matters.

A number of the Group's contractual arrangements with reinsurers include features that, in certain scenarios, allow for reinsurers to recover losses incurred to date. The overall impact of such scenarios would not lead to an overall net economic outflow from the Group.

12. Dividends, Earnings and Related Parties

12a. Dividends

Dividends were proposed, approved and paid as follows:

	Unaudited		
	30 June 2024 £m	30 June 2023 £m	31 December 2023 £m
Proposed March 2023 (52.0 pence per share, approved April 2023 and paid June 2023)	—	154.9	154.9
Declared August 2023 (51.0 pence per share, paid October 2023)	—	—	152.2
Proposed March 2024 (52.0 pence per share, approved April 2024 and paid June 2024)	156.2	—	—
Total dividends	156.2	154.9	307.1

The dividends proposed in March (approved in April) represent the final dividends paid in respect of the 2022 and 2023 financial years. The dividend declared in August reflects the 2023 interim dividend.

A 2024 interim dividend of 71.0p pence per share (approximately £213 million) has been proposed.

12b. Earnings per share

	Unaudited		
	30 June 2024 £m	30 June 2023 £m	31 December 2023 £m
Profit for the financial year after taxation attributable to equity shareholders	237.4	174.5	338.0
Weighted average number of shares – basic	306,304,676	303,075,355	303,989,170
Unadjusted earnings per share – basic	77.5p	57.6p	111.2p
Weighted average number of shares – diluted	306,304,676	303,761,032	305,052,941
Unadjusted earnings per share – diluted	77.5p	57.5p	110.8p

The difference between the basic and diluted number of shares at the end of the period (being nil; 30 June 2023: 685,677; 31 December 2023: 1,063,771) relates to awards committed, but not yet issued under the Group's share schemes.

12c. Related party transactions

The Board considers that only the Executive and Non-Executive Directors of Admiral Group plc are key management personnel.

Further detail on the remuneration and shareholdings of key management personnel is set out in the Directors' Remuneration Report in the Group's 2023 Annual Report.

13. Business combinations (unaudited)

As at 2nd April 2024, Admiral successfully completed the purchase of the direct Home and Pet renewal rights from the RSA Insurance Group Limited ("RSA"), a general insurer based in the UK. The transaction includes the renewal rights, the "More Than" brand and the transfer of c.300 people but does not include liabilities relating to existing policies which will remain with RSA. The acquisition is closely aligned to Admiral's strategy to diversify its product offering and build multi-product customer relationships in its core markets. It will strengthen Admiral's home business and accelerate its direct pet proposition launched in 2022.

The consideration included an initial cash payment of £82.5 million with contingent consideration of £32.5 million. The contingent consideration has a range of £nil to a maximum of £32.5 million dependent on the number of policies successfully migrated to Admiral. The fair value of the contingent consideration has a value of £2.7 million and is based on a probability weighted scenario including an element of discounting relating to the timing of payments.

The amounts recognised in respect of the identifiable assets acquired at the acquisition date are as set out in the table below:

	£m
Total consideration	
Amount settled in cash	82.5
Fair value of contingent consideration	2.7
Total consideration	85.2
Identifiable assets acquired	
Renewal Rights	36.4
Brand	8.1
Total identifiable assets acquired	44.5
Purchase price recognised as Goodwill	40.7
Additional Goodwill recognised on Deferred Tax Liability	9.1
Total Goodwill recognised on acquisition	49.8

A deferred tax liability has been recognised of £9.1m based upon a tax base cost of £36.4 million representing the fair value of the renewal rights. A corresponding increase in goodwill of £9.1 million is recognised as a result. The goodwill and brand are not considered deductible for tax purposes. The deferred tax liability will unwind in line with the amortisation of the renewal rights acquired.

The recognition of goodwill reflects the synergies arising through the transaction including operational, capital, pricing and risk synergies, as well as the attributable value to the workforce in place.

The policies in relation to the acquisition started renewing in July 2024. As at 30 June 2024, transaction costs of £8.5 million have been recognised within operating expenses, along with integration costs of £4.0 million within insurance expenses. The impact of the acquisition if it had happened as at the start of the reporting period is impractical for disclosure given the nature of the trade and assets acquired for integration.

14. Reconciliation of turnover to reported insurance premium and other revenue as per the financial statements

The following table reconciles turnover, a significant Key Performance Indicator (KPI) and non-GAAP measure presented within the Strategic Report, to insurance revenue, as presented in note 4 to the financial statements.

	Note	Unaudited		
		30 June 2024 £m	30 June 2023 £m	31 December 2023 £m
Insurance premium revenue ^{*1}	5b	2,085.3	1,515.5	3,283.3
Movement in unearned premium and cancellations		465.8	262.2	528.3
Premiums written after coinsurance		2,551.1	1,777.7	3,811.6
Co-insurer share of written premiums		413.0	260.9	577.8
Total premiums written		2,964.1	2,038.6	4,389.4
Other insurance revenue ^{*1}	5b	128.5	91.5	202.8
Other revenue	8	64.6	63.8	127.2
Interest income on loans to customers		50.6	43.6	92.1
Turnover as per note 4 of financial statements		3,207.8	2,237.5	4,811.5

^{*1} Total Insurance revenue of £2,213.8 million (30 June 2023: £1,607.0 million, 31 December 2023: £3,486.1 million), comprised of Insurance premium revenue of £2,085.3 million, (30 June 2023: £1,515.5 million, 31 December 2023: £3,283.3 million) and Other insurance revenue of £128.5 million, (30 June 2023: £91.5 million, 31 December 2023: £202.8 million).

APPENDIX 1 TO THE GROUP FINANCIAL STATEMENTS (unaudited)

1a: Reconciliation of reported loss and expense ratios: Group

30 June 2024 (unaudited)

£m	Consolidated Financial Statement Note	Core product	Ancillary income	Total, net of	
				Total gross	net of XoL reinsurance
Insurance premium revenue		2,008.6	76.7	2,085.3	2,004.2
Administration fees, instalment income and non-separable ancillary commission		—	128.5	128.5	128.5
Insurance revenue (A)	5b/5d	2,008.6	205.2	2,213.8	2,132.7
Insurance expenses (B)	5c	(465.1)	(27.8)	(492.9)	(492.9)
Claims incurred (C)	5c/5d	(1,447.5)	(28.3)	(1,475.8)	(1,456.4)
Claims releases (D)	5c/5d	290.6	3.3	293.9	234.2
Quota share reinsurance result* ¹					(165.8)
Onerous loss component movement* ²					2.4
Underwriting result (E)					254.2
Net share scheme costs* ³					(17.2)
Insurance service result					237.0
Reported loss ratio ((C+D)/A)					57.3%
Reported expense ratio (B/A)					23.1%
Insurance service margin (E/A)					11.9%

30 June 2023 (unaudited)

£m	Note	Core product	Ancillary income	Total, net of	
				Total gross	net of XoL reinsurance
Insurance premium revenue		1,449.0	66.5	1,515.5	1,469.8
Administration fees and non-separable ancillary commission		—	91.5	91.5	91.5
Insurance revenue (A)	5b/5d	1,449.0	158.0	1,607.0	1,561.3
Administration and acquisition expenses (B)	5c	(392.9)	(18.8)	(411.7)	(411.7)
Claims incurred (C)	5c/5d	(1,242.5)	(20.8)	(1,263.3)	(1,244.7)
Claims releases (D)	5c/5d	255.8	—	255.8	254.0
Quota share reinsurance result* ¹					6.1
Onerous loss component movement* ²					1.4
Underwriting result (E)					166.4
Net share scheme costs* ³					(13.9)
Insurance service result					152.5
Reported loss ratio ((C+D)/A)					63.5%
Reported expense ratio (B/A)					26.3%
Insurance service margin (E/A)					10.7%

31 December 2023

£m	Consolidated Financial Statement Note	Core product	Ancillary income	Total, net of	
				Total gross	net of XoL reinsurance
Insurance premium revenue		3,152.3	131.0	3,283.3	3,170.6
Administration fees, instalment income and		—	202.8	202.8	202.8

non-separable ancillary commission					
Insurance revenue (A)	5b/5d	3,152.3	333.8	3,486.1	3,373.4
Insurance expenses (B)	5c	(795.2)	(41.6)	(836.8)	(836.8)
Claims incurred (C)	5c/5d	(2,624.6)	(40.5)	(2,665.1)	(2,605.8)
Claims releases (D)	5c/5d	440.6	—	440.6	447.3
Quota share reinsurance result*1					(40.4)
Onerous loss component movement*2					4.9
Underwriting result (E)					342.6
Net share scheme costs*3					(36.8)
Insurance service result					305.8
Reported loss ratio ((C+D)/A)					63.9%
Reported expense ratio (B/A)					24.8%
Insurance service margin (E/A)					10.2%

*1 Quota share reinsurance result excludes quota share reinsurers' share of share scheme costs and movement in onerous loss recovery component.

*2 Onerous loss component movement is shown net of all reinsurance.

*3 Net share scheme costs of £17.2 million (HY 2023: £13.9 million, FY 2023: £36.8 million), being gross costs of £27.2 million (HY 2023: £23.3 million, FY 2023: £55.3 million, see note 5c) less reinsurers' share of share scheme costs of £10.0 million (HY 2023: £9.4 million, FY 2023 £18.5 million), are excluded from the underwriting result.

1b. Reconciliation of reported loss and expense ratios: UK Motor

30 June 2024 (unaudited)						
£m	Consolidated Financial Statement Note	Core product	Ancillary income*1	Total gross	Total, net of XoL reinsurance	Core product, net of XoL
Total premiums written		2,163.4	87.1	2,250.5	2,183.3	2,096.2
Gross premiums written		1,715.3	87.1	1,802.4	1,749.2	1,662.1
Insurance premium revenue		1,383.9	64.7	1,448.6	1,402.1	1,337.4
Instalment income		—	68.5	68.5	68.5	—
Administration fees non-separable ancillary commission		—	22.4	22.4	22.4	—
Insurance revenue (A)	5b/5d	1,383.9	155.6	1,539.5	1,493.0	1,337.4
Insurance expenses (B)	5c	(264.1)	(23.9)	(288.0)	(288.0)	(264.1)
Claims incurred (C)	5c/5d	(1,024.1)	(25.0)	(1,049.1)	(1,032.0)	(1,007.0)
Claims releases (D)	5c/5d	271.8	2.8	274.6	218.7	215.9
Current period loss ratio (C/A)					69.1%	75.3%
Claims releases (D/A)					(14.6%)	(16.1%)
Reported loss ratio ((C+D)/A)					54.5%	59.2%
Reported expense ratio (B/A)					19.3%	19.7%

30 June 2023 (unaudited)

£m	Consolidated Financial Statement Note	Core product	Ancillary income *1	Total, Total gross	net of reinsurance XoL	Core product, net of XoL
Total premiums written		1,343.2	60.2	1,403.4	1,358.1	1,297.9
Gross premiums written		1,096.9	60.2	1,157.1	1,120.1	1,059.9
Insurance premium revenue		907.7	53.5	961.2	935.2	881.7
Instalment income		—	40.4	40.4	40.4	—
Administration fees non-separable ancillary commission		—	18.4	18.4	18.4	—
Insurance revenue (A)	<i>5b/5d</i>	907.7	112.3	1,020.0	994.0	881.7
Insurance expenses (B)	<i>5c</i>	(206.6)	(13.9)	(220.5)	(220.5)	(206.6)
Claims incurred (C)	<i>5c/5d</i>	(833.9)	(17.2)	(851.1)	(834.2)	(817.0)
Claims releases (D)	<i>5c/5d</i>	249.1	—	249.1	237.1	237.1
Current period loss ratio (C/A)					83.9%	92.7%
Claims releases (D/A)					(23.9%)	(26.9%)
Reported loss ratio ((C+D)/A)					60.1%	65.8%
Reported expense ratio (B/A)					22.2%	23.4%

31 December 2023

£m	Consolidated Financial Statement Note	Core product	Ancillary income *1	Total, Total gross	net of reinsurance XoL	Core product, net of XoL
Total premiums written		3,004.3	113.9	3,118.2	3,016.8	2,903.0
Gross premiums written		2,453.9	113.9	2,567.8	2,485.0	2,371.1
Insurance premium revenue		2,007.6	107.8	2,115.4	2,053.8	1,946.0
Instalment income		—	99.0	99.0	99.0	—
Administration fees non-separable ancillary commission		—	35.8	35.8	35.8	—
Insurance revenue (A)	<i>5b/5d</i>	2,007.6	242.6	2,250.2	2,188.6	1,946.0
Insurance expenses (B)	<i>5c</i>	(416.8)	(34.4)	(451.2)	(451.2)	(416.8)
Claims incurred (C)	<i>5c/5d</i>	(1,719.9)	(35.6)	(1,755.5)	(1,729.0)	(1,693.4)
Claims releases (D)	<i>5c/5d</i>	406.9	—	406.9	392.8	392.8
Current period loss ratio (C/A)					79.0%	87.0%
Claims releases (D/A)					(17.9%)	(20.2%)
Reported loss ratio ((C+D)/A)					61.1%	66.8%

**Reported
expense ratio
(B/A)**

20.6% 21.4%

*1 Ancillary income combined with other net income is presented as part of UK motor insurance other revenue in reporting "Other revenue per vehicle". Total other revenue was £152.2 million (HY 2023: £119.5 million, FY 2023: £247.3 million).

Glossary

Alternative Performance Measures

Throughout this report, the Group uses a number of Alternative Performance Measures (APMs); measures that are not required or commonly reported under International Financial Reporting Standards, the Generally Accepted Accounting Principles (GAAP) under which the Group prepares its financial statements.

These APMs are used by the Group, alongside GAAP measures, for both internal performance analysis and to help shareholders and other users of the Annual Report and financial statements to better understand the Group's performance in the period in comparison to previous periods and the Group's competitors.

The table below defines and explains the primary APMs used in this report. Financial APMs are usually derived from financial statement items and are calculated using consistent accounting policies to those applied in the financial statements, unless otherwise stated. Non-financial KPIs incorporate information that cannot be derived from the financial statements but provide further insight into the performance and financial position of the Group.

APMs may not necessarily be defined in a consistent manner to similar APMs used by the Group's competitors. They should be considered as a supplement rather than a substitute for GAAP measures.

Turnover Turnover is defined as total premiums written (as below), Other insurance revenue, Other revenue and interest income from Admiral Money. It is reconciled to financial statement line items in note 14 to the financial statements.

This measure has been presented by the Group in every Annual Report since it became a listed Group in 2004. It reflects the total value of the revenue generated by the Group and analysis of this measure over time provides a clear indication of the size and growth of the Group.

The measure was developed as a result of the Group's business model. The UK Car insurance business has historically shared a significant proportion of the risks with Munich Re, a third party reinsurance Group, through a co-insurance arrangement, with the arrangement subsequently being replicated in some of the Group's international insurance operations. Premiums and claims accruing to the external co-insurer are not reflected in the Group's income statement and therefore presentation of this metric enables users of the Annual Report to see the scale of the Group's insurance operations in a way not possible from taking the income statement in isolation.

Total Premiums Written Total premiums written are the total forecast premiums, net of forecast cancellations written in the underwriting year within the Group, including co-insurance. It is reconciled to financial statement line items in note 14 to the financial statements.

This measure has been presented by the Group in every Annual Report since it became a listed Group in 2004. It reflects the total premiums written by the Group's insurance intermediaries and analysis of this measure over time provides a clear indication of the growth in premiums, irrespective of how co-insurance agreements have changed over time.

The reasons for presenting this measure are consistent with that for the Turnover APM noted above.

Earnings per share Earnings per share represents the profit after tax attributable to equity shareholders, divided by the weighted average number of basic shares.

Underwriting result (profit or loss) For each insurance business an underwriting result is presented. This shows the insurance segment result before tax excluding investment income, finance expenses, co-insurer profit commission and other net income. It excludes both gross share scheme costs and any assumed quota share reinsurance recoveries on those share scheme costs.

Loss Ratio Loss ratios are reported as follows:
Reported loss ratios are expressed as a percentage, of claims incurred, on a gross basis net of XoL reinsurance, divided by insurance revenue net of XoL reinsurance premiums ceded. The reported loss ratios use the total claims, and earned premium and related income (instalment income, administration fees and ancillary income where it is highly correlated to the core product). It is understood that this is consistent with the approach taken by peers, and it is considered to reflect the true profitability of products sold.
Core product loss ratios use the total claims and earned premiums for the core product only. This measure is more consistent with that used previously, and are reflective of the

performance of the core product in a line of business. Incurred loss ratios are based on claims incurred in the current period whilst releases reflect the development of liabilities for claims incurred in prior periods. The calculations and compositions of the loss ratios are presented within Appendix 1a and Appendix 1b to these financial statements.

Expense Ratio	<p>Expense ratios are reported as follows:</p> <p>Reported expense ratios are expressed as a percentage, of expenses incurred, on a gross basis excluding share scheme costs, divided by insurance revenue net of XoL reinsurance premiums ceded.</p> <p>The reported expense ratios use the total expenses (excluding share scheme costs), and earned premium and related income (instalment income, administration fees and ancillary income where it is highly correlated to the core product). It is understood that this is consistent with the approach taken by peers, and it is considered to reflect the true profitability of products sold.</p> <p>Core product expense ratios use the total expenses (excluding share scheme costs) and earned premiums for the core product only. This measure is more consistent with that used previously, and are reflective of the performance of the core product in a line of business.</p> <p>Written expense ratios are calculated using total expenses (excluding share scheme costs) and written premiums, net of cancellation provision, for the core product only.</p> <p>The calculations of the reported expense ratios are presented within Appendix 1a and Appendix 1b to the financial statements.</p>
Combined Ratio	<p>Combined ratios are the sum of the loss and expense ratios as defined above. Explanation of these figures is noted above and reconciliation of the calculations are provided in Appendix 1a and Appendix 1b.</p>
Insurance service margin	<p>This is the reported insurance segment underwriting result, divided by insurance revenue net of excess of loss premiums ceded.</p>
Quota share result	<p>The total result (ceded premiums minus ceded recoveries) from contractual quota share arrangements, excluding the quota share reinsurer's share of share scheme expenses finance expenses and onerous loss component.</p>
Segment result	<p>The profit or loss before tax reported for individual business segments, which exclude net share scheme costs and other central expenses.</p>
Return on Equity	<p>Return on equity is calculated as profit after tax for the period attributable to equity holders of the Group divided by the average total equity attributable to equity holders of the Group in the year. This average is determined by dividing the opening and closing positions for the year by two. It excludes the impact of discontinued operations.</p>
Group Customers	<p>Group customer numbers reflect the total number of cars, vans, households and pets on cover at the end of the year, across the Group, and the total number of travel insurance and Admiral Money customers.</p> <p>This measure has been presented by the Group in every Annual Report since it became a listed Group in 2004. It reflects the size of the Group's customer base and analysis of this measure over time provides a clear indication of the growth. It is also a useful indicator of the growing significance to the Group of the different lines of business and geographic regions.</p> <p>The measure has been restated from 2022 onwards to exclude Veygo policies, given the significant fluctuations that can arise at a point in time as a result of the short-term nature of the product.</p>
Effective Tax Rate	<p>Effective tax rate is defined as the approximate tax rate derived from dividing the Group's profit before tax by the tax charge going through the income statement. It is a measure historically presented by the Group and enables users to see how the tax cost incurred by the Group compares over time and to current corporation tax rates.</p>

Additional Terminology

There are many other terms used in this report that are specific to the Group or the markets in which it operates. These are defined as follows:

Accident year	The year in which an accident occurs. Claims incurred may be presented on an accident year basis or an underwriting year basis, the latter sees the claims attach to the year in which the insurance policy inceptioned.
Actuarial best estimate	The probability-weighted average of all future claims and cost scenarios calculated using historical data, actuarial methods and judgement.
ASHE	'Annual Survey of Hours and Earnings' – a statistical index that is typically used for calculating the inflation of annual payment amounts under Periodic Payment Order (PPO) claims settlements.
Claims reserves	A monetary amount set aside for the future payment of incurred claims that have not yet been settled, thus representing a balance sheet liability.
Co-insurance	An arrangement in which two or more insurance companies agree to underwrite insurance business on a specified portfolio in specified proportions. Each co-insurer is directly liable to the policyholder for their proportional share.
Commutation	An agreement between a ceding insurer and the reinsurer that provides for the valuation, payment, and complete discharge of all obligations between the parties under a particular reinsurance contract. The Group typically commutes UK motor insurance quota share contracts after 24-36 months from the start of an underwriting year where it makes economic sense to do so. Although an individual underwriting year may be profitable, the margin held in the financial statement claims reserves may mean that an accounting loss on commutation must be recognised at the point of commutation of the reinsurance contracts. This loss on commutation unwinds in future periods as the financial statement loss ratios develop to ultimate.
Insurance market cycle	The tendency for the insurance market to swing between highs and lows of profitability over time, with the potential to influence premium rates (also known as the "underwriting cycle").
Claims net of XoL reinsurance	The cost of claims incurred in the period, less any claims costs recovered via salvage and subrogation arrangements or under XoL reinsurance contracts. It includes both claims payments and movements in claims reserves.
Excess of Loss ('XoL') reinsurance	Contractual arrangements whereby the Group transfers part or all of the insurance risk accepted to another insurer on an excess of loss ('XoL') basis (full reinsurance for claims over an agreed value).
Insurance premium revenue net of XoL	The element of premium, less XoL reinsurance premium, earned in the period.
Insurance revenue	Gross earned premium (excluding any co-insurer share) plus Other insurance revenue.
Net promoter score	NPS is currently measured based on a subset of customer responding to a single question: On a scale of 0-10 (10 being the best score), how likely would you recommend our Company to a friend, family or colleague through phone, online or email. Answers are then placed in 3 groups; Detractors: scores ranging from 0 to 6; Passives/ neutrals: scores ranging from 7 to 8; Promoters: scores ranging from 9 to 10 and the final NPS score is : % of promoters - % of detractors
Ogden discount rate	The discount rate used in calculation of personal injury claims settlements in the UK.
Other insurance revenue	Revenue that is considered non-separable from the core insurance product sold and therefore under IFRS 17 is reported as insurance revenue. For the Group, this is typically the instalment income, administration fees and any other non-separable income related to the Group's retained share of the underwritten products.
Periodic Payment Order (PPO)	A compensation award as part of a claims settlement that involves making a series of annual payments to a claimant over their remaining life to cover the costs of the care they will require.
Premium	A series of payments are made by the policyholder, typically monthly or annually, for part of or all of the duration of the contract. Written premium refers to the total amount the policyholder has contracted for, whereas earned premium

refers to the recognition of this premium over the life of the contract.

Profit commission	A clause found in some reinsurance and co-insurance agreements that provides for profit sharing. Co-insurer profit commission is presented separately on the income statement whilst reinsurer profit commissions are presented within the reinsurance result, as a part of any recovery for incurred claims.
Regulatory Solvency Capital Requirement ('SCR')	<p>The Group's Regulatory Solvency Capital Requirement (SCR) is an amount of capital that it should hold in addition to its liabilities in order to provide a cushion against unexpected events. In line with the rulebook of the Group's regulator, the PRA, the Group's SCR is calculated using the Solvency II Standard Formula, and includes a fixed capital add-on to reflect limitations in the Standard Formula with respect to Admiral's risk profile (predominately in respect of co-and reinsurance profit commission arrangements and risks relating to Periodic Payment Orders (PPOs). The Group's current fixed capital add-on of £24 million was approved by the PRA during 2023.</p> <p>The Group is required to maintain eligible Own Funds (Solvency II capital) equal to at least 100% of the Group SCR. Both eligible Own Funds and the Group SCR are reported to the PRA on a quarterly basis and reported publicly on an annual basis in the Group's Solvency and Financial Condition Report.</p> <p>Admiral separately calculates a 'dynamic' capital add-on and has used this to report a solvency capital requirement and solvency ratio at the date of this report. A reconciliation between the regulatory solvency ratio and that calculated on a dynamic basis is included in note 3 to the Group financial statements.</p>
Reinsurance	Contractual arrangements whereby the Group transfers part or all of the insurance risk accepted to another insurer. This can be on a quota share basis (a percentage share of premiums, claims and expenses) or an excess of loss ('XoL') basis (full reinsurance for claims over an agreed value).
Scaled Agile	Scaled Agile is a framework that uses a set of organisational and workflow patterns for implementing agile practices at an enterprise scale. Scaled agile at Admiral represents the ability to drive agile at the team level whilst applying the same sustainable principles of the group.
Securitisation	A process by which a group of assets, usually loans, is aggregated into a pool, which is used to back the issuance of new securities. A Company transfer assets to a special purpose entity (SPE) which then issues securities backed by the assets.
Solvency ratio	A ratio of an entity's Solvency II capital (referred to as Own Funds) to Solvency Capital Requirement. Unless otherwise stated, Group solvency ratios include a reduction to Own Funds for a foreseeable dividend (i.e. dividends relating to the relevant financial period that will be paid after the balance sheet date)
Special Purpose Entity (SPE)	An entity that is created to accomplish a narrow and well-defined objective. There are specific restrictions or limited around ongoing activities. The Group uses an SPE set up under a securitisation programme.
Ultimate loss ratio	A projected actuarial best estimate loss ratio for a particular accident year or underwriting year.
Underwriting year	The year in which an insurance policy was inceptioned.
Underwriting year basis	Also referred to as the written basis. Claims incurred are allocated to the calendar year in which the policy was underwritten. Underwriting year basis results are calculated on the whole account (including co-insurance and reinsurance shares) and include all premiums, claims, expenses incurred and other revenue (for example instalment income and commission income relating to the sale of products that are ancillary to the main insurance policy) relating to policies inceptioned in the relevant underwriting year.
Written/Earned basis	An insurance policy can be written in one calendar year but earned over a subsequent calendar year.

Responsibility statement of the directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

• the condensed set of financial statements has been prepared in accordance with the UK-adopted IAS 34 'Interim Financial Reporting' and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group.

• the interim management report includes a fair review of the information required by:

- a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
- b) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board,

Geraint Jones

Chief Financial Officer

14 August 2024

INDEPENDENT REVIEW REPORT TO ADMIRAL GROUP PLC

Conclusion

We have been engaged by the company to review the condensed consolidated set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial position, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Cash Flow Statement, and related notes 1 to 14.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report 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, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP

Statutory Auditor

London, United Kingdom

14 August 2024

