



Admiral Group plc

Group Solvency and Financial Condition Report

31 December 2021

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INTRODUCTION

This Admiral Group plc Solvency and Financial Condition Report (SFCR) has been prepared in compliance with Solvency II regulatory requirements. It contains a range of regulatory disclosures that support the information presented in the Quantitative Reporting Templates (QRTs) shown in Appendix 2.

The report is not intended to provide a comprehensive review of the Group's businesses and the markets in which they operate. Information on how these businesses are managed, or performance of these businesses during the year is detailed in the Group's 2021 Annual Report. Where relevant, specific references to the Annual Report are made throughout this SFCR. It can be found at:

https://admiralgroup.co.uk/sites/default/files_public/annual-report/2022/03/2021-full-year-results-annual-report.pdf

This Group SFCR has been prepared in accordance with Article 359 and Articles 290 to 298 of the Solvency II delegated acts. The structure of the report is in accordance with Annex XX of the delegated acts.

The Group has obtained supervisory waivers from the Prudential Regulatory Authority (PRA) and the Gibraltar Financial Services Commission (GFSC) to include solvency information relating to Solvency II regulated solo entities Admiral Insurance Company Limited (AICL) and Admiral Insurance (Gibraltar) Limited (AIGL) in this Group SFCR. The waiver from the PRA was extended on 13 March 2021 and is effective until 13 March 2026. The waiver from the GFSC granted on 5 May 2017 remains in effect.

The waivers were obtained as the Group's governance structure means there is significant overlap in the disclosures for the Group and the solo entities, because the Group Board and its Committees lead the overall management and control framework. The waivers therefore allow stakeholders to access concise disclosures for all relevant entities in one report.

The Group has an insurance entity in Spain; Admiral Europe Compañía de Seguros, S.A. (AECS). This entity underwrites the Group's European business and is subject to the supervision of the Dirección General de Seguros y Fondos de Pensiones (DGSFP) in Spain. The European insurance entity is excluded from the qualitative and quantitative disclosures in Sections A to E as it has prepared a separate 2021 SFCR in line with the requirements of the DGSFP. This report can be found at:

<https://www.admiraleurope.com/wp-content/uploads/2022/04/AECS-SFCR-2021.cleaned.pdf>

All amounts in this report are presented in pounds sterling, rounded to the nearest £0.1 million, which is the Group's presentation currency. Unless otherwise stated, the information included in this report is unaudited.

SUMMARY

SECTION A – BUSINESS PERFORMANCE

Admiral Group plc ('the Group') is one of the UK's largest car insurance providers, where it also writes household, van and travel insurance policies. The Group also offers car insurance in four international markets, being Italy, Spain, France, and the United States. Other Group businesses include a personal lending/car finance operation, a legal company and a comparison business

The Group and its Solvency II regulated solo entities in the UK and Gibraltar, AICL and AIGL, recorded post-tax profits of £996.7 million, £41.3 million and £87.0 million respectively in 2021.

The table below splits the IFRS results between underwriting (as reported in the premiums, claims and expenses QRTs in Appendix 2 to this report), investment and other activities:

	GROUP		AICL		AIGL	
	2021*	2020	2021	2020	2021	2020
A.2 Net Underwriting Results	275.7	304.0	39.8	45.7	232.3	215.9
A.3 Net Investment	42.6	52.9	4.0	4.9	38.9	46.4
A.4 Net Result Arising from Other Activities (Including Profit Commissions)	810.9	280.7	7.0	6.3	(183.3)	(149.6)
Statutory Profit Before Tax	1,129.2	637.6	50.8	56.9	87.9	112.7
Taxation expense	(132.5)	(109.8)	(9.5)	(11.0)	(0.9)	(6.6)
Profit After Tax	996.7	527.8	41.3	45.9	87.0	106.1

*The Group 2021 results include profit after tax from discontinued operations of £413.4million.

SECTION B – SYSTEM OF GOVERNANCE

Section B to this report focuses on the Group's system of governance. The Group Board is the prime decision-making authority for the Group and provides entrepreneurial leadership through its Committees and the authority it delegates to the Executive team. The Group Board provides oversight of the solo entities AICL and AIGL, each of which have their own Board which acts in a similar manner to that of the Group.

The Board has delegated authority to several permanent Committees to deal with matters in accordance with written Terms of Reference. The principal Committees of the Group Board are the Audit, Remuneration, Risk and Nomination Committees, each of which fully comply with UK Corporate Governance Code requirements.

Section B provides detail on how the system of governance works in practice, including a focus on the Group's remuneration policy, the system of internal control and the Solvency II key functions of Risk Management, Compliance, Internal Audit and Actuarial.

SECTION C – RISK PROFILE

The Group Board is responsible for determining the Group wide risk strategy and risk appetite and its system of risk management and internal control. The Board has delegated the development, implementation, and maintenance of the Group's risk management framework to the Group Risk Committee. This Committee then reports its activities to the Board and the Group Audit Committee

for the purposes of reviewing and reporting on the overall effectiveness of risk management and internal control systems.

Section C provides further detail of the Group's approach to risk assessment and risk management. It also provides information on the Group's material risks, as shown by the Solvency Capital Requirement (SCR) sub-modules of the Group and its solo entities in the table below.

31-Dec-21	GROUP		AICL		AIGL	
	2021	2020	2021	2020	2021	2020
Market Risk	163.8	157.5	18.3	14.5	105.9	94.2
Counterparty Risk	60.1	54.9	2.3	2.3	20.3	13.2
Life Underwriting Risk	4.8	5.4	0.7	0.8	4.1	4.7
Non-Life Underwriting Risk	426.4	426.4	70.0	73.7	285.8	279.1
Diversification	(127.5)	(123.1)	(13.3)	(11.4)	(76.1)	(67.6)
Basic SCR	527.6	521.1	78.0	79.9	340.0	323.6
Operational Risk	94.4	88.2	7.0	7.0	69.7	65.0
Loss absorbing capacity of deferred taxes	(14.6)	(25.1)	(8.6)	(10.4)	(6.0)	(11.2)
SCR excluding Capital Add-On and Other Financial Sectors	607.4	584.2	76.4	76.5	403.7	377.4
Capital Add-On	81.0	81.0	-	-	-	-
SCR for Other Financial Sectors (unaudited)	36.5	23.8	-	-	-	-
SCR	724.9	689.0	76.4	76.5	403.7	377.4

As can be noted from the table above, the material risk category for the Group, AICL and AIGL is Non-Life insurance risk which (before diversification with other risk types) represents 59%, 92% and 71% of the SCRs of the Group and its solo entities, AICL and AIGL respectively (2020: 62%, 96% and 74%).

SECTION D – VALUATION FOR SOLVENCY PURPOSES

Section D focuses on the Solvency II balance sheet and the valuation of assets and liabilities. In line with Solvency II rules, assets and liabilities on the Solvency II balance sheet are held at fair value, i.e. the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.

Summary Solvency II balance sheets for the Group and its regulated solo entities are shown in the table below. Section D sets out the recognition and valuation basis for each material balance sheet class alongside a comparison to the IFRS valuation basis, in addition to further detail on the bases, methods and assumptions used in the calculation of the Solvency II technical provisions.

Solvency II Balance Sheet, 31-Dec-21	GROUP	AICL	AIGL
Property, plant and equipment	102.5	-	-
Investments excl. Participations	3,753.7	355.9	2,440.1
Investment in Participations	32.3	-	-
Loans and Mortgages	180.9	-	156.2
Reinsurance recoverables	1,712.8	24.7	1,283.9
Deferred tax assets	0.0	-	4.7
Receivables and other assets	390.5	0.9	29.1
Cash	283.6	12.3	58.7
Total Assets	6,456.3	393.8	3,972.7
Technical Provisions - best estimate	3,214.6	240.2	2,372.8
Technical Provisions - risk margin	102.1	14.4	82.4
Deposits from reinsurers	768.4	2.4	822.4
Deferred tax liabilities	66.7	5.1	0.0
Other payables and liabilities	507.8	14.6	196.9
Contingent Liabilities	4.3	-	-
Subordinated liabilities	217.1	-	-
Total Liabilities	4,881.0	276.7	3,474.5
Excess of Assets over Liabilities	1,575.3	117.1	498.2

SECTION E – CAPITAL MANAGEMENT

The Group manages its capital to ensure that all entities within the Group can continue as going concerns and ensure that regulated entities meet regulatory requirements with an appropriate margin. Subsidiaries return excess capital above these levels to the Group parent company via dividend payments.

The Group and its regulated solo entities report strong solvency positions at 31 December 2021. The solvency positions reported in the Annual QRTs for 2021 and 2020 are summarised in the table below:

31-Dec-21	GROUP		AICL		AIGL	
	2021	2020	2021	2020	2021	2020
SCR	724.9	689.0	76.4	76.5	403.7	377.4
Eligible Own Funds	1,312.3	1,440.3	102.1	106.1	528.2	646.0
Surplus	587.4	751.3	25.7	29.6	124.5	268.6
Solvency Ratio	181%	209%	134%	139%	131%	171%

A reconciliation of excess of assets over liabilities to Own Funds is provided below:

31-Dec-21	GROUP		AICL		AIGL	
	2021	2020	2021	2020	2021	2020
Excess of Assets over Liabilities	1,575.3	1,467.6	117.1	141.1	498.2	586.0
Foreseeable Dividends	(480.8)	(250.4)	(15.0)	(35.0)	(30.0)	0.0
Other Non Available Own Funds	(2.7)	(9.0)	-	-	-	-
Own Funds from Other Financial Sectors	3.4	3.2	-	-	-	-
Excess of Assets over Liabilities (Tier 1)	1,095.2	1,211.4	102.1	106.1	468.2	586.0
Subordinated Liabilities (Tier 2)	217.1	228.9	-	-	-	-
Ancillary Own Funds	-	-	-	-	60.0	60.0
Eligible Own Funds	1,312.3	1,440.3	102.1	106.1	528.2	646.0

SCR for Other Financial Sectors (unaudited)

The SCR for Other Financial Sectors relates to the loans business carried out by Admiral Financial Services Limited (AFSL).

AFSL is recognised at net asset value, as a Solvency II non-regulated undertaking carrying out financial activities within Other Financial Sectors. This forms part of the reconciliation from Excess of Assets over Liabilities to Own Funds.

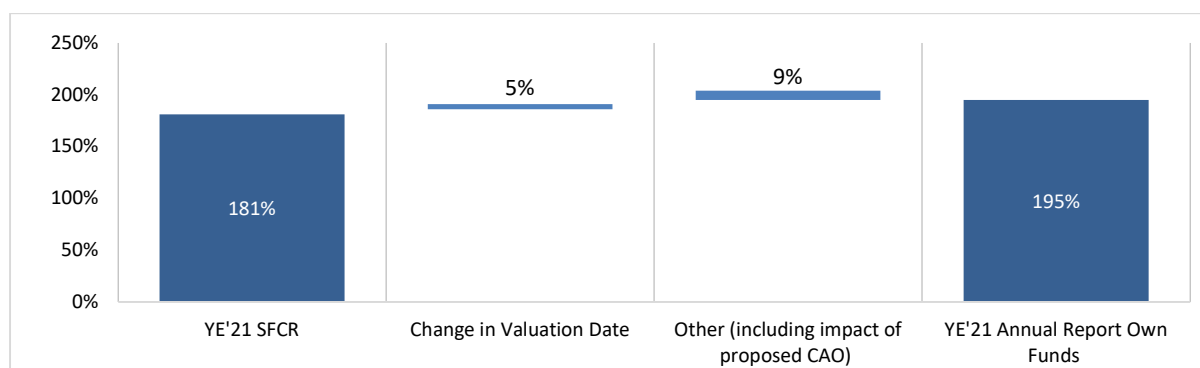
Article 1(52) of the Delegated Regulation defines a ‘non-regulated undertaking carrying out financial activities’ as a Solvency II non-regulated undertaking which carries out one or more of the activities referred to in Annex I of Directive 2013/36/EU. The contribution to the Group capital requirement is based on relevant sectoral rules and the Group has included a notional capital requirement of £36.5 million at 31 December 2021 to reflect the risks associated with the loans business.

Reconciliation to previously reported Solvency Ratio

The Group solvency ratio presented in this report is different to the solvency ratio reported in the Group’s 2021 Annual Report for the following reasons:

- Change in valuation date: The solvency ratio in the Annual Report is prepared at a different valuation date, taking into consideration the additional own funds generated post year end, up to the approved dividend payment date;
- Other (including impact of dynamic Capital Add-On, ‘CAO’): A different CAO is used, with the dynamic add-on reported in the 2021 Annual Report being unapproved and therefore excluded from the SFCR solvency calculations. The Annual Report solvency ratio also excludes the impact of changes made arising from the reporting finalisation process.

The chart below shows the impact of these moves:



ADDITIONAL INFORMATION ON THE COVID-19 GLOBAL PANDEMIC

The COVID-19 global pandemic has resulted in significant global uncertainty and market volatility. The Group continues to closely monitor the impacts on, amongst other areas, its operations, underwriting, risk profile, and solvency and liquidity positions. Assessments on a range of potential scenarios have been performed across the Group's businesses during the pandemic, including the impact of severe economic and trading stresses.

Whilst the Group initially experienced some impacts from market volatility early in the pandemic, this volatility has reduced and the effects of widening credit spreads in particular, have reversed. The Group maintains a strong solvency position with significant headroom above the risk appetite buffer. Section C to this report includes solvency ratio sensitivities to risks, as reported in the 2021 Group Annual Report, and the Group considers these sensitivities to be a reasonable guide to the impacts of the market volatility observed to date.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for ensuring that the SFCR is properly prepared in all material respects in accordance with the Prudential Regulatory Authority (PRA) rules and SII Regulations.

The PRA Rulebook for SII firms in Rule 6.1(2) and Rule 6.2(1) of the Reporting Part requires that the Group must have in place a written policy ensuring the ongoing appropriateness of any information disclosed and that the Group must ensure that its SFCR is subject to approval by the Directors.

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

(a) Throughout the financial year in question, the Group and its solo insurance undertakings have complied in all material respects with the requirements of the PRA rules and SII Regulations as applicable; and

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

By Order of the Board

Geraint Jones
Chief Financial Officer
09 May 2022

AUDIT OPINION

REPORT OF THE EXTERNAL INDEPENDENT AUDITOR TO THE DIRECTORS OF ADMIRAL GROUP PLC ('THE GROUP') PURSUANT TO RULE 4.1 (2) OF THE EXTERNAL AUDIT CHAPTER OF THE PRA RULEBOOK APPLICABLE TO SOLVENCY II FIRMS

Report on the Audit of the relevant elements of the Group Solvency and Financial Condition Report ('SFCR')

Opinion

Except as stated below, we have audited the following documents prepared by the Group as at 31 December 2021:

- The 'Valuation for Solvency Purposes' and 'Capital Management' sections of the Group SFCR of the Group as at 31 December 2021, ('the Narrative Disclosures subject to audit');
- Group templates S.02.01.02, S.22.01.22, S.23.01.22, S.25.01.22 and S.32.01.22 ('the Group Templates subject to audit');
- Solo Templates S.02.01.02, S.12.01.02, S.17.01.02, S.22.01.21, S.23.01.01, S.25.01.21 and S.28.01.01 in respect of Admiral Insurance (Gibraltar) Limited ('the Solo Templates subject to audit'); and
- Solo Templates S.02.01.02, S.12.01.02, S.17.01.02, S.22.01.21, S.23.01.01, S.25.01.21 and S.28.01.01 in respect of Admiral Insurance Company Limited ('the Solo Templates subject to audit').

The Narrative Disclosures subject to audit and the Group Templates and Solo Templates subject to audit are collectively referred to as the 'relevant elements of the Group SFCR'.

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

- the 'Executive Summary', 'Business and Performance', 'System of Governance' and 'Risk Profile' elements of the Group SFCR;
- Group templates S.05.01.02 and S.05.02.01;
- Solo templates S.05.01.02, S.05.02.01 and S.19.01.21;
- the written acknowledgement by management of their responsibilities, including for the preparation of the Group SFCR ('the Responsibility Statement');
- Information which pertains to an undertaking that is not a Solvency II undertaking and has been prepared in accordance with PRA rules other than those implementing the Solvency II Directive or in accordance with an EU instrument other than the Solvency II regulations ('the sectoral information'); and
- Elements of the Narrative Disclosures subject to audit identified as 'unaudited'.

To the extent the information subject to audit in the relevant elements of the Group SFCR includes amounts that are totals, sub-totals or calculations derived from the Other Information, we have relied without verification on the Other Information.

In our opinion, the information subject to audit in the relevant elements of the Group SFCR of the Group as at 31 December 2021 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

Basis for opinion

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

Emphasis of Matter – Basis of Accounting

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the SFCR is appropriate.

Our evaluation of the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- We obtained an understanding of the relevant controls relating to management's going concern assessment process.
- We evaluated management's going concern assessment in light of COVID-19; this included obtaining evidence such as underlying business plans and forecasts and challenging their reliability to support the key assumptions.
- We assessed management's reverse stress testing over the projected profitability, solvency and liquidity positions and the likelihood of the various scenarios that could adversely impact upon the Group's liquidity and solvency headroom.
- We inspected the Group ORSA ("Own Risk and Solvency Assessment") to support our understanding of the key risks faced by the Group, its ability to continue as a going concern, and the longer-term viability of the Group.
- We obtained and inspected correspondence between the Group and its regulators, the FCA and PRA, as well as reviewing the Group Risk Committee meeting minutes, to identify any items of interest which could potentially indicate either non-compliance with legislation or potential litigation or regulatory action held against the Group.

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

Other Information

The Directors are responsible for the Other Information.

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

Our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the relevant elements of the Group SFCR, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the Group SFCR themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors for the Group Solvency and Financial Condition Report

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

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

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

It is our responsibility to form an independent opinion as to whether the relevant elements of the Group SFCR are prepared, in all material respects, with financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based.

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

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

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

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

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

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

- had a direct effect on the determination of material amounts and disclosures in the SFCR. These included the UK Companies Act 2006 and related Company Law, Solvency II as implemented in the UK and relevant tax legislation; and
- do not have a direct effect on the SFCR but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's operating licence, PRA and FCA regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax, actuarial, IT and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the SFCR.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- **Valuation of gross insurance claims reserves for UK Car Insurance:**
 - We obtained an understanding and tested the operating effectiveness of relevant controls relating to the key actuarial assumptions identified.
 - We obtained and inspected the reports from both management, and management's external expert actuary, and have involved our actuarial specialists to challenge management's key assumptions. We also assessed the objectivity and competence of management's expert.
 - We benchmarked management's frequency assumptions against available industry data and considered the comparison in the context of the risk profile of the Group's portfolio and the year-on-year changes in these assumptions.
 - We undertook a graphical analysis of incurred development patterns to assess and challenge management's severity assumptions. We benchmarked the average cost per claim assumptions against available third party industry data in the context of this incurred development analysis.

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

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

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

Report on Other Legal and Regulatory Requirements

Sectoral Information

In our opinion, in accordance with Rule 4.2 of the External Audit Chapter of the PRA Rulebook, the sectoral information has been properly compiled in accordance with the PRA rules and EU instruments relating to that undertaking from information provided by members of the group and the relevant insurance group undertaking.

Other Information

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

We have nothing to report in relation to this matter.

Use of our Report

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

David Rush (Senior Statutory Auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
09 May 2022

Appendix – relevant elements of the Group Solvency and Financial Condition Report that are not subject to audit

The relevant elements of the Group SFCR that are not subject to audit comprise:

- The following elements of template S.22.01.22
 - Column C0030 – Impact of transitional measure on technical provisions
- The following elements of Group template S.23.01.22
 - Rows R0410 to R0440 – Own funds of other financial sectors
 - Row R0690: Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included in D&A
- Elements of the Narrative Disclosures subject to audit identified as ‘unaudited’.

A. BUSINESS AND PERFORMANCE

A.1. BUSINESS

GENERAL INFORMATION

Admiral Group plc ('the Group') is one of the UK's largest car insurance providers. In addition to offering car insurance in the UK, the Group also writes household, van and travel business in the UK, and car insurance in four countries outside of the UK: Italy, Spain, France and the USA.

Outside of insurance, the Group has comparison businesses in the USA. In late 2020, the Group announced the sale of the Group's comparison businesses in the UK, Spain and France, the transaction completed during the first half of 2021.

The Group also has a loan business which provides unsecured personal loans and car finance in the UK through Admiral Financial Services Limited and a law firm, Admiral Law Limited.

Admiral Group plc is a company incorporated in the United Kingdom with a registered office at Tŷ Admiral, David Street, Cardiff CF10 2EH. Its shares are listed on the London Stock Exchange.

The Group and its UK regulated insurance entity, Admiral Insurance Company Limited is subject to supervision by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) in the UK. The contact details for these supervisory authorities are as follows:

	PRA	FCA
Name	Prudential Regulation Authority	Financial Conduct Authority
Address	Bank of England 20 Moorgate London EC2R 6DA	12 Endeavour Square London E20 1JN

Where relevant, Group subsidiaries outside of the UK are subject to financial supervision by the local supervisory authority.

The Group's insurance entity registered in Gibraltar, Admiral Insurance (Gibraltar) Limited (AIGL), is subject to Solvency II regulation and is supervised by the Gibraltar Financial Services Commission. The contact details for this supervisory authority are as follows:

	GFSC
Name	Gibraltar Financial Services Commission
Address	PO Box 940 Suite 3, Ground Floor Atlantic Suites Europort Avenue GX11-1AA Gibraltar

The Group's insurance entity registered in Spain, Admiral Europe Compañía de Seguros, S.A. (AECS), is subject to Solvency II regulation and is supervised by the Dirección General de Seguros y Fondos de Pensiones (DGSFP). It has prepared a separate 2021 Solvency and Financial Condition Report in line with the requirements of the DGSFP.

The contact details for this supervisory authority are as follows:

	DGSFP
Name	Dirección General de Seguros y Fondos de Pensiones
Address	Paseo de la Castellana, 44. 28046 Madrid

The Group's US insurer, Elephant Insurance Company, is not subject to Solvency II regulation. The contact details for its supervisory authority are as follows:

	VA BOI
Name	Virginia State Corporation Commission Bureau of Insurance
Address	1300 E. Main Street Richmond Virginia 23219

Details of the Group's auditor are as follows:

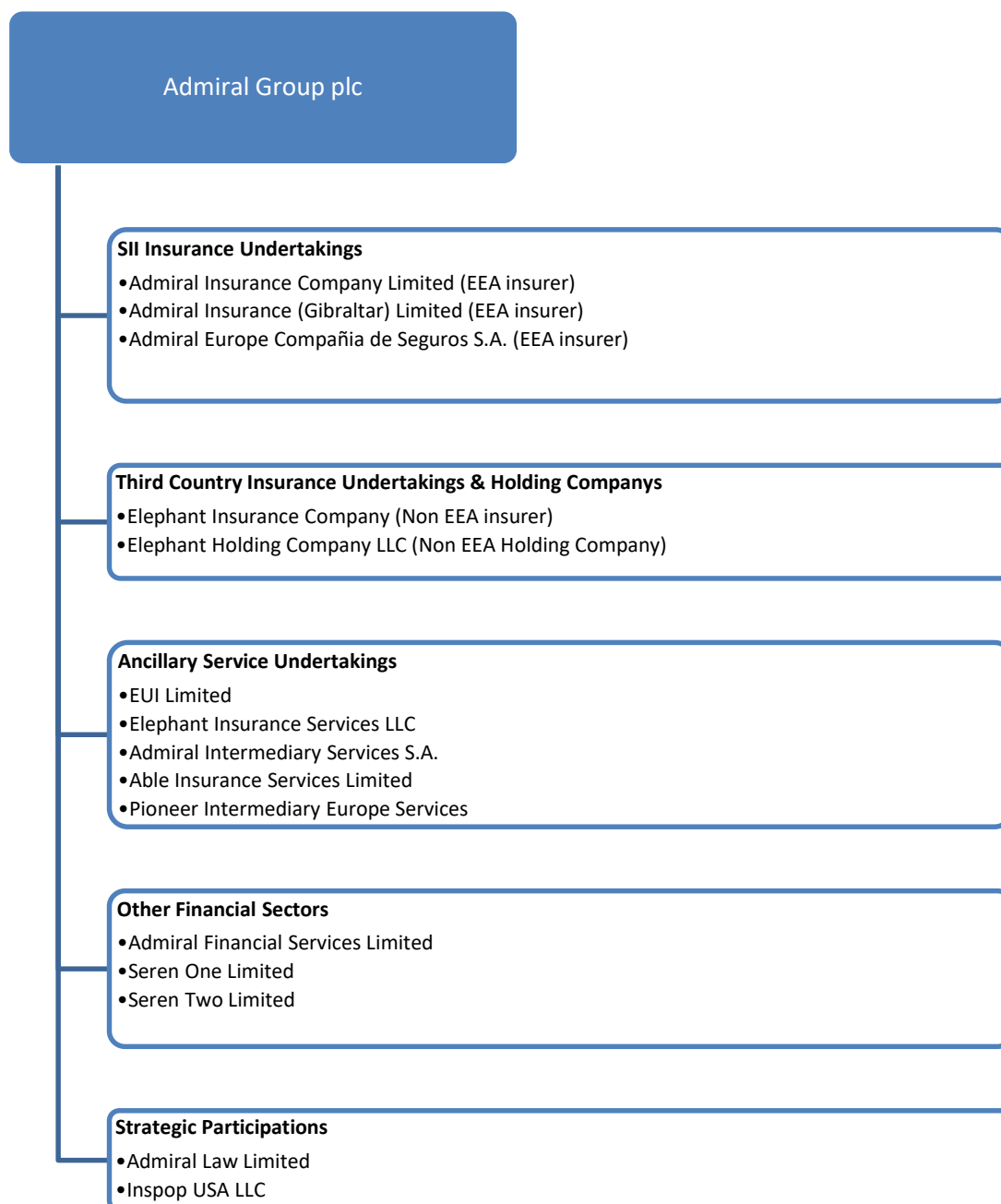
	Deloitte
Name	Deloitte LLP
Address	1 New Street Square London EC4A 3HQ

As noted above, the Group is listed on the London Stock Exchange. At 31 December 2021, the Company's issued share capital comprised a single class of shares referred to as ordinary shares. Details of the share capital and shares issued during the year can be found in the Group's 2021 Annual Report (note 12d to the Group financial statements). Major shareholders as at 31 December 2021 were as follows:

Major shareholders	% Shareholding at 31-Dec-21
Henry Engelhardt & Diane Briere de l'Isle	8.5%
Mawer Investment Management Ltd.	6.1%
BlackRock Inc.	5.5%
FMR LLC	5.1%
Münchener Rückversicherungs- Gesellschaft AG	5.0%
Moondance Foundation	4.0%
N.M. Rothschild & Sons Ltd.	3.5%
Vanguard Group Holdings	3.1%
David & Heather Stevens	2.8%

GROUP STRUCTURE

The chart below shows the major subsidiaries of the Group's Parent Company, grouped by Solvency II classification. For further details of the subsidiary undertakings, country of incorporation and class of shares held by the parent company refer to the Group's 2021 Annual Report (note 12f to the Group financial statements).



The Group's major activities are summarised in the following sections:

Insurance Undertakings (SII and Third Country undertakings)

At 31 December 2021, the Group had insurance businesses in five geographical locations: the UK, Italy, Spain, France and the USA. As noted above, three of the Group's insurance undertakings (AICL, AIGL and AECS) are SII insurers whilst the fourth, Elephant Insurance Company (EIC), is registered in the USA and therefore classified as a Third Country undertaking.

The table below summarises the Group's material Solvency II lines of business:

Motor Vehicle Liability	Private motor insurance, capturing bodily injury liabilities (including liabilities that may potentially settle by way of Periodic Payment Order in the future) and third-party property damage.
Motor Vehicle Other	Private motor insurance, capturing accident damage liabilities (including fire, theft and windscreen liabilities).
Fire and damage to other property	Household insurance, capturing accidental damage, escape of water, fire, weather and subsidence liabilities.
General Liability	Household insurance capturing public liability risks.
Assistance and Miscellaneous Financial Loss	Any other risks arising from travel insurance and insurance products that supplement the core private motor and household insurance products.
Annuities stemming from Non-Life insurance contracts and relating to insurance obligations other than health insurance obligations	Private motor insurance liabilities arising through claims settled as Periodic Payment Orders. The Group has no Non-Life insurance contracts relating to health insurance obligations.

Ancillary Services Undertakings

The Group's insurance intermediaries are classified as Ancillary Services Undertakings for Solvency II purposes. These entities are non-regulated (as per the definition in Article 2(4) of Directive 2002) with principal activities that are deemed to be ancillary to the Group's insurance undertakings. The most material entity is EUI Limited which provides intermediary services for insurance underwriting in the UK.

Other Financial Sectors

The Group's loans business, Admiral Financial Services Limited (AFSL) is classified as a non-regulated entity under Solvency II, carrying out financial activities within Own Funds of Other Financial Sectors. It provides unsecured personal loans and car finance in the UK.

Seren One Limited and Seren Two Limited are Special Purpose Entities (SPE) set up by the Group in relation to the Admiral Loans business, whereby the Group has securitised certain loans by the transfer of the loans to the SPE. The securitisation enables a subsequent issuance of debt by the SPE to investors who gain the security of the underlying assets as collateral.

Strategic Participations

All other entities in the Group are classified as Strategic Participations. In 2020 the principal activity was Comparison, where Admiral's strategy had been to develop websites that allow consumers to compare a range of general insurance, financial services and other products. Penguin Portals Limited was established in 2019 as the holding company for a number of the Group's comparison businesses.

In late 2020, the Group announced the sale of almost all of the Group's comparison businesses under the Penguin Portals banner to RVU, the comparison division of Zoopla Property Group (ZPG) with the exception of the international comparison operation in the USA; Inspop USA LLC. The transaction completed during the first half of 2021.

The Group's UK based law firm, Admiral Law, provides a range of legal services, with the company's legal experts primarily specialising in road traffic accident claims.

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

COVID-19 global pandemic

The outbreak of the COVID-19 global pandemic has resulted in significant global uncertainty and market volatility. The figures in this report and the associated QRTs reflect conditions and best estimate assumptions as at the 31 December 2021 reporting date and therefore include the impact of COVID-19.

Russia's Invasion of Ukraine

Following Russia's invasion of Ukraine in late February 2022, financial markets volatility increased and a range of International sanctions were imposed on Russia. The Group does not have any direct exposure to Russia or Ukraine, either through its operations or investment portfolios. The Group is closely monitoring the situation, any indirect exposures and other risks and impacts. The figures in this report and the associated QRTs reflect conditions and best estimate assumptions as at the 31 December 2021 reporting date and have not been adjusted for the impacts of Russia's invasion of Ukraine, which is considered to be a non-adjusting post balance sheet event. At the date of this report, no significant changes to the Group's principal risks and uncertainties or solvency position are noted.

A.2. UNDERWRITING PERFORMANCE

The tables below show the Group's underwriting performance (premiums, claims and expenses in line with QRTs S.05.01 and S.05.02) summarised by Solvency II line of business and by geographical location. The tables are prepared on a financial statement basis and are reconciled to the Group profit in Section A.4 below. Total Group net premiums earned of £855 million (which does not form part of the profit reconciliation in Section A.4) can be agreed to note 5 of the Group Financial statements within the 2021 Annual Report.

31-Dec-21	Net Premiums Written	Net Premiums Earned	Net Claims Incurred	Net Expenses Incurred	Other Expenses ^{*1}	Total
Motor Vehicle Liability	488.2	502.8	(182.3)	(154.6)		165.9
Motor Vehicle Other	244.1	234.5	(72.3)	(97.5)		64.7
Fire and damage to other property	52.5	49.4	(30.9)	(19.4)		(0.9)
General Liability	1.3	1.2	(0.8)	(0.4)		0.0
Assistance and Miscellaneous Financial Loss	84.5	67.1	(26.4)	(6.2)		34.5
Annuities stemming from non-life insurance contracts (Life)	0.0	0.0	3.3	0.4		3.7
Total	870.6	855.0	(309.4)	(277.7)	7.8	275.7

^{*1} Other expenses represent intra-group comparison expenses that are eliminated for the purposes of the Group financial statements.

The following table shows the comparative underwriting performance for 2020:

31-Dec-20	Net Premiums Written	Net Premiums Earned	Net Claims Incurred	Net Expenses Incurred	Other Expenses* ¹	Total
Motor Vehicle Liability	499.5	475.6	(163.9)	(140.2)		171.5
Motor Vehicle Other	195.7	187.7	(45.9)	(41.0)		100.8
Fire and damage to other property	45.5	42.2	(27.4)	(12.4)		2.4
General Liability	1.1	1.0	(0.6)	(0.3)		0.1
Assistance and Miscellaneous Financial Loss	46.3	45.1	(23.8)	(5.2)		16.1
Annuities stemming from Non-Life insurance contracts (Life)	-	-	(8.2)	(0.9)		(9.1)
Total 2020	788.1	751.6	(269.8)	(200.0)	22.2	304.0

*1 Other expenses represent intra-group comparison expenses that are eliminated for the purposes of the Group financial statements.

Analysis by Line of Business

The first table above shows that the Group achieved an underwriting profit of £275.7 million in 2021, a decrease of £28.3 million from 2020 (£304.0 million). The tables provide a split of underwriting profit by Solvency II line of business.

As noted on the QRTs in Appendix 3 premiums, claims and expenses within Group insurance businesses are not typically allocated to these individual lines of business for the purposes of internal or external reporting and so therefore simplifications have been utilised to make this allocation for the purposes of QRT disclosure. One such assumption is that the 'Annuities stemming from Non-Life insurance contracts' (Periodic Payment Orders 'PPOs') line of business does not attract premiums and therefore a loss totalling allocated claims and expenses is reported for YE'20.

The split of underwriting profit by line of business shows that the motor insurance lines of business (motor vehicle liability, motor vehicle other and Life (relating to PPOs)) report a combined profit of £234.3 million.

The Fire and Damage to Property and General Liability lines can be attributed to the UK Household business. A total underwriting loss of £0.9 million is reported.

Finally, the Assistance and Miscellaneous Financial Loss lines of business primarily relate to the ancillary products underwritten by the Group and contribute an underwriting profit of £34.5 million.

Analysis by Geographical Location

31-Dec-21	Net Premiums Written	Net Premiums Earned	Net Claims Incurred	Net Expenses Incurred	Other Expenses* ¹	Total
UK	634.7	624.4	(140.9)	(172.2)		311.3
USA	94.7	98.3	(70.4)	(46.0)		(18.1)
Italy	72.1	71.3	(49.9)	(34.2)		(12.8)
Spain	21.8	20.5	(14.1)	(10.6)		(4.2)
France	47.3	40.5	(34.1)	(14.7)		(8.3)
Total	870.6	855.0	(309.4)	(277.7)	7.8	275.7

*1 Other expenses represent intra-group comparison expenses that are eliminated for the purposes of the Group financial statements.

The following table shows the comparative analysis by geographical location for 2020:

31-Dec-20	Net Premiums Written	Net Premiums Earned	Net Claims Incurred	Net Expenses Incurred	Other Expenses* ¹	Total
UK	560.9	539.8	(136.6)	(107.5)		295.7
USA	102.1	94.5	(60.1)	(46.3)		(11.9)
Italy	71.8	70.2	(42.3)	(27.1)		0.8
Spain	19.6	18.0	(11.8)	(8.1)		(1.9)
France	33.7	29.1	(19.0)	(11.0)		(0.9)
Total	788.1	751.6	(269.8)	(200.0)	22.2	304.0

*1 Other expenses represent intra-group comparison expenses that are eliminated for the purposes of the Group financial statements.

The table above analyses the Group underwriting performance by geographical location. The UK Insurance business generates the majority of the Group underwriting profit of £311.3 million, with the Group's International businesses in total contributing an underwriting loss of £43.4 million (all before elimination of intra-group comparison expenses).

The underwriting performance analysis excludes other revenue generated from the sale of additional products alongside the core motor insurance policy. Therefore, the combined international underwriting loss is different to the International Car Insurance segment loss of £11.6 million reported in the Group's 2021 Annual Report.

Other revenue generated by the UK and International businesses is reported within Section A.4 below (Performance of Other Activities).

Solo Entity Premiums, Claims and Expenses

31-Dec-21	Net Premiums Written	Net Premiums Earned	Net Claims Incurred	Net Expenses Incurred	Other Expenses	Total 2021
AICL	147.3	152.3	(77.3)	(35.2)		39.8
AIGL	549.1	530.4	(108.6)	(189.5)		232.3

As detailed in the QRTs in Appendix 3 to this report, total Non-Life and life premiums, claims for the Group's two SII solo entities AICL and AIGL are shown in the table above. Both entities report an underwriting profit, with the more material underwriting profits in AIGL reflecting its higher net share of UK motor insurance and profits generated by the motor policy upgrade products.

A.3. INVESTMENT PERFORMANCE

The tables below show a breakdown of investment income by type for both 2021 and 2020:

31-Dec-21	GROUP		AICL		AIGL	
	2021	2020	2021	2020	2021	2020
Investment return on assets classified as FVTPL	3.6	8.5	0.1	0.5	4.0	7.7
Unrealised losses on forward contracts	0.0	0.0	0.0	0.0	0.0	0.0
Investment return on debt securities classified as FVOCI	39.7	29.7	3.9	4.1	32.8	22.0
Investment return on deposits with credit institutions	0.6	1.4	0.1	0.3	0.5	1.0
Notional accrual for reinsurer's share of investment accrual	(1.6)	12.9	0.0	0.0	(1.0)	12.9
Interest receivable on cash and cash equivalents	0.3	0.4	(0.1)	0.0	2.7	2.8
Total	42.6	52.9	4.0	4.9	38.9	46.4

Group Investment and interest income in 2021 was £42.6 million. The underlying rate of return for the year (excluding accruals related to reinsurance contract funds withheld) on the Group's cash and investments was 1.1% (2020: 1.3%).

The accrual for reinsurers' share of investment return relates to the majority of AIGL's quota share reinsurance contracts, which operate on a funds withheld basis. The prior period benefitted by £12.9 million from additional investment income on cash held by Admiral relating to the portion of the portfolio reinsured under quota share contracts (income that was initially allocated as due to reinsurers in 2019, but subsequently released and recognised in the 2020 income statement).

In addition to the investment income recognised in the IFRS income statement, the Group also recorded a net loss of £9.3 million (2020: gain of £38.8 million) in the Fair Value reserve within Equity as a result of unrealised losses arising on financial assets classified as fair value through other comprehensive income.

Investment income in the solo entities was £4.0 million and £38.9 million for AICL and AIGL respectively.

A.4. PERFORMANCE OF OTHER ACTIVITIES

The table below summarises revenue and expenses from other activities and also provides a reconciliation of the information in Sections A.2, A.3 and A.4 to the profit as per the Financial Statements of the Group and solo entities.

	GROUP		AICL		AIGL	
	2021	2020	2021	2020	2021	2020
Net Underwriting Results as per Section A.2	275.7	304.0	39.8	45.7	232.3	215.9
Net Investment Result as per Section A.3	42.6	52.9	4.0	4.9	38.9	46.4
Other Activities:						
Other Revenue	382.2	513.6	7.1	6.8	21.8	60.3
Profit Commission	304.5	134.0	0.0	0.0	(196.4)	(197.8)
Other Net Costs	136.2	(354.5)	(0.1)	(0.5)	(6.3)	(12.1)
Finance Costs	(12.0)	(12.4)	0.0	0.0	(2.4)	0.0
Statutory Profit Before Tax	1129.2	637.6	50.8	56.9	87.9	112.7
Taxation expense	(132.5)	(109.8)	(9.5)	(11.0)	(0.9)	(6.6)
Statutory Profit After Tax	996.7	527.8	41.3	45.9	87.0	106.1

**The Group 2020 results are from continuing and discontinued operations.*

Outside of underwriting and investment activities, the Group's other activities performed strongly during 2021 with strong growth in net contribution from other revenue and associated costs. The material financial statement line items are discussed individually below:

Other revenue

The primary sources of other revenue are:

- i. Contribution from additional products and fees, including revenues earned on the sale of products supplementing the core insurance policies, administration and other charges paid by policyholders, referral fees, revenues from policies paid by instalments and vehicle commission charges paid by reinsurers and co-insurers. This increased in 2021 primarily as a result of growth in the policy base of the UK motor insurance business.

Profit Commission

Profit commission receivable from co-insurers and reinsurers in 2021 was £304.5 million (2020: £134.0 million) at Group level. AIGL reports net profit commission payable of £196.4 million (2020: £197.8 million) as intra-group profit commission payable more than offsets profit commission receivable from quota share reinsurers.

Other Net Costs

Other costs primarily relate to the other revenue noted above, being internal costs allocated to the generation of contribution from other products and fees, and also comparison expenses. These costs increased with the growth in the revenue lines noted above.

This category also includes central group costs that are not allocated to individual businesses – net share scheme charges being the most significant.

Lease Commitments

Admiral Group holds various properties under leasing arrangements that are recognised as right-of-use assets and lease liabilities. A maturity analysis of lease liabilities based on contractual undiscounted cashflows is set out below:

	2021	2020
Within one year	12.9	13.8
Within two to five years	41.8	42.4
Over five years	68.1	89.1
Total commitments	122.8	145.3

There are no material leasing arrangements in place for the solo entities.

A.5. ANY OTHER INFORMATION

None.

B. SYSTEM OF GOVERNANCE

B.1. GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

STRUCTURE OF THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODY

The Board is responsible for promoting the long term, sustainable success of the Group and its shareholders and is the principal decision-making forum for the Group providing entrepreneurial leadership, both directly and through its Committees, and delegating authority to the Executive team. The solo entities AICL and AIGL have respective individual Board meetings that act in the same manner as the Group Board.

The Group's 2021 Annual report (Governance section) provides further detail of the role of the Board and other information such as Board activity during the period.

The Board has delegated authority to a number of permanent Committees to deal with matters in accordance with written Terms of Reference. The Committees of the Group Board - Audit, Remuneration, Risk and Nomination and Governance (as shown in the diagram below).



All above Committees are chaired by an independent Non-Executive Director and comprise at least a majority of independent Non-Executive Directors except for the Group Nomination and Governance Committee is chaired by the Chair of the Board. Appointments to the Committees are made by the Board on the recommendation of the Group Nomination and Governance Committee and are for a period of up to three years, which may be extended for two further three-year periods, provided the Director remains independent.

The Committees are constituted with written Terms of Reference that are reviewed annually to ensure that they remain appropriate and reflect any changes in good practice and governance. These Terms of Reference are available on request from the Company Secretary and can also be found on the Company's website: www.admiralgroup.co.uk. Directors are fully informed of all Committee matters by the Committee Chairs reporting on the proceedings of their Committee at the subsequent Board meeting. Copies of Committee minutes are also distributed to the Board.

The AICL and AIGL subsidiary Boards are chaired by Non-Executive Directors.

MATERIAL CHANGES IN THE SYSTEM OF GOVERNANCE

The following changes in membership of the Group Board and its Committees occurred during the year:

- Milena Mondini de Focatiis, having been appointed as an Executive Director of the Board on 11 August 2020, was appointed as Group CEO with effect from 1 January 2021.
- Manning Rountree stepped down as a Non-Executive Director of the Board on 17 June 2021.
- Evelyn Bourke was appointed as a Non-Executive Director of the Board and a member of the Remuneration Committee on 30 April 2021.
- William “Bill” Roberts was appointed as a Non-Executive Director of the Board on 11 June 2021.
- JP Rangaswami was appointed as a member of the Risk Committee with effect from 17 June 2021.
- Evelyn Bourke was appointed as Chair of the Remuneration Committee with effect from 1 September 2021.
- Owen Clarke stepped down as a Non-Executive Director of the Board on 31 December 2021.
- Jean Park was appointed as a member of the Nomination and Governance Committee and as Senior Independent Director with effect from 1 January 2022.

The following changes were made in respect of the AICL solo entity Board during the year:

- Mark Churchlow was appointed as Chair of the AICL Board on 25 March 2021.
- James Armstrong stepped down as a Director of the AICL Board on 16 December 2021.

The following changes were made in respect of the AIGL solo entity Board during the year:

- Mark Churchlow was appointed as Chair of the AIGL Board on 1 January 2021.
- James Armstrong stepped down as a Director of the AIGL Board on 29 January 2021.
- Geraint Jones joined the AIGL Board on 29 January 2021.
- Christian Summerfield stepped down from the AIGL board on 30 June 2021.

Following the completion of an internal governance review in 2020, AICL and AIGL established Audit Committees focused on matters relevant to these solo entities. Prior to this the Audit Committee function for AICL had been captured within the Group Audit Committee. The AIGL Audit Committee was established in late 2020 and the AICL Audit Committee was established in early 2021.

There were no other material changes in the Group system of governance during the year.

REMUNERATION POLICY

Key Principles of Admiral Remuneration Arrangements

Admiral is committed to the primary objective of maximising shareholder value over time in a way that also promotes effective risk management and excellent customer outcomes and ensuring that there is a strong link between performance and reward. This is reflected in the Group’s Remuneration Policy of paying competitive, performance-linked and shareholder-aligned total remuneration packages comprising basic salaries coupled with participation in performance-based share schemes to generate competitive total reward packages for superior performance.

Fixed remuneration at Admiral comprises base salaries, benefits and pension. In line with the principles outlined above, base salaries are fixed and reflect the individual's responsibilities, role, job size and performance. Market and economic conditions and developments in governance are also considered when setting base salaries and determining the appropriate benefits and pension provisions.

Longer-term performance-based reward is provided through the Discretionary Free Share Scheme which is outlined below. The balance between fixed and variable remuneration ensures that an element of overall reward is linked to longer-term Group Strategy and risk management as well as to shareholder and customer value.

Two share schemes are operated within the Group, as follows:

(i) The Approved Share Incentive Plan (the SIP)

Eligible UK based employees who have served a minimum tenure at Admiral qualify for awards under the SIP based upon the performance of the Group in each half-year period. The maximum award for each year is £3,600 per employee. The awards are made with reference to the Group's performance against prior year profit before tax. Employees must remain in employment for the holding period (three years from the date of award) otherwise the shares are forfeited.

(ii) The Discretionary Free Share Scheme (the DFSS)

Employees across the Group receive DFSS awards based upon role and individual performance. Under the DFSS, individuals receive an award of free shares at no charge. The majority of employees receive DFSS awards subject to the below criteria, although some business units and a small number of senior management receive DFSS awards subject to alternative vesting criteria.

For the majority of recipients, 50% of the shares awarded at the start of the three-year vesting period are guaranteed to vest subject to continued employment until the vesting date. Executive Directors have no guaranteed shares, as their whole award is subject to performance conditions.

The remaining percentage are subject to the Group performance criteria which are the three measures below with equal weighting.

Performance Measure	Threshold	Maximum	Vesting Schedule
Earnings per Share (EPS) growth	Growth of 0.5%	Growth of 36%	10% for achieving threshold with straight line relationship to 100% for maximum performance
Total Shareholder Return (TSR) for Admiral vs. FTSE 350	Median	Upper quartile	25% for median, with straight line relationship to 100% for upper quartile
Return on Equity (ROE)	25%	55%	25% for achieving threshold with straight line relationship to 100% for maximum performance

DFSS bonus

Admiral pays a bonus (the 'DFSS bonus') that is equivalent to the actual dividends paid out to shareholders calculated on the number of unvested DFSS awards held. This is in place of, not additional to, a conventional cash bonus scheme. This approach is aligned to Admiral's culture by prioritising collective, longer term success over short term, individual performance and also maintains a direct link to shareholder dividends. The DFSS bonus payable to Executive Directors is subject to a +/- 20% adjustment based on performance against a scorecard of non-financial measures which includes customer outcomes and performance against strategic objectives.

Pension Provisions

The Group operates a Defined Contribution Scheme which is available to all employees following completion of their probationary period. In the UK, the Group matches employee contributions to a maximum of 6% of base salary subject to a maximum employer contribution of £15,000.

The Remuneration Report within the Group's 2021 Annual Report contains further information about the DFSS scheme and the Remuneration Policy for Executive Directors of the Group.

MATERIAL RELATED PARTY TRANSACTIONS

Details relating to the remuneration and shareholdings of key management personnel are set out in the Directors' Remuneration Report within the Group's 2021 Annual Report. Key management personnel are able to obtain discounted motor insurance at the same rates as all other Group staff, typically at a reduction of 15%.

The Board considers that only the Executive Directors of Admiral Group plc are key management personnel. Aggregate compensation for the Executive Directors is disclosed in the Directors' Remuneration Report within the Group's 2021 Annual Report.

B.2. FIT AND PROPER REQUIREMENTS

The Admiral Group Nominations and Governance Committee owns and approves the Admiral Group plc Fit and Proper Policy. The policy aims to ensure that all senior individuals who represent the organisation meet the fit and proper requirements in terms of qualifications, capability, honesty and integrity. As per the Policy, all prospective senior management appointments shall fill out a checklist prior to an offer being made. The checklist includes details of the candidate's knowledge, competence and experience to perform the role, and a declaration from the senior manager responsible for the recruitment to confirm the assessment of the candidate's fitness and propriety was carried out in line with this Policy. In addition, the candidate will be subject to interviews with appropriate members of staff, who will help complete the assessment of the candidate's fitness and propriety in relation to that role.

In order to ensure that the individuals running the organisation are fit and proper a number of checks are undertaken including;

- Previous employment history
- Educational background check*¹
- Professional qualifications and membership check*¹
- Notification of appointment to regulator
- Information on potential conflicts of interest

- Criminal history checks
- Credit checks
- Identity checks
- Directorship check
- Financial sanctions checks

**1 Where deemed necessary*

The Head of People Services is responsible for ensuring the Fit and Proper policy, approved by the Admiral Group Nominations and Governance Committee, is adhered to when senior management appointments are made by the firm. The policy is reviewed annually by Compliance to ensure it is in line with all relevant regulations and remains fit for purpose. In addition, all senior management are subject to requirements laid out by the UK regulators (FCA and PRA), through the Senior Managers and Certification Regime.

B.3. RISK FUNCTION

The Group Risk Function is responsible for updating and maintaining the Enterprise Risk Management Framework (ERMF). It is responsible for ensuring that there is an appropriate understanding and awareness of risks across Admiral Group, for managing Group-level risks, for providing overview and challenge to entity risk teams, and for communicating the risk management approach to all stakeholders. Group Risk reports on adherence to the Group Risk Appetite, and to triggers and limits agreed by the Group Board, and owns the regulatory reporting in relation to Solvency II requirements, for example the Own Risk and Solvency Assessment (ORSA).

Risk management system including the own risk and solvency assessment (ORSA)

The Group has a ‘three lines of defence’ approach to Risk Management, the scope of which also applies to the solo entities AICL and AIGL. The ‘first line of defence’ describes the controls the Group has in place to deal with the day-to-day business. Controls, which are designed to appropriately mitigate risk, are managed by the business unit and overseen by the business unit Risk Management Committees which ensures compliance and reviews control breakdowns, inadequacy of process and unexpected events.

The ‘second line of defence’ describes the Committees (primarily the Group Risk Committee) and functions that are in place to provide an oversight of the effective operation of the internal control framework. These committees review the management of risk in relation to the particular risk appetite of the business, as determined by the Board. The ‘second line’ is reinforced by the advisory and monitoring functions of Risk and Compliance. Risk defines and prescribes risk assessment processes for the business, maintains risk registers and undertakes regular reviews of these risks and controls in conjunction with line management. Compliance provides advice on all areas of regulatory principles, rules and guidance, including reviewing any regulatory changes, and undertakes monitoring activity on key areas of regulatory risk and policy adherence.

The ‘third line of defence’ describes the independent assurance provided by the Group Audit Committee and the Group Internal Audit function that reports to that Committee. Internal Audit undertakes a programme of risk-based audits covering all aspects of both the first and second lines of defence. The findings from these audits are reported to all three lines, i.e. line management, the executive and oversight committees and the Audit Committee.

The Group's Enterprise Risk Management Framework (ERMF) is described in Section C (Risk Profile) below.

ORSA

Admiral Group plc's Risk Strategy is directly linked to its business plan and model. The approach is embedded in the ORSA and links to the business planning process.

The Group Risk Function defines and prescribes the financial and operational risk assessment processes for the business; performs second line reviews, including reserving and capital modelling processes; maintains the risk registers; undertakes regular reviews of these risks in conjunction with line management; delivers the ORSA; and records any actual losses or near misses that occur as a consequence of the realisation of risk.

The Chief Risk Officer has responsibility for ensuring that managers are aware of their risk management obligations, providing them with support and advice, and ensuring that the risk management strategy is properly communicated. Reports are produced showing the most significant risks identified and the controls in place. Internal Audit uses the risk registers to plan and inform their programme of audits around the most significant risks to the Group to ensure that the prescribed controls are in place and are operating effectively.

The Group produces a single ORSA Report which includes as supporting documents/ appendices the ORSA reports produced for each of the solo insurance entities (AICL, AIGL, AECS, EIC) to support their Board's review and challenge of the relevant components of the Group ORSA Report.

ORSA Approval Process

On an annual basis or following significant changes in the risk profile of the business, the Group Risk Function will produce an ORSA Report, in line with the ORSA Policy and the relevant Solvency II regulations.

The annual and any ad hoc ORSA reports are reviewed and challenged by the Group Risk Committee prior to submission to the Group Boards for approval.

The Board approved report is also submitted to the PRA and GFSC for information purposes, and to receive feedback on the quality and suitability of the report.

Group Determination of Solvency Requirements

The quantification of the capital required to support the risks faced in the operation of the Group's businesses, on both a Regulatory and Economic (ultimate) basis is included in the ORSA. The regulatory SCR is calibrated to a one-year loss, whereas the economic SCR is calibrated to both a one year and on an ultimate basis. The ORSA considers both bases in order to provide a quantification of the differences between the two viewpoints. In addition, analyses of the key drivers of economic (ultimate) capital needs and regulatory capital requirements are also considered.

Admiral is currently developing an internal model and intends to seek approval from the PRA and the GFSC to calculate the regulatory SCR using a Partial Internal Model (PIM) for Group and AIGL. Whilst Admiral completes this development, the Group's regulatory capital requirement is based on the Solvency II standard formula with a Capital Add-On to reflect recognised limitations in the standard

formula, (predominantly in respect of profit commission arrangements within co- and reinsurance contracts and risks arising from Periodic Payment Order (PPOs) claims).

Refer to Section C for a review of the Group's basis for calculating Regulatory capital requirements.

Internal control system

The Admiral Group Internal Control Policy documents the procedures in place within the Group (that also cover the solo entities AICL and AIGL), to ensure there is an effective internal control framework operating. The internal control system is managed through both the effective operation of the systems of governance in place within the Group. The design, implementation and operating effectiveness of the control activities are monitored and reported regularly through the 'three lines of defence' mechanism adopted by the Group.

The Internal Control framework is broadly defined as continually operating processes, affected by the Board of Directors, management and all levels of personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations in view of its risks and objectives
- Availability and reliability of financial and non-financial information
- Compliance with applicable laws, regulations and administrative provisions

Internal control consists of five interrelated components:

- Control environment – sets the tone of an organisation through the business plan, risk appetite and risk profile.
- Risk assessment – understanding and assessment of the risks both current and emerging, and risk drivers which would impact on the ability of the entity to achieve the business' objectives
- Control activities – policies and procedures that help ensure necessary actions are taken to address risks to achieve the business' objectives.
- Information and Communication – pertinent information must be identified, captured and communicated in a form and timeframe that allows relevant individuals to carry out their responsibilities.
- Monitoring – Internal control systems need to be monitored to assess the quality of the internal control system over time. This is accomplished through ongoing monitoring activities, with deficiencies in the internal control framework reported to senior management and the Board.

These components work to establish the foundation for sound internal control within the Group through directed leadership, shared values and a culture that emphasises responsibility and accountability for control.

The Group's control environment is determined by the Admiral Group Board of Directors, supported by a number of committees who have set the tone of the organisation through the Admiral culture, principles, business plan and risk appetite.

The key risks are identified via the Group's risk universe and the corresponding controls are considered as key controls. Key control activities are mapped to primary risks held within the Group's risk universe.

Line 1 (operational functions) are responsible for monitoring all the risks facing their operation, whether this be through call monitoring, file reviews or audit reviews as well as responsible for designing and implementing control activities within their area based on the risks identified. The controls are documented within the risk registers for reference and to maintain an audit trail. Results of monitoring activities are provided to operation managers, and subsequently reported on through the Admiral Group Governance structure.

Line 2 (Risk and Compliance, Actuarial functions) are responsible for the oversight of the Line 1 monitoring. This is done through:

- Risk reviews – business unit risk and controls discussed at Risk Management Committees (RMCs) with material risks and Key Reporting Indicators (KRIs) presented to Group Risk Committee in the Consolidated Risk Report
- Compliance Advice and Compliance Monitoring Reviews presented to Group Risk Committee
- Actuarial and validation reviews

Line 3 (Internal Audit) is responsible for conducting an objective and independent appraisal of all the Group's activities, financial and otherwise, through a risk-based plan, approved annually by the Group Audit Committee.

In addition to the three lines of defence, the Group also monitors the internal control activities and framework through the use of external auditors and consultancies. External reviewers are responsible for the oversight of specific processes within the Group, depending on the scope of the review they are required to undertake.

B.4. COMPLIANCE FUNCTION

The Group Compliance Function sets the strategic direction for the business on Compliance matters and provides oversight and assurance to the Board over the effectiveness of the first line areas in delivering its regulatory responsibilities and adherence to the rules and guidelines set by the FCA and PRA, along with other regulatory bodies as applicable.

The Group Compliance Function is responsible for the design, implementation, monitoring, and review of the Group's Conduct Risk Management Framework as well as the identification and communication of any new requirements arising from changes in regulation. The Function, alongside Group Risk, oversees the Line 1 processes for identifying, owning and ongoing management of Conduct Risk, including the implementation of new regulatory requirements. The Head of Group Compliance provides regular reports to the Group Risk Committee who monitor Conduct risk in relation to the Conduct Risk appetite approved by the Group Board. Regular Compliance reporting is also provided to the subsidiary boards including the EUI, AIGL, AICL and AECS Boards.

The Group Compliance Function works with the Group Risk Function to provide advice and resolution to risk events as they arise. Management of customer outcome risk events is completed in line with the Group Risk Management Policy.

B.5. INTERNAL AUDIT FUNCTION

The Group Internal Audit function is responsible for conducting an objective and independent appraisal of the Group's activities, financial and otherwise, through a risk-based plan, approved annually by the Group Audit Committee. It is responsible for evaluating and reporting to the Group

Board and the Group Audit Committee, and thereby providing them with assurance on the operating effectiveness of controls that management has put in place.

Internal Audit is also responsible for providing assurance over the arrangements for risk management, control and governance, compliance with internal policies, procedures and controls, and value for money, where relevant to each audit assignment. The Group Internal Audit department shall report to the relevant Board/Committee the findings and recommendations from their review, including the time period envisaged to remedy any shortcomings, and follow up on any recommendations made on a timely basis. It remains the duty of management to operate these arrangements, to determine whether or not to accept audit recommendations and to recognise and accept the risks of not taking action. Management need to provide an appropriate level of justification and where applicable supporting documentation to justify their reasoning, when choosing to accept the given risk, or decline a recommendation.

Each year, the Group Head of Internal Audit presents a Group Internal Audit plan to the Group Audit Committee for approval detailing the audits that will be carried out in the year ahead. The Plan is based on a methodical risk analysis taking into account all activities and the complete system of governance, as well as expected developments of activities and innovations. Significant areas of risk, per the Risk Registers, are considered for inclusion in the Annual Audit Plan. =. Any audits graded red in colour are considered for review within a 12 month period until they are in a non-red status.

Independence and Objectivity of the Internal Audit Function

Per the Group Internal Audit Policy, the Internal Audit department and all of its employees must be functionally and organisationally independent of the business processes, events and transactions of the company. The Internal Audit department will carry out its assignments with impartiality and is free to express its opinions in their reports. Amongst many matters, the Internal Audit department must have direct access to the Board of Directors, Group Audit Committee and the Chief Executive Officer and be able to report directly to these levels when they deem this necessary. Such independent structure should enable the internal auditor to render impartial and unbiased judgement, essential to the proper conduct of their work.

Internal Audit activity must be free from interference in determining the scope of internal auditing, performing work and communicating results.

Unless permission is granted by the Group Audit Committee Chair, an Internal Auditor will not perform an audit review in an area where they had a consultancy / operational role in the previous twelve months.

Where practical, areas under review shall be rotated amongst the staff in Internal Audit to avoid any potential conflict of interest.

B.6. ACTUARIAL FUNCTION

The Actuarial Function has a number of responsibilities in the area of technical provisions and also in providing an opinion on the adequacy of re-insurance and underwriting.

Solvency II requirements state that the Actuarial Function shall be carried out by persons who have knowledge of actuarial and financial mathematics, commensurate with the nature, scale and

complexity of the risks inherent in the business, and who are able to demonstrate their relevant experience with applicable professional and other standards. The Actuarial Function should be free from influences that may compromise its ability to undertake its duties in an objective, fair and independent manner.

The Actuarial Function produces a written report (“The Actuarial Function Report”) which is submitted to the Board, at least annually, documenting all tasks undertaken, identifying deficiencies and making recommendations to remedy these deficiencies. The report is designed to include the calculation of technical provisions, an opinion on overall underwriting policy and an opinion on the adequacy of reinsurance arrangements.

The responsibilities that fall under the remit of the Actuarial Function are segregated from other business activities to allow independent review and challenge, allowing the Actuarial Function to provide an independent opinion of the areas of Technical Provisions, Reinsurance and Underwriting. The validation, review and challenge is carried out by the second line Group Risk Function which enables clearer separation of activities and strengthens the independence. The Actuarial Function is comprised of suitably qualified individuals who have the skills and knowledge to make the decisions without the influence of others.

B.7. OUTSOURCING

The Group’s Procurement and Outsourcing Policy ensures that any third party arrangement entered into by the Group does not lead to impairment of either the Group’s systems of governance and internal control, or the relevant supervisory authority in monitoring compliance risks, does not unduly increase the operational risk and does not undermine continuous and satisfactory service to customers.

The Group outsources a number of critical and important functions across all businesses, to various third parties. The Group Procurement and Outsourcing Policy provides a clear guide to identify and manage outsourced relationships to a minimum standard based on the strategic risk the supplier poses to the Group.

Material intra-group outsourcing arrangements include the provision of insurance services by the Group’s insurance intermediaries to the Group’s regulated insurance entities. This includes EUI Limited in the UK, Admiral Intermediary Services S.A.U in Spain and Elephant Insurance Services LLC in the USA. In addition, the Group has shared IT development centres in Canada, India and Spain that provide services to both the Group’s insurers and comparison websites. Intra-group outsourcing arrangements fall within the scope of the Group’s outsourcing policy in a consistent manner to outsourcing arrangements external to the Group.

B.8. ANY OTHER INFORMATION

Assessment of the adequacy of the system of governance

The Board is ultimately responsible for the Group’s system of governance, including the system of risk management and internal control.

As noted in the Group's 2021 Annual Report, the Board confirms the Group's compliance with the principles and provisions of the UK Corporate Governance Code 2018 (the code) which is applicable to the year under review, and is considered to represent best practice for UK listed companies. This covers both the Group as a whole, and also the solo entities AIGL and AICL.

C. RISK PROFILE

RISK ASSESSMENT AND RISK MANAGEMENT

The Admiral Group Board is responsible for determining risk strategy and risk appetite across the Group, and for the Group's system of risk management and internal control. The Board has delegated the development, implementation and maintenance of the Group's risk management framework to the Group Risk Committee, which reports its activities to both the Board and also to the Group Audit Committee, for the purposes of reviewing and reporting on the overall effectiveness of this system.

The Group's 2021 Annual Report contains detailed information on the activities of the Group Risk Committee during the year along with the Committee's duties and responsibilities and the Group's Risk Management and Internal Control statement.

Risk is an essential part of the Group's business operations and informed risk taking is important in achieving the Group's immediate and future business objectives, whilst protecting its customers in the longer term. Risk is a core consideration when setting strategy, formulating business plans, managing performance and rewarding management success.

The ERMF at Admiral Group has been designed, implemented and embedded to provide the Board with oversight of the risks, as well as oversight of how those risks are managed across the Group. The framework operates to provide first, second and third lines of defence for all risks captured in Admiral's risk profile and risk universe. The framework is also used to help the wider business understand the various elements of risk management.

- i. The **Key Risks** to the business are identified based on the Level 1 Risks from the Admiral Risk Universe, with a further split to highlight other key risks on the grounds of materiality. All Key Risks are assigned an owner at a Group and Business Unit level.
- ii. **Risk Classifications** are assigned to each key risk on a materiality basis.
- iii. **Risk Drivers** are identified for each key risk.
- iv. **Board Risk Appetite Statements** are then assigned to define the approach to managing each of the risk drivers within appetite for the key risk category.
- v. **Key Risk Indicators (KRIs)** are monitored for each risk driver to act as early and ongoing warning indicators for the Board and Management Risk Appetite Statements.
- vi. **Triggers and Limits** are defined to reflect early and ongoing warning indicators such that a breach of a trigger or limit is not defined as a breach of the Board's risk appetite.

The Group Risk Appetite is owned and approved by the Admiral Group Board. The responsibility for the Group Risk Appetite is delegated to the Group Risk Committee which reviews all components prior to Board approval and monitors the performance of the business against the approved Group Risk Appetite through the Consolidated Risk Report (CRR) on a quarterly basis.

MATERIAL RISKS

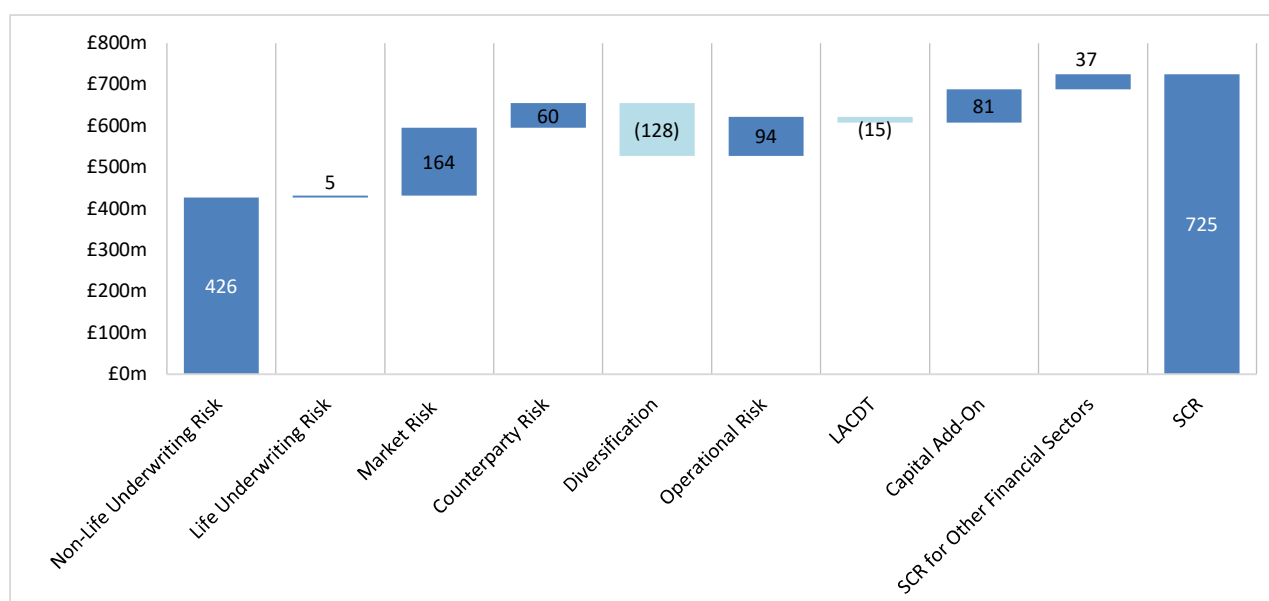
The material, or key risks to the Group are listed below, and may be mapped to the main categories of risk within the Solvency II Solvency Capital Requirement (SCR):

Key Risk	Risk Overview
Insurance, or Underwriting Risk	Uncertainty over the occurrence, amount or timing of claims arising on insurance contracts issued by the Group.
Market Risk	Fluctuations in the value of market prices of the Group's investment assets and liabilities, or in the income and expenses generated from these assets and liabilities.
Counterparty, or Credit Risk	The risk that counterparties (primarily either reinsurers or banks or other investment counterparties) default on obligations.
Liquidity Risk	The risk that the Group does not have sufficient financial resources to meet its liabilities when they fall due or can secure them only at excessive cost.
Operational Risk	Risks arising through operational processes and procedures. These include risks related to people, processes, IT systems, information security, business continuity and customer outcomes.
Group Risk	Risks, other than those captured within categories above arising across the Group's operations. These may relate to the Group's non insurance businesses (such as Comparison) or to other risks relating to the insurance businesses (such as loss of additional revenues from customers).

Each of these risk categories is discussed in further detail in sections C1 – C7 below, along with details of risk mitigating actions taken by the Group Board in respect of each risk. The Annual Report also provide further information on the Group's 'Principal Risks and Uncertainties', their impacts and the associated mitigating actions.

The Group's Solvency II SCR reflects the profile of these material risks. The chart below evidences that insurance, or underwriting risk is the Group's material risk concentration, comprising 59% of the YE 2021 SCR. There has not been a material change to this risk profile over the course of 2021 and there is not expected to be a material change during 2022.

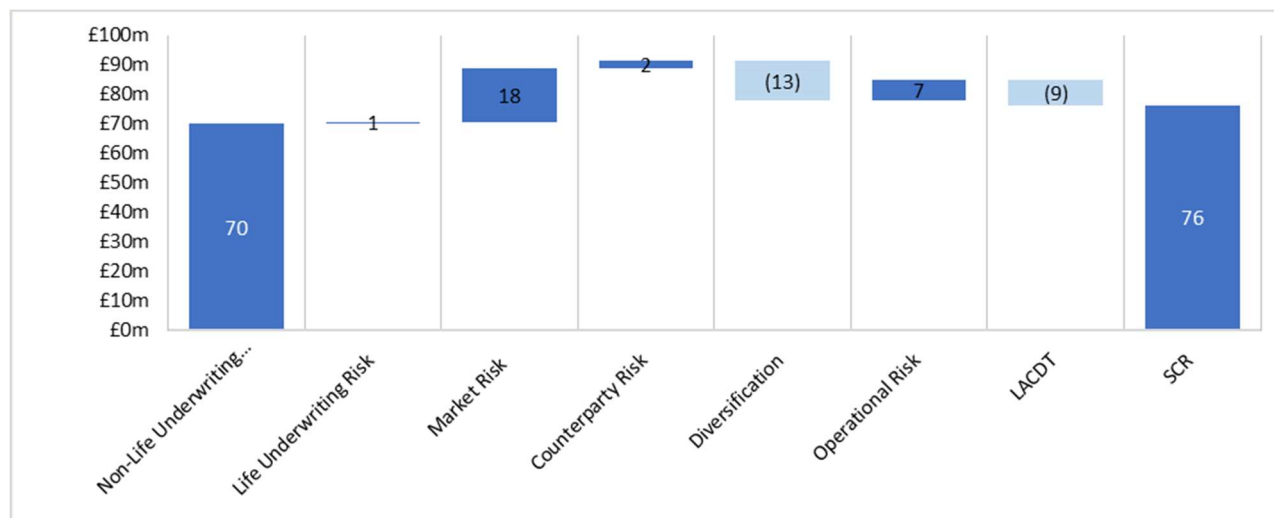
2021 Group Solvency Capital Requirement – by risk type



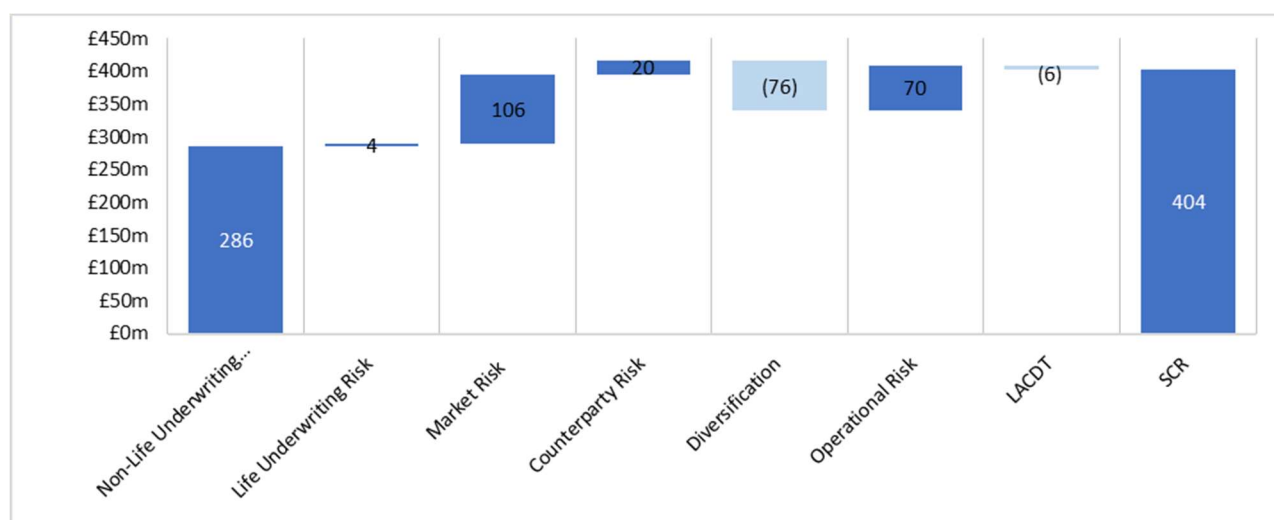
The Group's core and dominant line of business is UK motor and therefore the insurance, or underwriting risk is concentrated on the applicable SII lines of business for UK motor (primarily, non

life 'liability' and 'other' risks). The composition of the SCR for the solo entities AICL and AIGL is shown in the charts below:

2021 AICL Solvency Capital Requirement – by risk type



2021 AIGL Solvency Capital Requirement – by risk type



REGULATORY SOLVENCY CAPITAL REQUIREMENTS

The Group's Solvency Capital Requirement presented in the first chart above, is the Regulatory SCR which is prepared on a Standard Formula (SF) plus Capital Add-On (CAO) approach, as shown by the table below.

Regulatory SCR Calculation Approach	GROUP	AICL	AIGL
SF		✓	
SF plus Undertaking Specific Parameters (USP)			✓
SF plus CAO	✓		

All entities applied the Volatility Adjustment (VA), an adjustment to the risk-free rate used in the discounting technical provisions to dampen the effect of widening bond spreads, at 31 December 2021.

As previously disclosed, the Group is preparing to make a Partial Internal Model submission to the UK and Gibraltar regulators. Ahead of the start of the Solvency II regime, the Group applied for a CAO to the standard formula to reflect recognised limitations in the standard formula with respect to Admiral's risk profile. These predominately relate to profit commission arrangements in co-insurance and reinsurance contracts and risks arising from claims including PPO claims.

The Group continues to develop its partial internal model to form the basis of calculation for future capital requirements. Further to the Board taking some time to review the model, Admiral is in the process of making changes which will ultimately simplify the internal model by aligning it with current business processes. Admiral intends to make a formal application for model approval to the regulator in due course. In the interim period before submission, the current capital add-on basis will continue to be used to calculate the regulatory capital requirement. For further detail, please refer to Sections C6 and E2 below.

The Regulatory SCRs for the Group's Solvency II regulated subsidiaries AICL AIGL and ACES, are calculated on a standard formula basis. For the UK regulated subsidiary, AICL and AECS the Group considers the standard formula to appropriately reflect the Company's risk profile.

For AIGL, the interaction of profit commission arrangements with external reinsurers and intra-group profit commission arrangements means limitations of the standard formula with respect to these risks cannot be addressed with a CAO as the add-on would reflect a deduction to the standard formula, which is not permitted within Solvency II regulation. AIGL has obtained approval from the Gibraltar regulator (Gibraltar Financial Services Commission) to use Undertaking Specific Parameters (USPs) in its calculation of underwriting risk.

C.1. UNDERWRITING RISK

The Group's underwriting risk consists of Non-Life and Life components. As noted above, the material concentration of risk is within Non-Life underwriting risk, given the Group's focus on general insurance lines of business. Life underwriting risk arises through the settlement of claims on a Periodic Payment Order (PPO) basis, where annual index-linked settlements to claimants exposes the Group to life risks such as the claimant's life expectancy (longevity) and inflation.

NON-LIFE UNDERWRITING RISKS

Non-Life underwriting risk consists of the following components of risk:

- Non-Life premium risk
- Non-Life reserve risk
- Lapse risk
- Catastrophe risk

The valuation of Non-Life underwriting risk is driven by the premium and reserve risk component, with small contributions made by lapse and catastrophe risk.

The majority of Non-Life underwriting risk is accepted by the Group's Solvency II regulated subsidiaries AICL, AIGL and AECS. As a result, there is little difference between the sum of the components of Non-Life insurance for AICL, AIGL and AECS and the Group valuation. The key exception to this is catastrophe risk; the difference here is driven by exposure to natural weather catastrophes (primarily through hailstorms and flood events) in the USA due to risks underwritten by EIC.

Non-Life Reserve risk is driven by adverse development in the valuation of the liabilities which is mainly related to longer tailed bodily injury claims, particularly from the Group's UK motor business, which have greater uncertainty associated with the ultimate cost of claims than, for example, property damage claims (across both Motor and Household businesses). These claims can develop over a number of years so the reserve risk figure relates to several underwriting years.

The Group's retention of risk across underwriting years for the core UK motor business varies depending on the co-insurance and quota share reinsurance contracts in place for each year. The Group has historically used reinsurance (in the form of both co-insurance and quota share reinsurance, as well as excess of loss reinsurance) as a risk mitigation tool across all lines of business - refer to the risk mitigation section below for further detail. In addition, the Group's Annual Report contains further information about the co-insurance and reinsurance arrangements in place for businesses across the Group (page 66 for UK Insurance and page 75 for International Insurance).

Premium risk is the risk that the Group incurs losses on risks arising in the twelve months after the valuation date. Premium risk consists of a lower proportion of bodily injury exposure, and therefore has a higher proportion of property damage in future claims experience which increases the diversification between claim types compared to reserve risk. This is due to premium risk considering the future occurrence and severity of claims, rather than the development of existing claims, of which property damage claims generally settle quickly.

LIFE UNDERWRITING RISKS

As noted above, the Group is exposed to life underwriting risks in respect of claims that have settled by way of a PPO. The risks relevant to the Group within the standard formula calculation of life risk are longevity risk and life expense risk. In addition, the Group's CAO captures inflation risk (refer to section C6).

The Group has a relatively low number of settled PPO claims, and therefore, life underwriting risk does not reflect a significant contribution of risk. In addition to this, diversification against the significant Non-Life insurance risks further reduces the element of the SCR attributable to life underwriting risk.

RISK MITIGATION

Underwriting risk is the Group's material risk and as noted above, a key part of the Group's risk mitigation strategy with respect to underwriting risk is the use of co-insurance and reinsurance (both proportional quota share reinsurance and non-proportional excess of loss reinsurance). In the core UK motor business, both co-insurance and quota share reinsurance contracts are utilised to mitigate risk.

In respect to proportional risk sharing agreements, the Group's net retained share of business after proportional co-insurance and reinsurance arrangements, for material businesses in the 2022 underwriting year, and at 31 December 2021 in relation to 2021, 2020, and 2019 underwriting years, is as follows:

Business	Net Retained Share 2022 UW Year	Net Retained Share 2021 UW Year	Net Retained Share 2020 UW Year	Net Retained Share 2019 UW Year
UK Car	22%	22%	22%	56%*
UK Household	30%	30%	30%	30%
UK Van	25%	25%	25%	25%
UK Other	100%	100%	100%	100%
Italian Motor	35%	35%	35%	35%
Spanish Motor	30%	30%	30%	30%
French Motor	30%	32.5%	30%	30%
US Motor	45%	45%	50%	33.4%

*The UK Car retained share for 2019 includes quota share commutations completed in H1'21. The original net retained share for this year was 22%.

In line with the standard formula approach, underwriting risk capital requirements are calculated net of co-insurance and reinsurance. However, for UK Motor contracts, both co-insurance and proportional quota share reinsurance contracts allow Admiral to participate in the profitability of those portions of the book through profit commission arrangements. The Actuarial Function monitors the effectiveness of the Group's co-insurance and re-insurance arrangements on an ongoing basis, reporting findings to the Group Board at least annually. This process includes assessment of a range of areas such as reinsurance development, reinsurance performance and compliance with internal policies. The additional risks that the Group is exposed to through these contracts are captured in the Group's CAO – refer to section C6 below.

C.2. MARKET RISK

The Group's investment strategy is primarily focused on capital preservation with additional priorities being low volatility of returns and high levels of liquidity. The strategy and resulting portfolio was materially unchanged during 2021, with money market funds, and fixed income debt securities comprising the majority of the total portfolio.

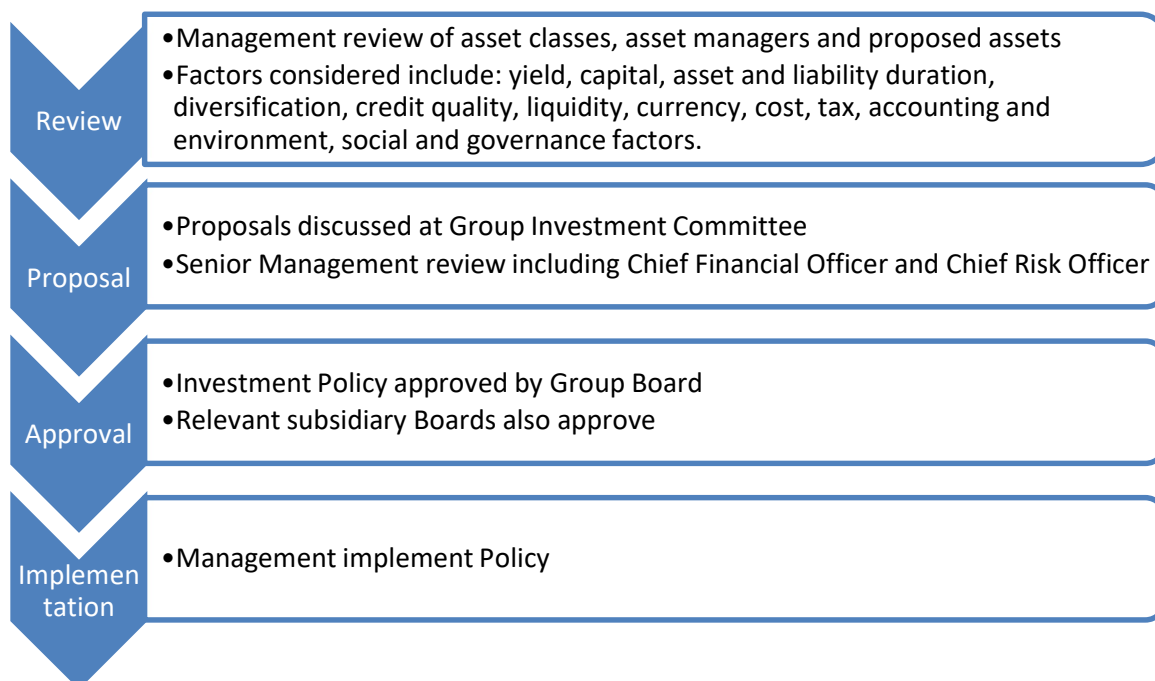
Further information on the IFRS classification of the Group's cash and investments is included in the Group's 2021 Annual Report.

PRUDENT PERSON PRINCIPLE

Solvency II has introduced the Prudent Person Principle for managing investments.

The Prudent Person Principle seeks to ensure that the industry understands and is capable of managing its investment risks. Specifically, insurers must be able to demonstrate that they can properly identify measure, monitor, manage, control and report on their investment risks and not place reliance upon information provided by third parties.

Admiral's risk management and strategic decision-making process in respect of asset investment is centred on the Group's Investment Committee. The Investment Committee is a Management committee that includes Non-Executive representation. The governance process for material asset investment decisions can be summarised as follows:



At each stage of the process the proposal is subject to review by senior management independent of the proposal. Implementation of an investment decision is performed only once all stages of approval have been achieved. The quantitative analysis is considered but also the experience of the senior management allows for a material qualitative judgement.

Once the purchase has occurred the asset is then part of the ongoing valuation, income and capital process. The Group Investment Committee meets at least on a quarterly basis and reviews detailed Management Information presented on a look-through basis that covers the security, quality, liquidity and profitability of the portfolio.

MARKET RISK COMPONENTS

Market risk comprises 23% of the Group’s 2021 regulatory SCR. The largest contribution at YE’21 is from Spread Risk, primarily reflecting the risk of valuation changes in the Group’s fixed income debt securities resulting from credit spread changes. Property risk, Interest rate risk, Equity risk (in relation to the valuation of the parent company’s holdings in Strategic Participations), Currency risk and Concentration risk also contribute as noted in the table below. Market risk comprises 24% and 26% of the SCRs for AICL and AIGL respectively.

Risk	Description
Property Risk	The risk of a fall in valuation of property assets arising from the sensitivity of assets to the level or volatility of market prices, rental yields and occupancy rates. This risk is not applicable to AICL and AIGL which do not hold any significant property leases.
Interest Rate Risk	The risk of a fall in the value of assets and/or an increase in the value of liabilities, due to changes in the level of interest rates. The standard formula interest rate module captures the net movement of both the Group’s investment portfolio and the Insurance Technical Provisions.
Strategic Participation Risk	The risk of a change in the value of the holdings in non-insurance subsidiary undertakings of Admiral Group.

Spread Risk	The risk that the value of an investment holding falls, following a change in the riskiness (predominantly credit risk) of the issuing company.
Currency Risk	The risk of exchange rate movements that adversely impact the value of assets and liabilities denominated in a currency other than pounds sterling.
Concentration Risk	The risk that Admiral Group holds a concentration of investments within a particular asset class or with a particular counterparty.

C.3. COUNTERPARTY DEFAULT RISK

Credit or Counterparty risk represents the risk of default by reinsurance partners and investment counterparties holding the Group's cash balances, in line with the standard formula approach. It reflects 8% of the Group SCR and is comprised of Type 1 counterparty risk – the risk relating to default by reinsurance partners and banks combined with Type 2 counterparty risk – the risk relating to past due or unrated debtors.

It is a relatively small component of risk because the Group only enters into reinsurance arrangements with counterparties of appropriate credit ratings (A- or higher), and because the Group has 'funds withheld' arrangements in place with its largest UK motor quota share reinsurance partners which mitigates a significant proportion of the risk faced.

C.4. LIQUIDITY RISK

Admiral has a robust liquidity risk management framework in place, commensurate with nature and complexity of Admiral Group. Liquidity Risk is managed on a Group-wide basis, as well as at individual entity level, thereby requiring liquidity risk management to be applied consistently across all companies within Admiral. Admiral ensures that any potential liquidity risks are managed appropriately by identifying potential risk drivers and by holding appropriate liquidity buffers at an individual entity level.

Both the UK Motor and Household Insurance have significant cash in-flows of income in advance of claims and expenses being paid, which are expected to be less than the total premiums received. This reduces the risk of a liquidity strain.

The total amount of expected profit included in future premiums (EPIFP) as calculated in accordance with Article 260 of the Delegated Acts is £66.4 million for the Consolidated Group and £4.3 million and £56.6 million for AICL and AIGL respectively. EPIFP is not a measure of the profit for the Group and is not to be interpreted as a profit forecast or to set a floor to the profits of the Group.

As noted in section C2 above, one of the Group's strategic considerations when determining investment strategy is liquidity and a significant proportion of the funds invested sit in instant access money market funds.

C.5. OPERATIONAL RISK

Operational risk arises within all areas of the business. The Group, through its ERMF, implements, maintains and monitors a series of internal controls that aim to mitigate the range of operational risks that the Group faces.

The operational risk capital requirement is calculated using the standard formula.

C.6. OTHER MATERIAL RISKS

CAPITAL ADD-ON

As noted earlier in this section, the Group has applied for a Capital Add-On as a result of limitations in the standard formula with respect to the Group's risk profile. The CAO reported in the 2021 Group annual QRT is £81.0 million, following approval in August 2017.

The CAO primarily reflects the following risks:

Risk	Description
Profit Commission	Admiral has extensive profit commission arrangements within its co-insurance and quota share reinsurance arrangements. Under stressed conditions, there is a risk that profit commission income recognised in the Solvency II balance sheet will need to be de-recognised, reducing the value of Own Funds.
PPO (Potential and Settled)	Admiral-specific parameters for both reserve and premium risk uncertainty are derived to reflect the risk associated with both future and potential PPOs, which is not deemed to be appropriately reflected in the standard formula parameters. In addition, the inflation risk related to settled PPOs is captured in recognition of the limitations of the standard formula life underwriting risk module.

C.7. ANY OTHER INFORMATION

LOSS ABSORBING CAPACITY OF DEFERRED TAXES (LACDT)

At YE'21, the Group's regulatory SCR is reduced by £14.6 million to reflect the tax losses arising as a result of the 1 in 200-year event, that may be utilised against current or deferred tax liabilities. The resulting LACDT can primarily be attributed to the Group's regulated insurance entities in the UK and Gibraltar. No LACDT benefit has been recognised for AECS on the basis of the potential to offset tax losses against profits on business that will be written in the future.

TREATMENT OF ADMIRAL LOANS

At YE'21, the Group's regulatory SCR includes £36.5 million to reflect the risks inherent within the Admiral Loans business. This primarily reflects credit risk on the net loans portfolio, together with an element of operational risk.

RISK SENSITIVITY

The Group has established processes to undertake stress and scenario testing on an ongoing basis, with testing undertaken at least annually. The stress testing processes operate in collaboration with the Corporate Governance Committees and involve a number of members of senior and operational management. The results of the tests undertaken improve the Boards understanding of risk, influence business decisions and form a key part of the Enterprise Risk Management Framework.

In addition, solvency ratio sensitivities are reported to the Group Board and its Committees on a regular basis. The following Group solvency ratio sensitivities (as reported in the 2021 Annual Report) were reviewed for YE'21.

Movement in Solvency Ratio (percentage pts)	2021	2020
UK Motor – incurred loss ratio +5%	(9%)	(10%)
UK Motor – 1 in 200 catastrophe event	(1%)	(1%)
UK Household – 1 in 200 catastrophe event	(3%)	(2%)
Interest rate – yield curve down 50 bps	(3%)	(4%)
Credit spreads widen 100 bps	(9%)	(6%)
Currency – 25% movement in euro and US dollar	(3%)	(3%)
ASHE – long term inflation assumption up 50 bps	(5%)	(3%)
Loans – 100% worsening in experience	(1%)	(1%)

D. VALUATION FOR SOLVENCY PURPOSES (AUDITED)

Section D focuses on the Solvency II balance sheet and the valuation of assets and liabilities. For each material class of assets, technical provisions and other liabilities, the following information is provided:

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

The material classes in the Group and solo entity Solvency II balance sheets are shown in the table below.

Summary Solvency II Balance Sheets – Consolidated Group, AICL and AIGL

Balance Sheet, 31-Dec-21	GROUP		AICL		AIGL	
	IFRS	SII	IFRS	SII	IFRS	SII
Property, plant and equipment	103.2	102.5	-	-	-	-
Goodwill, DAC and Intangible Assets	179.9	-	2.8	-	14.3	-
Investments excl. Participations	3,742.6	3,753.7	355.9	355.9	2,460.1	2,440.1
Investment in Participations	-	32.3	-	-	-	-
Loans and Mortgages	556.8	180.9	-	-	156.2	156.2
Reinsurance recoverables	2,176.1	1,712.8	23.1	24.7	1,691.0	1,283.9
Deferred tax assets	9.3	0.0	-	-	-	4.7
Receivables and other assets	1,219.1	390.5	51.0	0.9	766.2	29.1
Cash	372.7	283.6	12.3	12.3	38.5	58.7
Total Assets	8,359.7	6,456.3	445.1	393.8	5,126.3	3,972.7
Technical Provisions - best estimate	4,215.0	3,214.6	310.6	240.2	3,176.2	2,372.8
Technical Provisions - risk margin	-	102.1	-	14.4	-	82.4
Contingent liabilities	-	4.3	-	-	-	-
Deposits from reinsurers	1,274.9	768.4	0.0	2.4	1,206.2	822.4
Deferred tax liabilities	-	66.7	1.3	5.1	-	0.0
Other payables and liabilities	790.4	507.8	30.8	14.6	212.6	196.9
Subordinated liabilities	670.9	217.1	-	-	-	-
Total Liabilities	6,951.2	4,881.0	342.6	276.7	4,595.1	3,474.5
Excess of Assets over Liabilities	1,408.5	1,575.3	102.4	117.1	531.2	498.2

Section E of this document contains a reconciliation from the IFRS net assets to the Solvency II excess of assets over liabilities that forms part of Tier 1 Own Funds.

The individual material classes of assets, technical provisions and liabilities are considered in sections D1, D2, and D3 respectively.

D.1. ASSETS

Material Class	
1. Property, plant and equipment	Property plant and equipment includes both right-of-use assets arising from property leases following the implementation of IFRS 16 on 1 January 2019 and other PPE (primarily and leasehold improvements). These assets are held at the IFRS value of cost less depreciation. This valuation is not considered to differ materially from its economic market value.
2. Goodwill, DAC and Intangible Assets	Goodwill, deferred acquisition costs and intangible assets (primarily internally generated software assets) have no regulatory economic value and are therefore eliminated in the transition from IFRS to Solvency II. This has a total impact of £179.9 million for Group, and £2.8 million and £14.3 million for AICL and AIGL respectively.
3. Investments and 8. Cash	<p>Financial assets and liabilities are held at Fair Value where level 1 inputs can be obtained. Level 1 refers to the first level of the Fair Value hierarchy which categorises valuation inputs into three levels. The hierarchy gives the highest priority (Level 1) to quoted prices in an active market, and the lowest priority to unobservable inputs (Level 3).</p> <p>Level 1 inputs</p> <p>Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.</p> <p>A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions.</p> <p>Level 2 inputs</p> <p>Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.</p> <p>Level 2 inputs include:</p> <ul style="list-style-type: none"> • quoted prices for similar assets or liabilities in active markets • quoted prices for identical or similar assets or liabilities in markets that are not active • inputs other than quoted prices that are observable for the asset or liability, for example <ul style="list-style-type: none"> ○ interest rates and yield curves observable at commonly quoted intervals ○ implied volatilities ○ credit spreads • inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs'). <p>The Group currently categorises its valuation of investments in money market funds, debt securities, and government gilts as Level 1.</p> <p>Level 1 valuations for money market funds, fixed income debt securities and government gilts reflect the fair value (the amount a third party would pay for the asset on the valuation date), and are obtained externally from observable market information. This valuation is consistent with the IFRS valuation.</p> <p>Cash and term deposits are held at amortised cost which is materially consistent with as fair value. This is in line with the IFRS valuation.</p> <p>Level 3 inputs are unobservable inputs and are used when relevant observable inputs are not available.</p> <p>Level 3 inputs consist of debt securities and equity investments. Debt securities are comprised primarily of investments in debt funds (including real estate debt and debt</p>

	financing) alongside a small allocation of private bonds which do not trade on active markets. Equity securities are comprised of investments in private equity and infrastructure equity funds. The valuation is consistent with the IFRS valuation.
4. Investments in Participations	Participations are valued and accounted for using the adjusted net equity method for Solvency II purposes. This is different to the IFRS valuation which is based on an unadjusted IFRS net asset valuation. The impact of revaluation to the adjusted net equity method is a reduction of £6.1 million.
5. Loans and Mortgages	Loans and advances are measured at amortised cost. This is because the assets are held in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows which are solely payments of principal and interest on the principal amount outstanding. The amortised cost of loans and advances is a reasonable approximation of fair value. A provision for expected credit losses in line with IFRS 9 requirements is recognised in relation to the amortised cost balance.
6. Reinsurance Recoverables	Refer to Technical Provisions section (D.3).
7. Receivables and other assets	The fair value of receivables is based on the amortised cost valuation, in line with Level 2 of the Fair Value hierarchy noted above. Due to the short-term nature of the receivables this amortised cost valuation approximates to fair value and therefore there are no valuation differences between IFRS and SII valuation.

D.2. LIABILITIES

Material Class	
10. Technical Provisions - best estimate	Refer to Technical Provisions section (D.3).
11. Technical Provisions - risk margin	Refer to Technical Provisions section (D.3).
12. Deposits from reinsurers	Deposits from reinsurers reflect amounts held in relation to reinsurance contracts. The balances are valued on a historic cost basis which is materially in line with their fair value due to the short term nature of the liabilities.
13. Deferred tax liabilities	<p>The deferred tax liability in the Group Solvency II balance sheet reflects the net deferred tax liability on a Solvency II basis using the valuation rules within IAS 12. The total Group revaluation of (£76.0) million reflects the deferred tax impact of the revaluations made between IFRS and Solvency II in the other balance sheet line items, primarily the release of margin in the Technical Provisions and Profit Commission balances. The corresponding revaluation for AICL and AIGL is (£3.8) million and £4.7 million respectively.</p> <p>The IFRS deferred tax balance and AIGL revaluation is a net deferred tax asset.</p>
14. Other payables and liabilities	<p>Other payables and liabilities primarily reflect other balances with co-insurers and reinsurers, not classified elsewhere and balances between the entities within the scope of the Solvency II Group and related participations.</p> <p>The balances are valued on an amortised cost basis which, due to the short term nature of other payables, is materially consistent with fair value; this valuation is the same as the IFRS valuation.</p>
15. Subordinated liabilities	Subordinated liabilities reflects the Group's 10 year subordinated bonds. For Solvency II purposes it is included at fair value (excluding the impact of changes in Admiral's own credit quality). On an IFRS basis, it is held at amortised cost.

Contingent liabilities

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

tax matters, enquiries and investigations with tax authorities in the Italy and Spain. To date, these discussions have primarily focused on the transfer pricing arrangements in place between the Group's intermediaries and insurers.

As noted in section E, one of the 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 £22 million (€24m). The weighted average outcome is currently calculated as £4.3 million (€5.2m) and has been recognised as a contingent liability in the Solvency II balance sheet.

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. No provisions or contingent liabilities are recognised in the Solvency II balance sheet in relation to such matters. In these circumstances, specific disclosure of a contingent liability will be made where material. The Directors do not consider that the final outcome of any such current case will have a material adverse effect on the Group's solvency II balance sheet, own funds or solvency capital requirement.

D.3. TECHNICAL PROVISIONS

TECHNICAL PROVISIONS – BEST ESTIMATE

Best estimate technical provisions for Group and solo entity material lines of business are as follows:

2021 Best estimate technical provisions – Group

Group 31-Dec-21	Motor Vehicle Liability	Motor Vehicle Other	Fire and Other Damage to Property	General Liability	Life	Other	Total
Gross - Best Estimate	2,801.0	185.5	117.2	16.7	80.2	14.0	3,214.6
Recoverable from reinsurers	1,456.6	133.3	80.3	10.0	32.6	0.0	1,712.8
Net - Best Estimate	1,344.4	52.2	36.9	6.7	47.6	14.0	1,501.8

2021 Best estimate technical provisions – AICL

AICL 31-Dec-21	Motor Vehicle Liability	Motor Vehicle Other	Fire and Other Damage to Property	General Liability	Life	Other	Total
Gross - Best Estimate	221.7	8.8	-	-	9.7	-	240.2
Recoverable from reinsurers	21.6	(0.4)	-	-	3.5	-	24.7
Net - Best Estimate	200.1	9.2	-	-	6.2	-	215.5

2021 Best estimate technical provisions – AIGL

AIGL 31-Dec-21	Motor Vehicle Liability	Motor Vehicle Other	Fire and Other Damage to Property	General Liability	Life	Other	Total
Gross - Best Estimate	2,072.8	92.2	117.1	16.7	60.0	14.0	2,372.8
Recoverable from reinsurers	1,085.6	86.8	80.4	10.0	21.1	0.0	1283.9
Net - Best Estimate	987.2	5.4	36.7	6.7	38.9	14.0	1,088.9

Bases, Methods and Main Assumptions

Best estimate technical provisions are comprised of a claims provision and premium provision. The claims and premium provision combined give the expected cost of settling all future claims arising from business that the Group is contractually obliged to cover. This includes an allowance for the expenses of both running the company and of servicing claims such as claims handling staff costs. The allowance for future income is based on business already written, as well as business that has not yet incepted, but where the Group is obliged to offer cover i.e. renewals already offered or quoted (Bound But Not Incepted – BBNI).

The claims provision is the discounted best estimate of all future cash-flows relating to claim events. These cash-flows are made up of:

Outgoing cash-flows:

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

Minus Incoming cash-flows

- Future premiums, such as uncollected/overdue premium
- Reinsurance recoveries on all claims
 - with an allowance for reinsurance bad debt

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

Outgoing cash-flows:

- Claim payments, including BBNI policies
- Expenses
- ENID (events not in data) allowance
- Reinsurance premium

Minus incoming cash-flows:

- Future premiums due on incepted business, from monthly premium payers, with an allowance for cancellations
- Future premiums due on new and renewal business from BBNI policies
- Reinsurance recoveries on all claims (with an allowance for reinsurance bad debt)
- Recoveries from future salvage and subrogation
- Income from reinsurers and co-insurers to cover a portion of the expense costs

Reinsurance Recoverables

Reinsurance recoveries are a significant element within the technical provisions. The reinsurance premium paid out, and recoveries received for both claims and expenses are required to be captured within the technical provisions, along with the possibility of default of the reinsurers leading to a reduction in potential recoveries.

The reinsurance recoverables within the Group Technical Provisions reflect the following contractual reinsurance arrangements that the Group has in place:

- Excess of loss reinsurance
- Quota share reinsurance

The Group does not have recoverables from Special Purpose Vehicles (SPVs).

TECHNICAL PROVISIONS – RISK MARGIN

31-Dec-21	Motor Vehicle Liability	Motor Vehicle Other	Fire and Other Damage to Property	General Liability	Life	Other	Total
Net Risk Margin - Group	92.0	3.6	2.5	0.5	2.5	1.0	102.1
Net Risk Margin - AICL	13.2	0.6	-	-	0.6	-	14.4
Net Risk Margin - AIGL	75.4	0.4	2.8	0.5	2.2	1.1	82.4

The risk margin is defined within Article 77 of the Directive as:

The risk margin shall be such as to ensure that the value of the technical provisions is equivalent to the amount that insurance and reinsurance undertakings would be expected to require in order to take over and meet the insurance and reinsurance obligations.

The risk margin calculation uses the first simplification within the delegated acts, which is applied as follows:

- The one-year SCR is run off in line with the level of claims and premium provisions expected to remain at each year-end position
- The prescribed cost of capital of 6% is applied to each SCR

The SCRs are then discounted to the valuation date using the prescribed yield curve.

Material Changes in Assumptions

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

Key Uncertainties

There are many areas of uncertainty within the technical provisions. Estimation techniques are therefore used in the calculation of the ultimate cost of settling both claims that have occurred prior to the balance sheet date and remain unsettled at the balance sheet date and claims costs that will arise in relation to events that have not happened at the balance sheet date.

The projected ultimate cost of claims is calculated using a variety of different actuarial projection techniques (including incurred and paid chain ladder and an average cost of claim approach) to allow an actuarial assessment of their potential outcome. They include allowance for unreported claims.

The most significant sensitivity in the use of the projection techniques arises from any future step change in claims costs, which would cause future claim cost inflation to deviate from historic trends. This is most likely to arise from a change in the regulatory or judicial regime that leads to an increase in awards or legal costs for bodily injury claims that is significantly above or below the historical trend.

RECONCILIATION TO IFRS VALUES

The best estimate Solvency II technical provisions for the Group and solo entities are lower than the equivalent provisions held on an IFRS basis for financial statement purposes.

This is primarily due to the following:

- Removal of margin held above best estimate in IFRS reserves, partially offset by the introduction of additional SII reserves for loss adjustment expenses, and Events Not in Data
- The SII approach to calculation of the premium provision (including the transfer of future premium cash-flows into technical provisions from other financial statement line items)
- The approach to discounting, with SII technical provisions being discounted using the Bank of England yield curve (for all UK and US business) or EIOPA yield curve (for the European entities)

The above disclosure is relevant for all lines of business as there are no specific transition adjustments recognised for individual lines. The overall impact of moving from an IFRS to a Solvency II basis is around £1,000.4 million excluding risk margin. The corresponding impacts for AICL and AIGL are £70.4 million and £803.4 million respectively.

The introduction of the SII risk margin reduces the net impact of the reduction in provisions on translation from IFRS to SII by £102.1 million. The corresponding SII risk margin for AICL and AIGL is £14.4 million and £82.4 million.

ADJUSTMENTS AND SIMPLIFICATIONS

The Matching Adjustment has not been applied in the calculation of Technical Provisions at 31 December 2021.

In February 2017, the Group obtained approval to use the Volatility Adjustment ('VA') in the calculation of technical provisions for the Group and its regulated subsidiaries from the UK and Gibraltar regulators. The impact of applying the VA to the calculation of Group Gross Technical Provisions is an increase of around £13.5 million (£9.3 million in 2020). The corresponding impact for AICL is £1.9 million (2020: £1.5 million) and for AIGL is £11.6 million (2020: £7.8 million). Further impacts of applying the VA as relates to Eligible Own Funds, Minimum Capital Requirement and Solvency Capital Requirement can be found in the Quantitative Reporting Templates.

The transitional risk-free interest rate term structure as per Article 308c of the Directive has not been applied in the calculation of Technical Provisions at 31 December 2021.

The transitional deduction as per Article 308d of the Directive has not been applied in the calculation of Technical Provisions at 31 December 2021.

D.4. ALTERNATIVE METHODS OF VALUATION

No alternative methods for valuation have been applied.

D.5. ANY OTHER INFORMATION

None.

E. CAPITAL MANAGEMENT (AUDITED)

METHOD OF CALCULATION OF GROUP SOLVENCY

Group solvency is calculated as the ratio of Eligible Group Own Funds to the Group Solvency Capital Requirement.

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

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

The Group applies Method 1 for the calculation of Group solvency. The basis for the consolidation is a Solvency II Group consisting of the following entities:

Entity	Description
Admiral Group plc (Parent)	Insurance holding company
Admiral Insurance Company Limited	UK regulated insurance entity
Admiral Insurance (Gibraltar) Limited	Gibraltar regulated insurance entity
Admiral Europe Compañía de Seguros, S.A.	Spanish regulated insurance entity
Elephant Insurance Company	Third country insurance entity
Able Insurance Services Limited	Ancillary services undertaking
Pioneer Intermediary Europe Services	Ancillary services undertaking
EUI Limited	Ancillary services undertaking
Elephant Insurance Services Limited	Ancillary services undertaking
Admiral Intermediary Services, S.A.	Ancillary services undertaking

All remaining Group subsidiaries are included as strategic participation investments in the parent company.

E.1. OWN FUNDS

CAPITAL MANAGEMENT OBJECTIVES

The Group manages its capital to ensure that all entities within the Group are able to continue as going concerns and also to ensure that regulated entities meet regulatory requirements with an appropriate margin. Excess capital above these levels within subsidiaries is paid up to the Group parent company in the form of dividends on a regular basis. Forward looking assessments of Capital are performed over a three-year planning horizon and are reported with the Group's annual ORSA process.

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 or buffers. The strength of the Group's capital position at YE'21 allowed the Board to propose, and shareholders approve, a 2021 final dividend of 118.0 pence per share (£347 million), as follows:

- 72.0 pence per share representing a normal element, plus additional distributable reserves and surplus capital relating to continuing operations; and

- A special element of 46.0 pence per share, relating to to the disposal of the Penguin Portal comparison businesses.

This dividend has been deducted from Tier 1 Own Funds as noted in the following section. The payment date is 6 June 2022.

The remaining retained capital from the sale of Penguin Portals Group which, in line with expectations set in the market, is to be paid alongside the interim 2022 dividend in October 2022 as a special dividend of c.£133m and has also been deducted from Tier 1 Own Funds.

A post year end dividend of £15.0 million for AICL was approved at the March 2022 board meeting for payment to the group parent company. This dividend has been deducted from Tier 1 Own Funds as noted in the following section.

A foreseeable dividend of £30.0 million has been deducted from AIGL's Tier 1 Own Funds as noted in the following section.

CLASSIFICATION OF OWN FUNDS BY TIER

The classification of Own Funds for the Group and solo entities at 31 December 2021 is as follows:

31-Dec-21	GROUP		AICL		AIGL	
	TO COVER SCR	TO COVER MCR	TO COVER SCR	TO COVER MCR	TO COVER SCR	TO COVER MCR
Ordinary Share Capital	0.3	0.3	37.3	37.3	0.1	0.1
Share Premium Account	13.1	13.1	-	-	14.9	14.9
Reconciliation Reserve	1,078.4	1,078.4	64.8	64.8	448.5	448.5
Own Funds from Other Financial Sectors	3.4	3.4	-	-	-	-
Tier 1 Own Funds	1,095.2	1,095.2	102.1	102.1	463.5	463.5
Subordinated Liabilities	217.1	217.1	-	-	-	-
Tier 2 Own Funds	217.1	217.1	0.0	0.0	0.0	0.0
Deferred tax assets	-	-	-	-	4.7	0.0
Tier 3 Own Funds	-	-	-	-	4.7	0.0
Total Basic Own Funds	1,312.3	1,312.3	102.1	102.1	468.2	463.5
Ancillary Own Funds	-	-	-	-	60.0	-
Total Available Own Funds	1,312.3	1,312.3	102.1	102.1	528.2	463.5
Total Eligible Own Funds	1,312.3	1,136.8	102.1	102.1	528.2	463.5

The equivalent classification at 31 December 2020 was as follows:

31-Dec-20	GROUP		AICL		AIGL	
	TO COVER SCR	TO COVER MCR	TO COVER SCR	TO COVER MCR	TO COVER SCR	TO COVER MCR
Ordinary Share Capital	0.3	0.3	37.3	37.3	0.1	0.1
Share Premium Account	13.1	13.1	-	-	14.9	14.9
Reconciliation Reserve	1,194.8	1,194.8	68.8	68.8	571.0	571.0
Own Funds from Other Financial Sectors	3.2	3.2	-	-	-	-
Tier 1 Own Funds	1,211.4	1,211.4	106.1	106.1	586.0	586.0
Subordinated Liabilities	228.9	228.9	-	-	-	-
Tier 2 Own Funds	228.9	228.9	-	-	-	-
Deferred tax assets	-	-	-	-	-	-
Tier 3 Own Funds	-	-	-	-	-	-
Total Basic Own Funds	1,440.3	1,440.3	106.1	106.1	586.0	586.0
Ancillary Own Funds	-	-	-	-	60.0	-
Total Available Own Funds	1,440.3	1,440.3	106.1	106.1	646.0	586.0
Total Eligible Own Funds	1,440.3	1,249.4	106.1	106.1	646.0	586.0

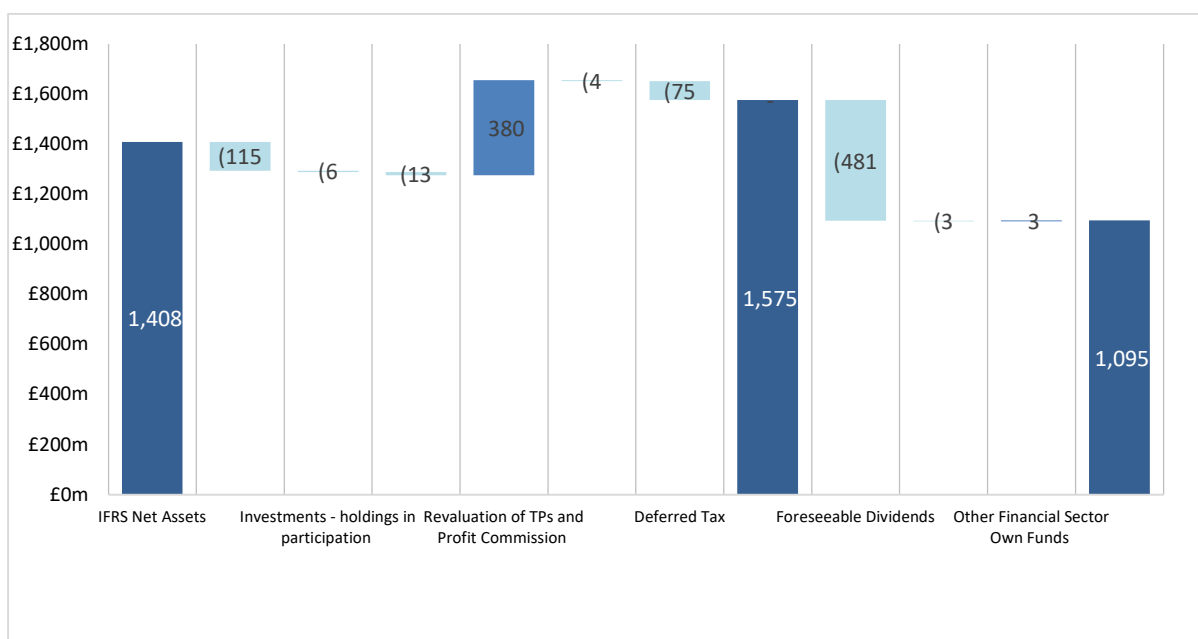
Movement in Own Funds

The main movements in Own Funds for Group, AICL and AIGL over the period are as follows:

	GROUP	AICL	AIGL
Own Funds as at 31 Dec 2020	1,440.3	106.1	646.0
Capital generation	835.1	26.0	(7.8)
Dividends	(951.3)	(30.0)	(110.0)
Valuation Movement – Subordinated Liabilities	-11.8	0.0	0.0
Own Funds as at 31 Dec 2021	1,312.3	102.1	528.2

Tier 1 Own Funds

Tier 1 Own Funds consist of Ordinary Share Capital, Share Premium, the Reconciliation Reserve, which includes a deduction for foreseeable dividends, and Own Funds from Other Financial Sectors. Total Tier 1 Own Funds may be reconciled to the IFRS net assets and excess of assets over liabilities in the Solvency II balance sheet (as documented in Section D) as follows:

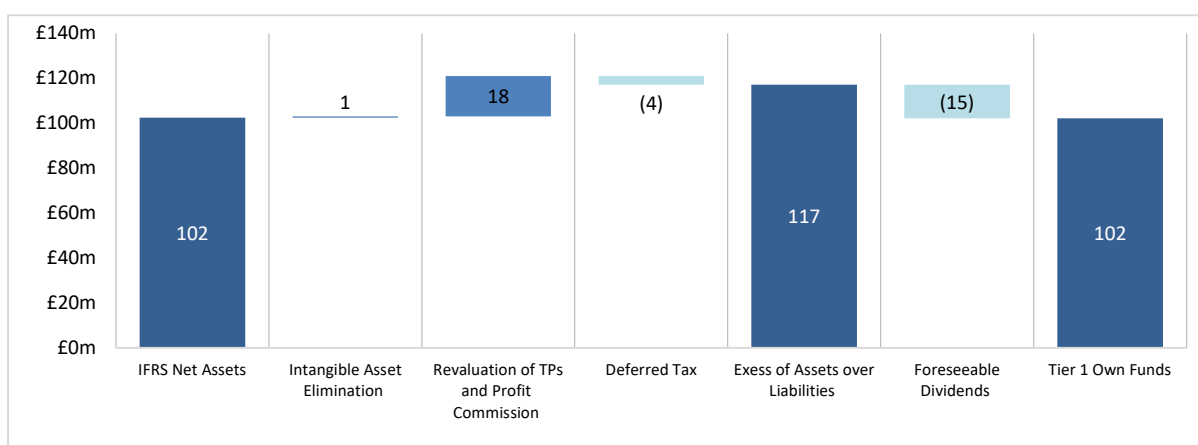


As noted in Section D, the primary valuation difference (£380 million) arises on the transition from net IFRS insurance liabilities and amounts due to and from co-insurers and reinsurers in relation to profit commission, to Solvency II technical provisions and profit commission balances. The majority of the change in deferred tax (-£75 million) relates to the additional liability that arises from the release of profit on the transfer to SII best estimate technical provisions and profit commissions.

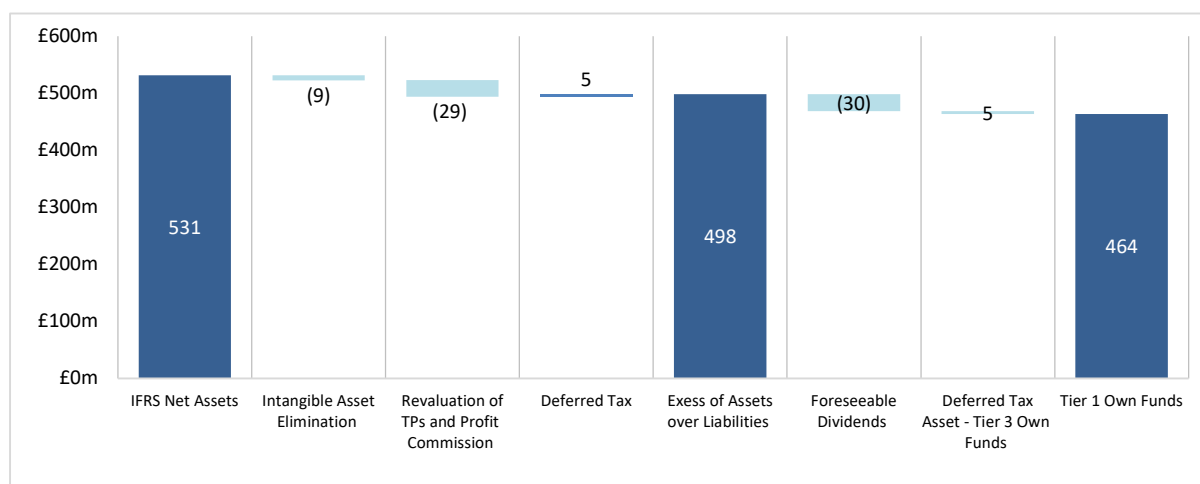
The other material adjustment is the elimination of the Group's intangible assets (goodwill, software and deferred acquisition costs) which, net of deferred instalment income, totals £115 million.

For both AICL and AIGL, the 'excess of assets over liabilities' is equivalent to Tier 1 Own Funds with the exception of the foreseeable dividend for AICL of £35.0 million and deferred tax asset for AIGL of £4.7 million. The reconciliations of IFRS Net Assets to the Solvency II excess of assets over liabilities are as follows:

2021 Reconciliation of IFRS Net Assets to Excess of assets over liabilities and Tier 1 Own Funds – AICL



2021 Reconciliation of IFRS Net Assets to Excess of assets over liabilities and Tier 1 Own Funds – AIGL



FUNGIBILITY AND TRANSFERABILITY OF GROUP OWN FUNDS

The Group has not identified any material restrictions to the fungibility and transferability of Group Own Funds.

Tier 2 Own Funds

Tier 2 Own Funds consist of subordinated liabilities in the form of the Group's 10 year dated, listed subordinated debt with a market value at the end of the current period of £217.1 million, a decrease of £11.8 million compared with the previous reporting period. The debt was issued in July 2014 and matures in July 2024 and pays a fixed rate of interest of 5.5%. On issuance, the Group obtained confirmation from the UK regulator, the PRA that the debt qualifies as Solvency II Tier 2 Own Funds.

Ancillary Own Funds represent a £60.0 million Equity Commitment from the Group's parent company, Admiral Group plc. The commitment allows AIGL to call a capital contribution (up to a maximum of £60.0 million) from the Group parent, Admiral Group plc, during the term of the agreement without encumbrance. The arrangement has no impact at Group level – there is no contingent liability in the parent company as the possibility of the commitment being called is considered to be remote. Furthermore, the Tier 2 intra-group capital that is created is eliminated on consolidation of the SII Group.

Tier 3 Own Funds

Tier 3 Own Funds for AIGL include a deferred tax asset of £4.7 million.

E.2. SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

CALCULATION OF THE GROUP CONSOLIDATED SOLVENCY CAPITAL REQUIREMENT

The Group Solvency Capital Requirement is calculated on the basis of consolidated data. The reported Solvency Capital Requirement as at 31 December 2021 and 31 December 2020 for Group, AIGL and AIGL is as follows:

31-Dec-21	GROUP		AICL		AIGL	
	2021	2020	2021	2020	2021	2020
Market Risk	163.8	157.5	18.3	14.5	105.9	94.2
Counterparty Risk	60.1	54.9	2.3	2.3	20.3	13.2
Life Underwriting Risk	4.8	5.4	0.7	0.8	4.1	4.7
Non-Life Underwriting Risk	426.4	426.4	70.0	73.7	285.8	279.1
Diversification	(127.5)	(123.1)	(13.3)	(11.4)	(76.1)	(67.6)
Basic SCR	527.6	521.1	78.0	79.9	340.0	323.6
Operational Risk	94.4	88.2	7.0	7.0	69.7	65.0
Loss absorbing capacity of deferred taxes	(14.6)	(25.1)	(8.6)	(10.4)	(6.0)	(11.2)
SCR excluding Capital Add-On and Other Financial Sectors	607.4	584.2	76.4	76.5	403.7	377.4
Capital Add-On	81.0	81.0	-	-	-	-
SCR for Other Financial Sectors (unaudited)	36.5	23.8	-	-	-	-
SCR	724.9	689.0	76.4	76.5	403.7	377.4

The calculation of SCR for AIGL applies Undertaking Specific Parameters (USPs) for both Non-Life Premium Risk and Non-Life Reserve Risk in respect of the Motor Vehicle Liability and Other Motor lines of business. The approval for the use of USPs was received from the Gibraltar Financial Services Commission in December 2015. The parameters are updated on an annual basis. The Group Capital Add-On of £81.0 million was approved by the PRA in August 2017.

The level of diversification benefit between valuation dates has increased marginally in both monetary and percentage terms. Diversification arises because the drivers of uncertainty captured within each risk category (i.e., non-life underwriting risk, market risk etc) are not 100% correlated to each other. The level of diversification benefit is influenced by the correlations prescribed within the standard formula calculation as well as the profile and size of the risk categories. For Admiral, Non-Life Underwriting risk is dominant which means that the other much smaller risk categories diversify away and generally leads to a lower level of diversification compared to more evenly balanced risk profiles.

Movement in SCR

The solvency capital requirements for Group and AIGL have increased over the period, with AICL remaining largely in line. The increases are primarily related to a growing allocation of assets to private debt, with Market Risk reflecting the largest movement

Solvency Ratio

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

31-Dec-21	GROUP		AICL		AIGL	
	2021	2020	2021	2020	2021	2020
SCR	724.9	689.0	76.4	76.5	403.7	377.4
Eligible Own Funds	1,312.3	1,440.3	102.1	106.1	528.2	646.0
Surplus	587.4	751.3	25.7	29.6	124.5	268.6
Solvency Ratio	181%	209%	134%	139%	131%	171%

CALCULATION OF THE MINIMUM CAPITAL REQUIREMENT

The Group Minimum Capital Requirement at 31 December 2021 is £224.8 million. It is calculated in line with Article 230 of the Directive as the minimum of:

- The Minimum Capital Requirement, calculated for the Group as per Article 129 of the Directive; and
- The Group's proportional share of the MCR of the related undertakings

The Minimum Capital Requirement for the solo entities is calculated as per Article 129 of the Directive.

The coverage of Eligible Own Funds to MCR at 31 December 2021 is as follows:

31-Dec-21	GROUP		AICL		AIGL	
	2021	2020	2021	2020	2021	2020
MCR	224.8	206.0	30.9	30.7	141.7	129.9
Eligible Own Funds	1136.8	1249.4	102.1	106.1	463.5	586.0
Surplus	912.0	1043.4	71.2	75.4	321.8	456.1
Ratio	506%	607%	330%	346%	327%	451%

E.3. USE OF THE DURATION-BASED EQUITY SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENT

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

E.4. DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED

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

E.5. NON COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT AND NON-COMPLIANCE WITH THE SOLVENCY CAPITAL REQUIREMENT

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

E.6. ANY OTHER INFORMATION

Treatment of Admiral Loans (unaudited)

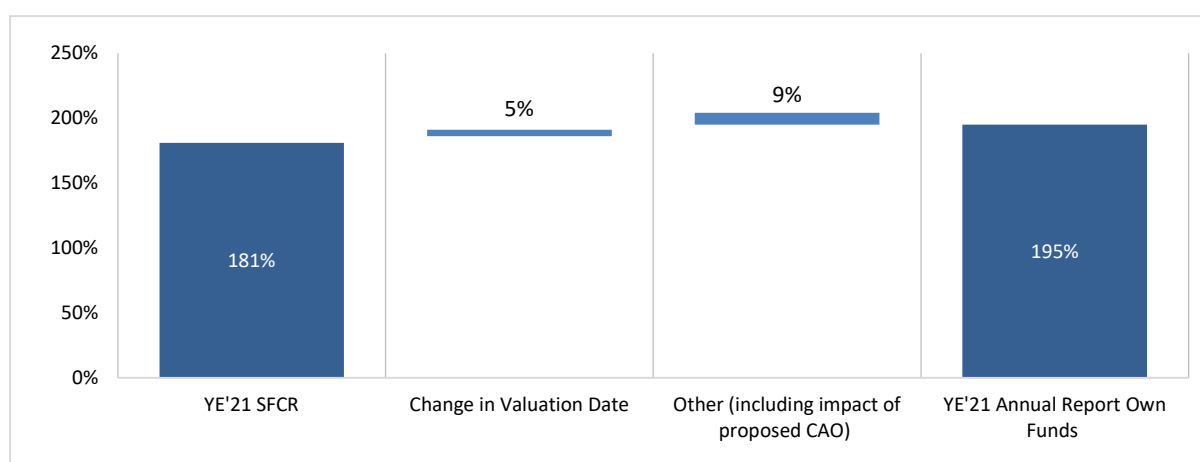
Admiral's lending business (Admiral Loans) was in 2017 conducted out of the legal entity EUI Limited (EUI) which, through its primary function as insurance intermediary, was treated as an Ancillary Services Undertaking (ASU) within the Group Solvency II calculation. In 2018 the loans business was transferred to a separate legal entity known as Admiral Financial Services Limited (AFSL). Additionally, Seren One Limited and Seren Two Limited (both SPE's) were set up by the Group in relation to the

Admiral loans business, whereby the Group has securitised certain loans by the transfer of the loans to the SPE. AFSL, Seren One and Seren Two are not Solvency II regulated entities and so are not consolidated in the Solvency II balance sheet but recognized as non-regulated undertakings carrying out financial activities within Own Funds of Other Financial Sectors. This forms part of the reconciliation from Excess of Assets over Liabilities to Eligible Own Funds.

Article 1(52) of the Delegated Regulation defines a ‘non-regulated undertaking carrying out financial activities’ as a non-regulated undertaking which carries out one or more of the activities referred to in Annex I of Directive 2013/36/EU. The contribution to the Group capital requirement is based on relevant sectoral rules and the Group has included a notional capital requirement of £36.5 million to reflect the risks associated with the loans business.

Reconciliation to previously reported Solvency Ratio (unaudited)

The Group solvency ratio presented in this report is different to the solvency ratio reported in the Group’s annual report as it is prepared at a different valuation date and it excludes the impact of changes made arising from the reporting finalisation process. The chart below shows the impact of these moves:



	Description
Change in Valuation Date	The solvency ratio in this report excludes the projected growth in economic capital between the year end and the date of the Annual Report (which was previously reported).
Other (Including the impact of proposed CAO)	Other changes to both SCR and Own Funds calculations arising from the reporting finalisation process. This includes the impact of the approved vs. dynamic Capital Add-On (CAO). The solvency ratio reported in the Group’s Annual Report reflected the draft revision to the Group CAO. This was reported with the provisos that it has ‘not been subject to regulatory approval’ and is ‘unaudited’. The ratio reported in this SFCR reflects the previous CAO for which regulatory approval was in place at the valuation date.

APPENDIX 1 – GLOSSARY

Term	Definition
Accident year	The year in which an accident occurs, also referred to as the earned basis.
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 calculation of 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.
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").
Net claims	The cost of claims incurred in the period, less any claims costs recovered under reinsurance contracts. It includes both claims payments and movements in claims reserves.
Net insurance premium revenue	Also referred to as net earned premium. The element of premium, less reinsurance premium, earned in the period.
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 coinsurance agreements that provides for profit sharing.
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 basis (full reinsurance for claims over an agreed value).
Securitisation	The 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.
Special Purpose Entity (SPE)	An entity that is created to accomplish a narrow and well-defined objective. There are specific restrictions or limitations around ongoing activities. The Group uses an SPE set up under a securitisation programme.
Ultimate loss ratio	The projected ratio for a particular accident year or underwriting year, often used in the calculation of underwriting profit and profit commission.
Underwriting year	The year in which the 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 relate to the 2015 underwriting year, 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 inceptioning in the relevant underwriting year.
Written/Earned basis	A policy can be written in one calendar year but earned over a subsequent calendar year.

APPENDIX 2 – QUANTITATIVE REPORTING TEMPLATES

The Group and its subsidiaries are required to disclose the following templates as set out in the Commission Implementing Regulation (EU) 2015/2452 of 2 December 2015 laying down implementing technical standards with regard to the procedures, formats and templates of the solvency and financial condition report in accordance with Directive 2009/138/EC of the European Parliament and of the Council:

Group	
Template Code	Template Name
S.02.01.02	Balance sheet
S.05.01.02	Premiums, claims and expenses by line of business
S.05.02.01	Premiums, claims and expenses by country
S.22.01.22	Impact of long term guarantees measures and transitionals
S.23.01.22	Own Funds
S.25.01.22	Solvency Capital Requirement – for Groups on standard formula
S.32.01.22	Undertakings in the scope of the Group

Admiral Insurance Company Limited (AICL)	
Template Code	Template Name
S.02.01.02	Balance sheet
S.05.01.02	Premiums, claims and expenses by line of business
S.05.02.01	Premiums, claims and expenses by country
S.12.01.02	Life and Health SLT technical provisions
S.17.01.02	Non-Life technical provisions
S.19.01.21	Non- life insurance claims
S.22.01.21	Impact of long term guarantees measures and transitionals
S.23.01.01	Own Funds
S.25.01.21	Solvency Capital Requirement – for undertakings on standard formula
S.28.01.01	Minimum Capital Requirement – only life or Non-Life insurance or reinsurance activity

Admiral Insurance (Gibraltar) Limited (AIGL)	
Template Code	Template Name
S.02.01.02	Balance sheet
S.05.01.02	Premiums, claims and expenses by line of business
S.05.02.01	Premiums, claims and expenses by country
S.12.01.02	Life and Health SLT technical provisions
S.17.01.02	Non-Life technical provisions
S.19.01.21	Non- life insurance claims
S.22.01.21	Impact of long term guarantees measures and transitionals
S.23.01.01	Own Funds
S.25.01.21	Solvency Capital Requirement – for undertakings on standard formula
S.28.01.01	Minimum Capital Requirement – only life or Non-Life insurance or reinsurance activity

Admiral Group Plc

Solvency and Financial Condition Report

Disclosures

31 December

2021

(Monetary amounts in GBP thousands)

General information

Participating undertaking name	Admiral Group Plc
Group identification code	213800FGVM7Z9EJB2685
Type of code of group	LEI
Country of the group supervisor	GB
Language of reporting	en
Reporting reference date	31 December 2021
Currency used for reporting	GBP
Accounting standards	IFRS
Method of Calculation of the group SCR	Standard formula
Method of group solvency calculation	Method 1 is used exclusively
Matching adjustment	No use of matching adjustment
Volatility adjustment	Use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

- S.02.01.02 - Balance sheet
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.02.01 - Premiums, claims and expenses by country
- S.05.02.01 - Premiums, claims and expenses by country
- S.22.01.22 - Impact of long term guarantees measures and transitionals
- S.23.01.22 - Own Funds
- S.25.01.22 - Solvency Capital Requirement - for groups on Standard Formula
- S.32.01.22 - Undertakings in the scope of the group

S.02.01.02

Balance sheet

		Solvency II value
		C0010
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	102,462
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	3,786,061
R0080	<i>Property (other than for own use)</i>	0
R0090	<i>Holdings in related undertakings, including participations</i>	32,285
R0100	<i>Equities</i>	0
R0110	<i>Equities - listed</i>	
R0120	<i>Equities - unlisted</i>	
R0130	<i>Bonds</i>	2,464,578
R0140	<i>Government Bonds</i>	348,449
R0150	<i>Corporate Bonds</i>	1,895,868
R0160	<i>Structured notes</i>	0
R0170	<i>Collateralised securities</i>	220,262
R0180	<i>Collective Investments Undertakings</i>	1,181,668
R0190	<i>Derivatives</i>	2,405
R0200	<i>Deposits other than cash equivalents</i>	105,125
R0210	<i>Other investments</i>	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	180,871
R0240	<i>Loans on policies</i>	0
R0250	<i>Loans and mortgages to individuals</i>	15
R0260	<i>Other loans and mortgages</i>	180,856
R0270	Reinsurance recoverables from:	1,712,826
R0280	<i>Non-life and health similar to non-life</i>	1,680,248
R0290	<i>Non-life excluding health</i>	1,680,248
R0300	<i>Health similar to non-life</i>	
R0310	<i>Life and health similar to life, excluding index-linked and unit-linked</i>	32,578
R0320	<i>Health similar to life</i>	
R0330	<i>Life excluding health and index-linked and unit-linked</i>	32,578
R0340	<i>Life index-linked and unit-linked</i>	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	246,340
R0370	Reinsurance receivables	79,912
R0380	Receivables (trade, not insurance)	64,234
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	283,591
R0420	Any other assets, not elsewhere shown	
R0500	Total assets	6,456,298

S.02.01.02

Balance sheet

		Solvency II value
		C0010
	Liabilities	
R0510	Technical provisions - non-life	3,234,003
R0520	<i>Technical provisions - non-life (excluding health)</i>	3,234,003
R0530	<i>TP calculated as a whole</i>	
R0540	<i>Best Estimate</i>	3,134,439
R0550	<i>Risk margin</i>	99,564
R0560	<i>Technical provisions - health (similar to non-life)</i>	0
R0570	<i>TP calculated as a whole</i>	
R0580	<i>Best Estimate</i>	
R0590	<i>Risk margin</i>	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	82,700
R0610	<i>Technical provisions - health (similar to life)</i>	0
R0620	<i>TP calculated as a whole</i>	
R0630	<i>Best Estimate</i>	
R0640	<i>Risk margin</i>	
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	82,700
R0660	<i>TP calculated as a whole</i>	
R0670	<i>Best Estimate</i>	80,154
R0680	<i>Risk margin</i>	2,546
R0690	Technical provisions - index-linked and unit-linked	0
R0700	<i>TP calculated as a whole</i>	
R0710	<i>Best Estimate</i>	
R0720	<i>Risk margin</i>	
R0740	Contingent liabilities	4,340
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	768,319
R0780	Deferred tax liabilities	66,670
R0790	Derivatives	213
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	20,488
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	487,178
R0850	Subordinated liabilities	217,080
R0860	<i>Subordinated liabilities not in BOF</i>	
R0870	<i>Subordinated liabilities in BOF</i>	217,080
R0880	Any other liabilities, not elsewhere shown	
R0900	Total liabilities	4,880,991
R1000	Excess of assets over liabilities	1,575,307

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	
Premiums written																
R0110	Gross - Direct Business		1,507,460	729,865		186,404	4,732			25,270	59,884					2,513,616
R0120	Gross - Proportional reinsurance accepted															0
R0130	Gross - Non-proportional reinsurance accepted															0
R0140	Reinsurers' share		1,019,274	485,744		133,933	3,436			388	226					1,643,001
R0200	Net		488,186	244,121		52,471	1,297			24,882	59,658					870,615
Premiums earned																
R0210	Gross - Direct Business		1,548,230	695,362		176,790	4,497			23,163	44,282					2,492,324
R0220	Gross - Proportional reinsurance accepted															0
R0230	Gross - Non-proportional reinsurance accepted															0
R0240	Reinsurers' share		1,045,442	460,825		127,419	3,268			159	226					1,637,340
R0300	Net		502,788	234,537		49,371	1,228			23,004	44,056					854,984
Claims incurred																
R0310	Gross - Direct Business		950,824	360,203		103,313	2,617			14,945	11,529					1,443,432
R0320	Gross - Proportional reinsurance accepted															0
R0330	Gross - Non-proportional reinsurance accepted															0
R0340	Reinsurers' share		768,546	287,929		72,369	1,856			91	0					1,130,792
R0400	Net		182,278	72,274		30,944	761			14,854	11,529					312,640
Changes in other technical provisions																
R0410	Gross - Direct Business															0
R0420	Gross - Proportional reinsurance accepted															0
R0430	Gross - Non-proportional reinsurance accepted															0
R0440	Reinsurers' share															0
R0500	Net		0	0		0	0			0	0					0
R0550	Expenses incurred		154,613	97,553		19,407	423			1,020	5,140					278,157
R1200	Other expenses															0
R1300	Total expenses															278,157

S.05.02.01

Premiums, claims and expenses by country

Non-life

	C0010	C0020	C0030	C0040	C0050	C0060	C0070
	Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
		US	IT	ES	FR		
	C0080	C0090	C0100	C0110	C0120	C0130	C0140
R0010							
	Premiums written						
R0110	Gross - Direct Business	1,900,018	207,732	174,422	77,320	154,124	2,513,616
R0120	Gross - Proportional reinsurance accepted						0
R0130	Gross - Non-proportional reinsurance accepted						0
R0140	Reinsurers' share	1,265,357	112,901	102,363	55,509	106,871	1,643,001
R0200	Net	634,661	94,830	72,059	21,811	47,253	870,615
	Premiums earned						
R0210	Gross - Direct Business	1,901,207	208,281	173,188	72,552	137,096	2,492,324
R0220	Gross - Proportional reinsurance accepted						0
R0230	Gross - Non-proportional reinsurance accepted						0
R0240	Reinsurers' share	1,276,818	110,050	101,935	52,063	96,474	1,637,340
R0300	Net	624,388	98,231	71,253	20,489	40,622	854,984
	Claims incurred						
R0310	Gross - Direct Business	1,024,365	146,443	122,994	47,150	102,479	1,443,432
R0320	Gross - Proportional reinsurance accepted						0
R0330	Gross - Non-proportional reinsurance accepted						0
R0340	Reinsurers' share	880,162	76,135	73,116	33,005	68,374	1,130,792
R0400	Net	144,203	70,308	49,879	14,145	34,105	312,640
	Changes in other technical provisions						
R0410	Gross - Direct Business	0	0	0	0	0	0
R0420	Gross - Proportional reinsurance accepted						0
R0430	Gross - Non-proportional reinsurance accepted						0
R0440	Reinsurers' share	0	0	0	0	0	0
R0500	Net	0	0	0	0	0	0
R0550	Expenses incurred	172,604	45,993	34,201	10,573	14,785	278,157
R1200	Other expenses						
R1300	Total expenses						278,157

S.05.02.01

Premiums, claims and expenses by country

Life

	C0150	C0160	C0170	C0180	C0190	C0200	C0210
	Home Country	Top 5 countries (by amount of gross premiums written) - life obligations			Top 5 countries (by amount of gross premiums written) - life obligations		Total Top 5 and home country
R1400		US	IT	ES	FR		
	C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written							
R1410	Gross						0
R1420	Reinsurers' share						0
R1500	Net	0	0	0	0	0	0
Premiums earned							
R1510	Gross						0
R1520	Reinsurers' share						0
R1600	Net	0	0	0	0	0	0
Claims incurred							
R1610	Gross	-2,584					-2,584
R1620	Reinsurers' share	683					683
R1700	Net	-3,266	0	0	0	0	-3,266
Changes in other technical provisions							
R1710	Gross						0
R1720	Reinsurers' share						0
R1800	Net	0	0	0	0	0	0
R1900	Expenses incurred	-435					-435
R2500	Other expenses						
R2600	Total expenses						-435

S.22.01.22

Impact of long term guarantees measures and transitionals

	Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
	C0010	C0030	C0050	C0070	C0090
R0010 Technical provisions	3,316,703	0	0	13,536	0
R0020 Basic own funds	1,308,922	0	0	-7,110	0
R0050 Eligible own funds to meet Solvency Capital Requirement	1,312,308	0	0	-7,110	0
R0090 Solvency Capital Requirement	724,932	0	0	1,072	0

S.23.01.22

Own Funds

Basic own funds before deduction for participations in other financial sector

R0010	Ordinary share capital (gross of own shares)	
R0020	<i>Non-available called but not paid in ordinary share capital at group level</i>	
R0030	Share premium account related to ordinary share capital	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	
R0050	Subordinated mutual member accounts	
R0060	<i>Non-available subordinated mutual member accounts at group level</i>	
R0070	Surplus funds	
R0080	<i>Non-available surplus funds at group level</i>	
R0090	Preference shares	
R0100	<i>Non-available preference shares at group level</i>	
R0110	Share premium account related to preference shares	
R0120	<i>Non-available share premium account related to preference shares at group level</i>	
R0130	Reconciliation reserve	
R0140	Subordinated liabilities	
R0150	<i>Non-available subordinated liabilities at group level</i>	
R0160	An amount equal to the value of net deferred tax assets	
R0170	<i>The amount equal to the value of net deferred tax assets not available at the group level</i>	
R0180	Other items approved by supervisory authority as basic own funds not specified above	
R0190	<i>Non available own funds related to other own funds items approved by supervisory authority</i>	
R0200	Minority interests (if not reported as part of a specific own fund item)	
R0210	<i>Non-available minority interests at group level</i>	
R0220	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	
R0230	Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	
R0240	<i>whereof deducted according to art 228 of the Directive 2009/138/EC</i>	
R0250	Deductions for participations where there is non-availability of information (Article 229)	
R0260	Deduction for participations included by using D&A when a combination of methods is used	
R0270	Total of non-available own fund items	
R0280	Total deductions	
R0290	Total basic own funds after deductions	

Ancillary own funds

R0300	Unpaid and uncalled ordinary share capital callable on demand	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	
R0320	Unpaid and uncalled preference shares callable on demand	
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	
R0380	Non available ancillary own funds at group level	
R0390	Other ancillary own funds	
R0400	Total ancillary own funds	

Own funds of other financial sectors

R0410	Credit Institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies	
R0420	Institutions for occupational retirement provision	
R0430	Non regulated entities carrying out financial activities	
R0440	Total own funds of other financial sectors	

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
300	300		0	
0				
13,145	13,145		0	
0	0		0	
0		0	0	0
0				
0	0			
0	0			
0		0	0	0
0				
0		0	0	0
0				
1,078,397	1,078,397			
217,080		0	217,080	0
0				
0				0
0				0
0	0	0	0	0
0				
0				
0				
1,308,922	1,091,842	0	217,080	0
0				
0				
0				
0				
0				
0				
0				
0				
0			0	0
0				
0				
3,386	3,386			
3,386	3,386	0	0	0

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Own Funds

Basic own funds before deduction for participations in other financial sector

Own funds when using the D&A, exclusively or in combination of method 1

R0450	Own funds aggregated when using the D&A and combination of method
R0460	Own funds aggregated when using the D&A and combination of method net of IGT
R0520	Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)
R0530	Total available own funds to meet the minimum consolidated group SCR
R0560	Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)
R0570	Total eligible own funds to meet the minimum consolidated group SCR (group)
R0610	Minimum consolidated Group SCR
R0650	Ratio of Eligible own funds to Minimum Consolidated Group SCR
R0660	Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)
R0680	Group SCR
R0690	Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A

Reconciliation reserve

R0700	Excess of assets over liabilities
R0710	Own shares (held directly and indirectly)
R0720	Forseeable dividends, distributions and charges
R0730	Other basic own fund items
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
R0750	Other non available own funds
R0760	Reconciliation reserve

Expected profits

R0770	Expected profits included in future premiums (EPIFP) - Life business
R0780	Expected profits included in future premiums (EPIFP) - Non- life business
R0790	Total Expected profits included in future premiums (EPIFP)

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
0				
0				
1,308,922	1,091,842	0	217,080	0
1,308,922	1,091,842	0	217,080	
1,308,922	1,091,842	0	217,080	0
1,136,795	1,091,842	0	44,954	
224,769				
505.76%				
1,312,308	1,095,228	0	217,080	0
724,932				
181.02%				
C0060				
1,575,307				
480,781				
13,444				
2,685				
1,078,397				
66,446				
66,446				

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Solvency Capital Requirement - for groups on Standard Formula

	Gross solvency capital requirement	USP	Simplifications
		C0090	C0120
R0010 Market risk	163,832		
R0020 Counterparty default risk	60,100		
R0030 Life underwriting risk	4,754		
R0040 Health underwriting risk	0		
R0050 Non-life underwriting risk	426,573		
R0060 Diversification	-127,551		
R0070 Intangible asset risk	0		
R0100 Basic Solvency Capital Requirement	527,708		
Calculation of Solvency Capital Requirement			
	C0100		
R0130 Operational risk	94,394		
R0140 Loss-absorbing capacity of technical provisions	0		
R0150 Loss-absorbing capacity of deferred taxes	-14,625		
R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0		
R0200 Solvency Capital Requirement excluding capital add-on	607,477		
R0210 Capital add-ons already set	81,000		
R0220 Solvency capital requirement for undertakings under consolidated method	688,477		
Other information on SCR			
R0400 Capital requirement for duration-based equity risk sub-module	0		
R0410 Total amount of Notional Solvency Capital Requirements for remaining part	0		
R0420 Total amount of Notional Solvency Capital Requirements for ring fenced funds	0		
R0430 Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0		
R0440 Diversification effects due to RFF nSCR aggregation for article 304	0		
R0470 Minimum consolidated group solvency capital requirement	224,769		
Information on other entities			
R0500 Capital requirement for other financial sectors (Non-insurance capital requirements)	36,455		
R0510 <i>Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies</i>	0		
R0520 <i>Institutions for occupational retirement provisions</i>	0		
R0530 <i>Capital requirement for non-regulated entities carrying out financial activities</i>	36,455		
R0540 Capital requirement for non-controlled participation requirements	0		
R0550 Capital requirement for residual undertakings	0		
Overall SCR			
R0560 SCR for undertakings included via D&A	0		
R0570 Solvency capital requirement	724,932		

USP Key

For life underwriting risk:

- 1 - Increase in the amount of annuity benefits
- 9 - None

For health underwriting risk:

- 1 - Increase in the amount of annuity benefits
- 2 - Standard deviation for NSLT health premium risk
- 3 - Standard deviation for NSLT health gross premium risk
- 4 - Adjustment factor for non-proportional reinsurance
- 5 - Standard deviation for NSLT health reserve risk
- 9 - None

For non-life underwriting risk:

- 4 - Adjustment factor for non-proportional reinsurance
- 6 - Standard deviation for non-life premium risk
- 7 - Standard deviation for non-life gross premium risk
- 8 - Standard deviation for non-life reserve risk
- 9 - None

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Undertakings in the scope of the group

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	
Row	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
1	GB	213800FGVM7Z9EJB2685	LEI	Admiral Group plc (Group)	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Company limited by shares or by guarantee or unlimited	Non-mutual	Prudential Regulation Authority
2	GB	213800QUKW09N6CT2J31	LEI	Admiral Insurance Company Limited	Non life insurance undertaking	Company limited by shares or by guarantee or unlimited	Non-mutual	Prudential Regulation Authority
3	GI	2138003FZ56919YPG680	LEI	Admiral Insurance (Gibraltar) Limited	Non life insurance undertaking	Company limited by shares or by guarantee or unlimited	Non-mutual	Gibraltar Financial Services Commission
4	US	2138001MLQW5AEJISF95	LEI	Elephant Insurance Company	Non life insurance undertaking	Company limited by shares or by guarantee or unlimited	Non-mutual	Va Bureau of Insurance and NAIC
5	ES	959800M6LM4PWZTSFZ59	LEI	Admiral Europe Compañía De Seguros, S.A.U.	Non life insurance undertaking	Company limited by shares or by guarantee or unlimited	Non-mutual	Dirección General de Seguros y Fondos de Pensiones
6	GB	213800ALB9B7LCZLU632	LEI	EUI Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares or by guarantee or unlimited	Non-mutual	Financial Conduct Authority
7	ES	959800CFNDUR8GYTHA39	LEI	Admiral Intermediary Services, S.A.U.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares or by guarantee or unlimited	Non-mutual	Dirección General de Seguros y Fondos de Pensiones
8	US	213800FGVM7Z9EJB2685US00006	Specific code	Elephant Insurance Services, LLC	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares or by guarantee or unlimited	Non-mutual	
9	GB	213800FYGN5P6U1EB10	LEI	Admiral Financial Services Limited	Non-regulated undertaking carrying out financial activities as defined in Article 1 (52) of Delegated Regulation (EU) 2015/35	Company limited by shares or by guarantee or unlimited	Non-mutual	Financial Conduct Authority
10	GB	635400MLJ3ANUPJFSN18	LEI	Seren One Limited	Non-regulated undertaking carrying out financial activities as defined in Article 1 (52) of Delegated Regulation (EU) 2015/35	Company limited by shares or by guarantee or unlimited	Non-mutual	
11	GB	635400KCVUWRJYOBVJ51	LEI	Seren Two Limited	Non-regulated undertaking carrying out financial activities as defined in Article 1 (52) of Delegated Regulation (EU) 2015/35	Company limited by shares or by guarantee or unlimited	Non-mutual	
12	GB	213800FGVM7Z9EJB2685GB00001	Specific code	Able Insurance Services Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares or by guarantee or unlimited	Non-mutual	Financial Conduct Authority
13	GB	213800FGVM7Z9EJB2685GB00002	Specific code	Admiral Law Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	Solicitors Regulation Authority
14	US	213800FGVM7Z9EJB2685US00004	Specific code	Compare.com Insurance Agency LLC	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
15	US	213800FGVM7Z9EJB2685US00008	Specific code	Grove General Agency Inc	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
16	US	213800FGVM7Z9EJB2685US00009	Specific code	Inspop USA LLC	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
17	US	213800FGVM7Z9EJB2685US00010	Specific code	Platinum General Agency Inc	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
18	GB	213800FGVM7Z9EJB2685GB00013	Specific code	Admiral Life Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
19	GB	213800FGVM7Z9EJB2685GB00014	Specific code	Admiral Syndicate Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
20	GB	213800FGVM7Z9EJB2685GB00015	Specific code	Admiral Syndicate Management Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
21	GB	213800FGVM7Z9EJB2685GB00016	Specific code	Bell Direct Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
22	GB	213800FGVM7Z9EJB2685GB00018	Specific code	Diamond Motor Insurance Services Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
23	GB	213800FGVM7Z9EJB2685GB00019	Specific code	Elephant Insurance Services Limited	Other	Company limited by shares or by guarantee or unlimited	Non-mutual	
24	US	213800FGVM7Z9EJB2685US00028	Specific code	Elephant Holding Company	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Company limited by shares or by guarantee or unlimited	Non-mutual	
25	FR	213800FGVM7Z9EJB2685FR00001	Specific code	Pioneer Intermediary European Services	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares or by guarantee or unlimited	Non-mutual	Organisme pour le registre unique des intermédiaires en assurance

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Undertakings in the scope of the group

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation	
				% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking	
Row	C0010	C0020	C0030	C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
1	GB	213800FGVM7Z9EJB2685	LEI	Admiral Group plc (Group)	100.00%	100.00%	100.00%				Included in the scope		Method 1: Full consolidation
2	GB	213800QJKWO9N6CT2J31	LEI	Admiral Insurance Company Limited	100.00%	100.00%	100.00%		Dominant		Included in the scope		Method 1: Full consolidation
3	GI	2138003FZ569I9YPG680	LEI	Admiral Insurance (Gibraltar) Limited	100.00%	100.00%	100.00%		Dominant		Included in the scope		Method 1: Full consolidation
4	US	2138001MLQW5AEJISF95	LEI	Elephant Insurance Company	100.00%	100.00%	100.00%		Dominant		Included in the scope		Method 1: Full consolidation
5	ES	959800M6LM4PWZTSFZ59	LEI	Admiral Europe Compañía De Seguros, S.A.U.	100.00%	100.00%	100.00%		Dominant		Included in the scope		Method 1: Full consolidation
6	GB	213800ALB9B7LCZLU632	LEI	EUI Limited	100.00%	100.00%	100.00%		Dominant		Included in the scope		Method 1: Full consolidation
7	ES	959800CFNDUR8GYTHA39	LEI	Admiral Intermediary Services, S.A.U.	100.00%	100.00%	100.00%		Dominant		Included in the scope		Method 1: Full consolidation
8	US	213800FGVM7Z9EJB2685US00006	Specific code	Elephant Insurance Services, LLC	100.00%	100.00%	100.00%		Dominant		Included in the scope		Method 1: Full consolidation
9	GB	213800YFNGNSP6U1EB10	LEI	Admiral Financial Services Limited	100.00%	100.00%	100.00%		Dominant		Included in the scope		Method 1: Adjusted equity method
10	GB	635400MLJ3ANUPJFSN18	LEI	Seren One Limited	0.00%	100.00%	0.00%		Dominant		Included in the scope		Method 1: Adjusted equity method
11	GB	635400KCVUWRJYOBXY51	LEI	Seren Two Limited	0.00%	100.00%	0.00%		Dominant		Included in the scope		Method 1: Adjusted equity method
12	GB	213800FGVM7Z9EJB2685GB00001	Specific code	Able Insurance Services Limited	100.00%	100.00%	100.00%		Dominant		Included in the scope		Method 1: Full consolidation
13	GB	213800FGVM7Z9EJB2685GB00002	Specific code	Admiral Law Limited	95.00%	95.00%	95.00%		Dominant		Included in the scope		Method 1: Adjusted equity method
14	US	213800FGVM7Z9EJB2685US00004	Specific code	Compare.com Insurance Agency LLC	70.98%	70.98%	70.98%		Dominant		Included in the scope		Method 1: Adjusted equity method
15	US	213800FGVM7Z9EJB2685US00008	Specific code	Grove General Agency Inc	100.00%	100.00%	100.00%		Dominant		Included in the scope		Method 1: Adjusted equity method
16	US	213800FGVM7Z9EJB2685US00009	Specific code	Inspop USA LLC	70.98%	70.98%	70.98%		Dominant		Included in the scope		Method 1: Adjusted equity method
17	US	213800FGVM7Z9EJB2685US00010	Specific code	Platinum General Agency Inc	100.00%	100.00%	100.00%		Dominant		Included in the scope		Method 1: Adjusted equity method
18	GB	213800FGVM7Z9EJB2685GB00013	Specific code	Admiral Life Limited	100.00%	100.00%	100.00%		Dominant		Included in the scope		Method 1: Adjusted equity method
19	GB	213800FGVM7Z9EJB2685GB00014	Specific code	Admiral Syndicate Limited	100.00%	100.00%	100.00%		Dominant		Included in the scope		Method 1: Adjusted equity method
20	GB	213800FGVM7Z9EJB2685GB00015	Specific code	Admiral Syndicate Management Limited	100.00%	100.00%	100.00%		Dominant		Included in the scope		Method 1: Adjusted equity method
21	GB	213800FGVM7Z9EJB2685GB00016	Specific code	Bell Direct Limited	100.00%	100.00%	100.00%		Dominant		Included in the scope		Method 1: Adjusted equity method
22	GB	213800FGVM7Z9EJB2685GB00018	Specific code	Diamond Motor Insurance Services Limited	100.00%	100.00%	100.00%		Dominant		Included in the scope		Method 1: Adjusted equity method
23	GB	213800FGVM7Z9EJB2685GB00019	Specific code	Elephant Insurance Services Limited	100.00%	100.00%	100.00%		Dominant		Included in the scope		Method 1: Adjusted equity method
24	US	213800FGVM7Z9EJB2685US00028	Specific code	Elephant Holding Company	100.00%	100.00%	100.00%		Dominant		Included in the scope		Method 1: Full consolidation
25	FR	213800FGVM7Z9EJB2685FR00001	Specific code	Pioneer Intermediary European Services	100.00%	100.00%	100.00%		Dominant		Included in the scope		Method 1: Full consolidation

Admiral Insurance Company Limited

Solvency and Financial Condition Report

Disclosures

31 December

2021

(Monetary amounts in GBP thousands)

General information

Undertaking name	Admiral Insurance Company Limited
Undertaking identification code	213800QUKW09N6CT2J31
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	GB
Language of reporting	en
Reporting reference date	31 December 2021
Currency used for reporting	GBP
Accounting standards	IFRS
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	Use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

- S.02.01.02 - Balance sheet
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.02.01 - Premiums, claims and expenses by country
- S.05.02.01 - Premiums, claims and expenses by country
- S.12.01.02 - Life and Health SLT Technical Provisions
- S.17.01.02 - Non-Life Technical Provisions
- S.19.01.21 - Non-Life insurance claims
- S.22.01.21 - Impact of long term guarantees measures and transitionals
- S.23.01.01 - Own Funds
- S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
- S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
		C0010
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	355,859
R0080	<i>Property (other than for own use)</i>	0
R0090	<i>Holdings in related undertakings, including participations</i>	0
R0100	<i>Equities</i>	0
R0110	<i>Equities - listed</i>	
R0120	<i>Equities - unlisted</i>	
R0130	<i>Bonds</i>	250,644
R0140	<i>Government Bonds</i>	15,440
R0150	<i>Corporate Bonds</i>	235,204
R0160	<i>Structured notes</i>	0
R0170	<i>Collateralised securities</i>	0
R0180	<i>Collective Investments Undertakings</i>	94,823
R0190	<i>Derivatives</i>	392
R0200	<i>Deposits other than cash equivalents</i>	10,000
R0210	<i>Other investments</i>	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	<i>Loans on policies</i>	0
R0250	<i>Loans and mortgages to individuals</i>	
R0260	<i>Other loans and mortgages</i>	
R0270	Reinsurance recoverables from:	24,677
R0280	<i>Non-life and health similar to non-life</i>	21,212
R0290	<i>Non-life excluding health</i>	21,212
R0300	<i>Health similar to non-life</i>	0
R0310	<i>Life and health similar to life, excluding index-linked and unit-linked</i>	3,465
R0320	<i>Health similar to life</i>	0
R0330	<i>Life excluding health and index-linked and unit-linked</i>	3,465
R0340	<i>Life index-linked and unit-linked</i>	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	530
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	427
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	12,263
R0420	Any other assets, not elsewhere shown	
R0500	Total assets	393,755

S.02.01.02

Balance sheet

		Solvency II value
		C0010
	Liabilities	
R0510	Technical provisions - non-life	244,297
R0520	<i>Technical provisions - non-life (excluding health)</i>	244,297
R0530	<i>TP calculated as a whole</i>	0
R0540	<i>Best Estimate</i>	230,498
R0550	<i>Risk margin</i>	13,799
R0560	<i>Technical provisions - health (similar to non-life)</i>	0
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	0
R0590	<i>Risk margin</i>	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	10,323
R0610	<i>Technical provisions - health (similar to life)</i>	0
R0620	<i>TP calculated as a whole</i>	0
R0630	<i>Best Estimate</i>	0
R0640	<i>Risk margin</i>	0
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	10,323
R0660	<i>TP calculated as a whole</i>	0
R0670	<i>Best Estimate</i>	9,740
R0680	<i>Risk margin</i>	583
R0690	Technical provisions - index-linked and unit-linked	0
R0700	<i>TP calculated as a whole</i>	0
R0710	<i>Best Estimate</i>	0
R0720	<i>Risk margin</i>	0
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	5,131
R0790	Derivatives	32
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	2,379
R0840	Payables (trade, not insurance)	14,463
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in BOF</i>	
R0870	<i>Subordinated liabilities in BOF</i>	0
R0880	Any other liabilities, not elsewhere shown	0
R0900	Total liabilities	276,625
R1000	Excess of assets over liabilities	117,130

S.05.01.02

Premiums, claims and expenses by line of business

Life

Line of Business for: life insurance obligations						Life reinsurance obligations		Total
Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written								
R1410	Gross							0
R1420	Reinsurers' share							0
R1500	Net				0		0	0
Premiums earned								
R1510	Gross							0
R1520	Reinsurers' share							0
R1600	Net				0		0	0
Claims incurred								
R1610	Gross				-314			-314
R1620	Reinsurers' share				0			0
R1700	Net				-314		0	-314
Changes in other technical provisions								
R1710	Gross							0
R1720	Reinsurers' share							0
R1800	Net				0		0	0
R1900	Expenses incurred				43		0	43
R2500	Other expenses							
R2600	Total expenses							43

S.05.02.01

Premiums, claims and expenses by country

Life

		C0150	C0160	C0170	C0180	C0190	C0200	C0210
		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations			Top 5 countries (by amount of gross premiums written) - life obligations		Total Top 5 and home country
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
R1400								
	Premiums written							
R1410	Gross							0
R1420	Reinsurers' share							0
R1500	Net	0						0
	Premiums earned							
R1510	Gross							0
R1520	Reinsurers' share							0
R1600	Net	0						0
	Claims incurred							
R1610	Gross	-314						-314
R1620	Reinsurers' share	183						183
R1700	Net	-497						-497
	Changes in other technical provisions							
R1710	Gross							0
R1720	Reinsurers' share							0
R1800	Net	0						0
R1900	Expenses incurred	43						43
R2500	Other expenses							
R2600	Total expenses							43

S.12.01.02

Life and Health SLT Technical Provisions

	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, including Unit-Linked)	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)	
	Insurance with profit participation	Contracts without options and guarantees	Contracts with options or guarantees	Contracts without options and guarantees	Contracts with options or guarantees	Contracts without options and guarantees				Contracts with options or guarantees	Contracts without options and guarantees	Contracts with options or guarantees				
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
R0010 Technical provisions calculated as a whole										0						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole										0						
R0020																
Technical provisions calculated as a sum of BE and RM																
Best estimate																
R0030 Gross Best Estimate								9,740		9,740						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default								3,465		3,465						
R0080																
R0090 Best estimate minus recoverables from reinsurance/SPV and Finite Re								6,276		6,276						
R0090																
R0100 Risk margin								583		583						
Amount of the transitional on Technical Provisions																
R0110 Technical Provisions calculated as a whole										0						
R0120 Best estimate										0						
R0130 Risk margin										0						
R0200 Technical provisions - total								10,323		10,323						

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020 Accident year / underwriting year

Gross Claims Paid (non-cumulative)															
(absolute amount)															
Year	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180		
	Development year										In Current year	Sum of years (cumulative)			
	0	1	2	3	4	5	6	7	8	9	10 & +				
R0100	Prior											867	867	867	
R0160	2012	16,378	28,037	8,238	4,367	3,648	1,847	1,811	966	70	143		143	65,505	
R0170	2013	13,598	27,833	9,619	6,320	3,543	2,924	5,567	1,378	727			727	71,510	
R0180	2014	14,966	30,258	11,116	6,126	6,734	3,478	3,289	3,747				3,747	79,714	
R0190	2015	15,027	30,539	8,176	4,970	4,823	3,939	2,304					2,304	69,778	
R0200	2016	18,449	32,927	7,791	5,476	4,884	5,186						5,186	74,714	
R0210	2017	18,641	38,111	8,424	6,152	4,918							4,918	76,246	
R0220	2018	22,060	41,731	8,219	5,931								5,931	77,941	
R0230	2019	24,022	35,133	7,011									7,011	66,166	
R0240	2020	17,290	33,614										33,614	50,904	
R0250	2021	23,416											23,416	23,416	
R0260													Total	87,864	656,761

Gross Undiscounted Best Estimate Claims Provisions														
(absolute amount)														
Year	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360		
	Development year											Year end (discounted data)		
	0	1	2	3	4	5	6	7	8	9	10 & +			
R0100	Prior												6,615	
R0160	2012	0	0	0	0	15,748	11,056	9,138	2,671	2,173	1,129		6,457	
R0170	2013	0	0	0	20,647	18,633	13,050	8,683	5,538	4,714			3,121	
R0180	2014	0	0	34,469	30,227	18,073	14,365	7,359	4,973				4,514	
R0190	2015	0	46,561	35,780	27,018	16,969	10,633	6,754					6,506	
R0200	2016	37,454	53,553	40,201	26,996	20,258	12,073						11,133	
R0210	2017	40,356	62,757	38,373	27,810	19,232							17,985	
R0220	2018	47,553	54,511	40,415	29,206								27,213	
R0230	2019	45,139	45,966	32,525									30,811	
R0240	2020	35,217	42,720										40,707	
R0250	2021	42,282											40,680	
R0260													Total	190,179

S.22.01.21

Impact of long term guarantees measures and transitionals

	Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
	C0010	C0030	C0050	C0070	C0090
R0010 Technical provisions	254,620	0	0	1,945	0
R0020 Basic own funds	102,130	0	0	-1,177	0
R0050 Eligible own funds to meet Solvency Capital Requirement	102,130	0	0	-1,177	0
R0090 Solvency Capital Requirement	76,351	0	0	249	0
R0100 Eligible own funds to meet Minimum Capital Requirement	102,130	0	0	-1,177	0
R0110 Minimum Capital Requirement	30,908	0	0	106	0

S.23.01.01

Own Funds

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35

R0010	Ordinary share capital (gross of own shares)
R0030	Share premium account related to ordinary share capital
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings
R0050	Subordinated mutual member accounts
R0070	Surplus funds
R0090	Preference shares
R0110	Share premium account related to preference shares
R0130	Reconciliation reserve
R0140	Subordinated liabilities
R0160	An amount equal to the value of net deferred tax assets
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above
R0220	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds
R0230	Deductions for participations in financial and credit institutions
R0290	Total basic own funds after deductions

Ancillary own funds

R0300	Unpaid and uncalled ordinary share capital callable on demand
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
R0320	Unpaid and uncalled preference shares callable on demand
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0390	Other ancillary own funds
R0400	Total ancillary own funds

Available and eligible own funds

R0500	Total available own funds to meet the SCR
R0510	Total available own funds to meet the MCR
R0540	Total eligible own funds to meet the SCR
R0550	Total eligible own funds to meet the MCR

R0580	SCR
R0600	MCR
R0620	Ratio of Eligible own funds to SCR
R0640	Ratio of Eligible own funds to MCR

Reconciliation reserve

R0700	Excess of assets over liabilities
R0710	Own shares (held directly and indirectly)
R0720	Foreseeable dividends, distributions and charges
R0730	Other basic own fund items
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
R0760	Reconciliation reserve

Expected profits

R0770	Expected profits included in future premiums (EPIFP) - Life business
R0780	Expected profits included in future premiums (EPIFP) - Non- life business
R0790	Total Expected profits included in future premiums (EPIFP)

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
37,300	37,300		0	
0	0		0	
0	0		0	
0		0	0	0
0	0			
0		0	0	0
0		0	0	0
64,830	64,830			
0		0	0	0
0				0
0	0	0	0	0
0				
0				
0				
0			0	0
0				
0				
0				
0			0	0
102,130	102,130	0	0	0
102,130	102,130	0	0	
102,130	102,130	0	0	0
102,130	102,130	0	0	
76,351				
30,908				
133.76%				
330.43%				
C0060				
117,130				
0				
15,000				
37,300				
64,830				
4,344				
4,344				

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010 Market risk	18,259		
R0020 Counterparty default risk	2,330		
R0030 Life underwriting risk	664		
R0040 Health underwriting risk	0		
R0050 Non-life underwriting risk	70,097		
R0060 Diversification	-13,348		
R0070 Intangible asset risk	0		
R0100 Basic Solvency Capital Requirement	78,002		
Calculation of Solvency Capital Requirement			
R0130 Operational risk	6,959		
R0140 Loss-absorbing capacity of technical provisions	0		
R0150 Loss-absorbing capacity of deferred taxes	-8,609		
R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0		
R0200 Solvency Capital Requirement excluding capital add-on	76,351		
R0210 Capital add-ons already set	0		
R0220 Solvency capital requirement	76,351		
Other information on SCR			
R0400 Capital requirement for duration-based equity risk sub-module	0		
R0410 Total amount of Notional Solvency Capital Requirements for remaining part	0		
R0420 Total amount of Notional Solvency Capital Requirements for ring fenced funds	0		
R0430 Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0		
R0440 Diversification effects due to RFF nSCR aggregation for article 304	0		
Approach to tax rate			
R0590 Approach based on average tax rate	No		
Calculation of loss absorbing capacity of deferred taxes			
LAC DT			
R0640 LAC DT	-8,609		
R0650 LAC DT justified by reversion of deferred tax liabilities	0		
R0660 LAC DT justified by reference to probable future taxable economic profit	0		
R0670 LAC DT justified by carry back, current year	-8,609		
R0680 LAC DT justified by carry back, future years	0		
R0690 Maximum LAC DT	0		

USP Key

For life underwriting risk:

- 1 - Increase in the amount of annuity benefits
- 9 - None

For health underwriting risk:

- 1 - Increase in the amount of annuity benefits
- 2 - Standard deviation for NSLT health premium risk
- 3 - Standard deviation for NSLT health gross premium risk
- 4 - Adjustment factor for non-proportional reinsurance
- 5 - Standard deviation for NSLT health reserve risk
- 9 - None

For non-life underwriting risk:

- 4 - Adjustment factor for non-proportional reinsurance
- 6 - Standard deviation for non-life premium risk
- 7 - Standard deviation for non-life gross premium risk
- 8 - Standard deviation for non-life reserve risk
- 9 - None

S.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations		C0010		
R0010	MCR _{NL} Result	30,776		
			Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
			C0020	C0030
R0020	Medical expense insurance and proportional reinsurance		0	
R0030	Income protection insurance and proportional reinsurance		0	
R0040	Workers' compensation insurance and proportional reinsurance		0	
R0050	Motor vehicle liability insurance and proportional reinsurance		200,157	106,722
R0060	Other motor insurance and proportional reinsurance		9,128	40,615
R0070	Marine, aviation and transport insurance and proportional reinsurance		0	
R0080	Fire and other damage to property insurance and proportional reinsurance		0	
R0090	General liability insurance and proportional reinsurance		0	
R0100	Credit and suretyship insurance and proportional reinsurance		0	
R0110	Legal expenses insurance and proportional reinsurance		0	
R0120	Assistance and proportional reinsurance		0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance		0	
R0140	Non-proportional health reinsurance		0	
R0150	Non-proportional casualty reinsurance		0	
R0160	Non-proportional marine, aviation and transport reinsurance		0	
R0170	Non-proportional property reinsurance		0	
Linear formula component for life insurance and reinsurance obligations		C0040		
R0200	MCR _L Result	132		
			Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
			C0050	C0060
R0210	Obligations with profit participation - guaranteed benefits			
R0220	Obligations with profit participation - future discretionary benefits			
R0230	Index-linked and unit-linked insurance obligations			
R0240	Other life (re)insurance and health (re)insurance obligations		6,276	
R0250	Total capital at risk for all life (re)insurance obligations			
Overall MCR calculation		C0070		
R0300	Linear MCR	30,908		
R0310	SCR	76,351		
R0320	MCR cap	34,358		
R0330	MCR floor	19,088		
R0340	Combined MCR	30,908		
R0350	Absolute floor of the MCR	2,100		
R0400	Minimum Capital Requirement	30,908		

Admiral Insurance Gibraltar Limited

Solvency and Financial Condition Report

Disclosures

31 December

2021

(Monetary amounts in GBP thousands)

General information

Undertaking name	Admiral Insurance Gibraltar Limited
Undertaking identification code	2138003FZ569I9YPG680
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	GI
Language of reporting	en
Reporting reference date	31 December 2021
Currency used for reporting	GBP
Accounting standards	IFRS
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	Use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

- S.02.01.02 - Balance sheet
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.02.01 - Premiums, claims and expenses by country
- S.05.02.01 - Premiums, claims and expenses by country
- S.12.01.02 - Life and Health SLT Technical Provisions
- S.17.01.02 - Non-Life Technical Provisions
- S.19.01.21 - Non-Life insurance claims
- S.22.01.21 - Impact of long term guarantees measures and transitionals
- S.23.01.01 - Own Funds
- S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
- S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
		C0010
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	4,714
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	2,460,280
R0080	<i>Property (other than for own use)</i>	0
R0090	<i>Holdings in related undertakings, including participations</i>	0
R0100	<i>Equities</i>	0
R0110	<i>Equities - listed</i>	
R0120	<i>Equities - unlisted</i>	
R0130	<i>Bonds</i>	1,633,738
R0140	<i>Government Bonds</i>	152,653
R0150	<i>Corporate Bonds</i>	1,265,793
R0160	<i>Structured notes</i>	0
R0170	<i>Collateralised securities</i>	215,292
R0180	<i>Collective Investments Undertakings</i>	749,264
R0190	<i>Derivatives</i>	2,013
R0200	<i>Deposits other than cash equivalents</i>	75,265
R0210	<i>Other investments</i>	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	156,185
R0240	<i>Loans on policies</i>	0
R0250	<i>Loans and mortgages to individuals</i>	
R0260	<i>Other loans and mortgages</i>	156,185
R0270	Reinsurance recoverables from:	1,283,908
R0280	<i>Non-life and health similar to non-life</i>	1,262,696
R0290	<i>Non-life excluding health</i>	1,262,696
R0300	<i>Health similar to non-life</i>	0
R0310	<i>Life and health similar to life, excluding index-linked and unit-linked</i>	21,212
R0320	<i>Health similar to life</i>	0
R0330	<i>Life excluding health and index-linked and unit-linked</i>	21,212
R0340	<i>Life index-linked and unit-linked</i>	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	13,505
R0380	Receivables (trade, not insurance)	15,630
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	38,487
R0420	Any other assets, not elsewhere shown	0
R0500	Total assets	3,972,710

S.02.01.02

Balance sheet

		Solvency II value
		C0010
	Liabilities	
R0510	Technical provisions - non-life	2,393,235
R0520	<i>Technical provisions - non-life (excluding health)</i>	2,393,235
R0530	<i>TP calculated as a whole</i>	0
R0540	<i>Best Estimate</i>	2,312,873
R0550	<i>Risk margin</i>	80,362
R0560	<i>Technical provisions - health (similar to non-life)</i>	0
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	0
R0590	<i>Risk margin</i>	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	62,041
R0610	<i>Technical provisions - health (similar to life)</i>	0
R0620	<i>TP calculated as a whole</i>	0
R0630	<i>Best Estimate</i>	0
R0640	<i>Risk margin</i>	0
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	62,041
R0660	<i>TP calculated as a whole</i>	0
R0670	<i>Best Estimate</i>	59,958
R0680	<i>Risk margin</i>	2,083
R0690	Technical provisions - index-linked and unit-linked	0
R0700	<i>TP calculated as a whole</i>	0
R0710	<i>Best Estimate</i>	0
R0720	<i>Risk margin</i>	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	822,166
R0780	Deferred tax liabilities	0
R0790	Derivatives	181
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	121,992
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	74,881
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in BOF</i>	
R0870	<i>Subordinated liabilities in BOF</i>	0
R0880	Any other liabilities, not elsewhere shown	
R0900	Total liabilities	3,474,496
R1000	Excess of assets over liabilities	498,215

S.12.01.02

Life and Health SLT Technical Provisions

	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, including Unit-Linked)	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)	
	Insurance with profit participation	Contracts without options and guarantees	Contracts with options or guarantees	Contracts without options and guarantees	Contracts with options or guarantees	Contracts without options and guarantees				Contracts with options or guarantees						
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
R0010 Technical provisions calculated as a whole Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole										0						
R0020										0						

Technical provisions calculated as a sum of BE and RM

Best estimate

R0030 Gross Best Estimate								59,958		59,958						
R0080 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default								21,212		21,212						
R0090 Best estimate minus recoverables from reinsurance/SPV and Finite Re								38,745		38,745						
R0100 Risk margin								2,083		2,083						
Amount of the transitional on Technical Provisions																
R0110 Technical Provisions calculated as a whole										0						
R0120 Best estimate										0						
R0130 Risk margin										0						
R0200 Technical provisions - total								62,041		62,041						

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance											Accepted non-proportional reinsurance				Total Non-Life obligation	
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance		Non-proportional property reinsurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	Technical provisions calculated as a whole				0	0		0				0	0					0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	0
Technical provisions calculated as a sum of BE and RM Best estimate																		
Premium provisions																		
R0060	Gross				277,330	118,837		54,521	3,914			658	5,872					461,132
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default				216,211	89,729		40,124	2,786			0	0					348,850
R0150	Net Best Estimate of Premium Provisions				61,119	29,108		14,397	1,128			658	5,872					112,282
Claims provisions																		
R0160	Gross				1,795,477	-26,593		62,678	12,743			1,441	5,994					1,851,741
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default				869,411	-2,896		40,150	7,181			0	0					913,846
R0250	Net Best Estimate of Claims Provisions				926,066	-23,698		22,529	5,562			1,441	5,994					937,895
R0260	Total best estimate - gross				2,072,807	92,244		117,199	16,657			2,099	11,866					2,312,873
R0270	Total best estimate - net				987,186	5,410		36,926	6,690			2,099	11,866					1,050,177
R0280	Risk margin				75,542	414		2,826	512			161	908					80,362
Amount of the transitional on Technical Provisions																		
R0290	Technical Provisions calculated as a whole				0	0		0	0			0	0					0
R0300	Best estimate				0	0		0	0			0	0					0
R0310	Risk margin				0	0		0	0			0	0					0
R0320	Technical provisions - total				2,148,349	92,658		120,025	17,169			2,259	12,774					2,393,235
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total				1,085,622	86,834		80,274	9,967			0	0					1,262,696
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total				1,062,728	5,824		39,752	7,202			2,259	12,774					1,130,539

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020 Accident year / underwriting year

Gross Claims Paid (non-cumulative)														
(absolute amount)														
Year	C0010	C0020	C0030	C0040	Development year						C0100	C0110	C0170	C0180
	0	1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)	
R0100	Prior											5,621	5,621	5,621
R0160	2012	115,062	196,258	58,086	30,789	25,588	12,946	12,683	6,984	488	1,010	1,010	459,894	
R0170	2013	100,365	186,743	59,441	39,789	21,714	20,197	19,275	9,530	4,867		4,867	461,920	
R0180	2014	111,345	206,864	68,977	37,259	43,279	22,472	22,692	13,326			13,326	526,214	
R0190	2015	117,107	233,854	60,760	34,639	32,819	27,152	16,492				16,492	522,822	
R0200	2016	148,753	263,805	61,151	39,719	34,916	36,831					36,831	585,175	
R0210	2017	182,355	383,431	86,099	54,511	43,380						43,380	749,777	
R0220	2018	236,889	433,180	86,482	56,207							56,207	812,757	
R0230	2019	255,751	382,497	73,558								73,558	711,806	
R0240	2020	203,418	390,047									390,047	593,464	
R0250	2021	262,277										262,277	262,277	
R0260												Total	903,615	5,691,728

Gross Undiscounted Best Estimate Claims Provisions													
(absolute amount)													
Year	C0200	C0210	C0220	C0230	Development year						C0300	C0360	
	0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)	
R0100	Prior											40,991	39,879
R0160	2012	1,068	691	762	305	110,475	77,607	63,972	18,851	15,212	7,901		7,360
R0170	2013	3,009	2,406	1,988	146,209	131,608	91,476	59,045	41,582	19,781			19,055
R0180	2014	1,773	1,826	244,909	213,375	127,002	93,650	55,198	29,754				27,970
R0190	2015	2,071	336,468	254,757	191,243	120,499	75,524	47,506					45,109
R0200	2016	273,771	388,122	288,174	191,959	142,872	84,807						78,226
R0210	2017	369,307	571,158	342,904	241,083	166,290							155,775
R0220	2018	469,716	529,990	373,554	275,085								257,038
R0230	2019	459,571	455,443	323,795									306,677
R0240	2020	395,514	464,908										443,723
R0250	2021	486,464											471,709
R0260												Total	1,852,520

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Impact of long term guarantees measures and transitionals

	Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
	C0010	C0030	C0050	C0070	C0090
R0010 Technical provisions	2,455,276	0	0	11,591	0
R0020 Basic own funds	468,215	0	0	-326	0
R0050 Eligible own funds to meet Solvency Capital Requirement	528,215	0	0	-326	0
R0090 Solvency Capital Requirement	403,705	0	0	1,088	0
R0100 Eligible own funds to meet Minimum Capital Requirement	463,500	0	0	-326	0
R0110 Minimum Capital Requirement	141,713	0	0	-295	0

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Own Funds

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35

R0010	Ordinary share capital (gross of own shares)
R0030	Share premium account related to ordinary share capital
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings
R0050	Subordinated mutual member accounts
R0070	Surplus funds
R0090	Preference shares
R0110	Share premium account related to preference shares
R0130	Reconciliation reserve
R0140	Subordinated liabilities
R0160	An amount equal to the value of net deferred tax assets
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above
R0220	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds
R0230	Deductions for participations in financial and credit institutions
R0290	Total basic own funds after deductions

Ancillary own funds

R0300	Unpaid and uncalled ordinary share capital callable on demand
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
R0320	Unpaid and uncalled preference shares callable on demand
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0390	Other ancillary own funds
R0400	Total ancillary own funds

Available and eligible own funds

R0500	Total available own funds to meet the SCR
R0510	Total available own funds to meet the MCR
R0540	Total eligible own funds to meet the SCR
R0550	Total eligible own funds to meet the MCR

R0580	SCR
R0600	MCR
R0620	Ratio of Eligible own funds to SCR
R0640	Ratio of Eligible own funds to MCR

Reconciliation reserve

R0700	Excess of assets over liabilities
R0710	Own shares (held directly and indirectly)
R0720	Foreseeable dividends, distributions and charges
R0730	Other basic own fund items
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
R0760	Reconciliation reserve

Expected profits

R0770	Expected profits included in future premiums (EPIFP) - Life business
R0780	Expected profits included in future premiums (EPIFP) - Non- life business
R0790	Total Expected profits included in future premiums (EPIFP)

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
58	58		0	
14,944	14,944		0	
0	0		0	
0		0	0	0
0	0			
0		0	0	0
0		0	0	0
448,498	448,498			
0		0	0	0
4,714				4,714
0	0	0	0	0
0				
0				
468,215	463,500	0	0	4,714

0				
0				
0				
0				
0				
0				
0				
0				
60,000			60,000	
60,000			60,000	0

528,215	463,500	0	60,000	4,714
463,500	463,500	0	0	
528,215	463,500	0	60,000	4,714
463,500	463,500	0	0	

403,705
141,713
130.84%
327.07%

C0060
498,215
0
30,000
19,716
448,498

56,638
56,638

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Solvency Capital Requirement - for undertakings on Standard Formula

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010 Market risk	105,939		
R0020 Counterparty default risk	20,273		
R0030 Life underwriting risk	4,090		
R0040 Health underwriting risk	0		
R0050 Non-life underwriting risk	285,872		
R0060 Diversification	-76,110		
R0070 Intangible asset risk	0		
R0100 Basic Solvency Capital Requirement	340,064		
Calculation of Solvency Capital Requirement			
R0130 Operational risk	69,656		
R0140 Loss-absorbing capacity of technical provisions	0		
R0150 Loss-absorbing capacity of deferred taxes	-6,015		
R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0		
R0200 Solvency Capital Requirement excluding capital add-on	403,705		
R0210 Capital add-ons already set	0		
R0220 Solvency capital requirement	403,705		
Other information on SCR			
R0400 Capital requirement for duration-based equity risk sub-module	0		
R0410 Total amount of Notional Solvency Capital Requirements for remaining part	0		
R0420 Total amount of Notional Solvency Capital Requirements for ring fenced funds	0		
R0430 Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0		
R0440 Diversification effects due to RFF nSCR aggregation for article 304	0		
Approach to tax rate			
R0590 Approach based on average tax rate	Yes		
Calculation of loss absorbing capacity of deferred taxes			
LAC DT			
C0130			
R0640 LAC DT	-6,015		
R0650 LAC DT justified by reversion of deferred tax liabilities	0		
R0660 LAC DT justified by reference to probable future taxable economic profit	0		
R0670 LAC DT justified by carry back, current year	-6,015		
R0680 LAC DT justified by carry back, future years	0		
R0690 Maximum LAC DT	0		

USP Key

For life underwriting risk:

- 1 - Increase in the amount of annuity benefits
- 9 - None

For health underwriting risk:

- 1 - Increase in the amount of annuity benefits
- 2 - Standard deviation for NSLT health premium risk
- 3 - Standard deviation for NSLT health gross premium risk
- 4 - Adjustment factor for non-proportional reinsurance
- 5 - Standard deviation for NSLT health reserve risk
- 9 - None

For non-life underwriting risk:

- 4 - Adjustment factor for non-proportional reinsurance
- 6 - Standard deviation for non-life premium risk
- 7 - Standard deviation for non-life gross premium risk
- 8 - Standard deviation for non-life reserve risk
- 9 - None

S.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

R0010 MCR_{NL} Result

C0010

140,899

Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
---------------------------------------------------------------------	-------------------------------------------------------------

C0020

C0030

R0020	Medical expense insurance and proportional reinsurance	0	0
R0030	Income protection insurance and proportional reinsurance	0	0
R0040	Workers' compensation insurance and proportional reinsurance	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	987,186	290,392
R0060	Other motor insurance and proportional reinsurance	5,410	122,490
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	0
R0080	Fire and other damage to property insurance and proportional reinsurance	36,926	50,551
R0090	General liability insurance and proportional reinsurance	6,690	1,297
R0100	Credit and suretyship insurance and proportional reinsurance	0	0
R0110	Legal expenses insurance and proportional reinsurance	0	0
R0120	Assistance and proportional reinsurance	2,099	24,730
R0130	Miscellaneous financial loss insurance and proportional reinsurance	11,866	59,658
R0140	Non-proportional health reinsurance	0	0
R0150	Non-proportional casualty reinsurance	0	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	0	0

0	0
0	0
0	0
987,186	290,392
5,410	122,490
0	0
36,926	50,551
6,690	1,297
0	0
0	0
2,099	24,730
11,866	59,658
0	0
0	0
0	0
0	0

Linear formula component for life insurance and reinsurance obligations

R0200 MCR_L Result

C0040

814

Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
---------------------------------------------------------------------	------------------------------------------------

C0050

C0060

R0210	Obligations with profit participation - guaranteed benefits		
R0220	Obligations with profit participation - future discretionary benefits		
R0230	Index-linked and unit-linked insurance obligations		
R0240	Other life (re)insurance and health (re)insurance obligations	38,745	
R0250	Total capital at risk for all life (re)insurance obligations		

38,745	

Overall MCR calculation

R0300	Linear MCR	141,713
R0310	SCR	403,705
R0320	MCR cap	181,667
R0330	MCR floor	100,926
R0340	Combined MCR	141,713
R0350	Absolute floor of the MCR	2,100
R0400	Minimum Capital Requirement	141,713

C0070

141,713
403,705
181,667
100,926
141,713
2,100
141,713